Section 1: 10-Q (10-Q)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2020

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 001-36786

RESTAURANT BRANDS INTERNATIONAL INC.

(Exact Name of Registrant as Specified in its Charter)

Canada	**98-1202754**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
130 King Street West, Suite 300 Toronto, Ontario	**M5X 1E1**
(Address of Principal Executive Offices)	**(Zip Code)**

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbols	Name of each exchange on which registered
Common Shares, without par value	**QSR**	**New York Stock Exchange** **Toronto Stock Exchange**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

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Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 20, 2020, there were 303,902,641 common shares of the Registrant outstanding.

RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES

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PART I — Financial Information

Item 1. Financial Statements

RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(In millions of U.S. dollars, except share data)
(Unaudited)

	As of	
	September 30, 2020	**December 31, 2019**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,919	$ 1,533
Accounts and notes receivable, net of allowance of $37 and $13, respectively	589	527
Inventories, net	87	84
Prepaids and other current assets	85	52
Total current assets	2,680	2,196
Property and equipment, net of accumulated depreciation and amortization of $831 and $746, respectively	1,975	2,007
Operating lease assets, net	1,122	1,176
Intangible assets, net	10,415	10,563
Goodwill	5,571	5,651
Net investment in property leased to franchisees	63	48
Other assets, net	707	719
Total assets	$ 22,533	$ 22,360
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts and drafts payable	$ 523	$ 644
Other accrued liabilities	883	790
Gift card liability	108	168
Current portion of long-term debt and finance leases	107	101
Total current liabilities	1,621	1,703
Long-term debt, net of current portion	12,300	11,759
Finance leases, net of current portion	304	288
Operating lease liabilities, net of current portion	1,054	1,089
Other liabilities, net	1,917	1,698
Deferred income taxes, net	1,422	1,564
Total liabilities	18,618	18,101
Shareholders' equity:		
Common shares, no par value; Unlimited shares authorized at September 30, 2020 and December 31, 2019; 303,877,203 shares issued and outstanding at September 30, 2020; 298,281,081 shares issued and outstanding at December 31, 2019	2,648	2,478
Retained earnings	692	775
Accumulated other comprehensive income (loss)	(997)	(763)
Total Restaurant Brands International Inc. shareholders' equity	2,343	2,490
Noncontrolling interests	1,572	1,769
Total shareholders' equity	3,915	4,259
Total liabilities and shareholders' equity	$ 22,533	$ 22,360

See accompanying notes to condensed consolidated financial statements.

RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(In millions of U.S. dollars, except per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Revenues:				
Sales	$ 541	$ 624	$ 1,450	$ 1,735
Franchise and property revenues	796	834	2,160	2,389
Total revenues	1,337	1,458	3,610	4,124
Operating costs and expenses:				
Cost of sales	418	475	1,156	1,334
Franchise and property expenses	128	133	388	401
Selling, general and administrative expenses	302	320	922	948
(Income) loss from equity method investments	18	(11)	36	(11)
Other operating expenses (income), net	54	(30)	59	(44)
Total operating costs and expenses	920	887	2,561	2,628
Income from operations	417	571	1,049	1,496
Interest expense, net	129	137	376	406
Loss on early extinguishment of debt	—	4	—	4
Income before income taxes	288	430	673	1,086
Income tax expense	65	79	62	232
Net income	223	351	611	854
Net income attributable to noncontrolling interests (Note 12)	78	150	216	376
Net income attributable to common shareholders	$ 145	$ 201	$ 395	$ 478
Earnings per common share				
Basic	$ 0.48	$ 0.76	$ 1.31	$ 1.85
Diluted	$ 0.47	$ 0.75	$ 1.30	$ 1.82
Weighted average shares outstanding				
Basic	303	267	301	258
Diluted	470	470	469	469

See accompanying notes to condensed consolidated financial statements.

RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Income (Loss)
(In millions of U.S. dollars)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net income	$ 223	$ 351	$ 611	$ 854
Foreign currency translation adjustment	239	(173)	(170)	185
Net change in fair value of net investment hedges, net of tax of $40, $(37), $(12) and $2	(198)	143	39	27
Net change in fair value of cash flow hedges, net of tax of $7, $9, $99 and $43	(17)	(25)	(268)	(116)
Amounts reclassified to earnings of cash flow hedges, net of tax of $(8), $(2), $(18) and $(3)	22	5	51	7
Other comprehensive income (loss)	46	(50)	(348)	103
Comprehensive income (loss)	269	301	263	957
Comprehensive income (loss) attributable to noncontrolling interests	94	129	91	424
Comprehensive income (loss) attributable to common shareholders	$ 175	$ 172	$ 172	$ 533

See accompanying notes to condensed consolidated financial statements.

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RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Shareholders' Equity

(In millions of U.S. dollars, except shares and per share data)

(Unaudited)

	Issued Common Shares		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total
	Shares	Amount				
Balances at December 31, 2019	298,281,081	$ 2,478	$ 775	(763)	$ 1,769	$ 4,259
Stock option exercises	1,053,264	30	—	—	—	30
Share-based compensation	—	19	—	—	—	19
Issuance of shares	255,325	6	—	—	—	6
Dividends declared ($0.52 per share)	—	—	(156)	—	—	(156)
Dividend equivalents declared on restricted stock units	—	2	(2)	—	—	—
Distributions declared by Partnership on Partnership exchangeable units ($0.52 per unit)	—	—	—	—	(86)	(86)
Exchange of Partnership exchangeable units for RBI common shares	178,046	2	—	—	(2)	—
Restaurant VIE contributions (distributions)	—	—	—	—	(1)	(1)
Net income	—	—	144	—	80	224
Other comprehensive income (loss)	—	—	—	(350)	(193)	(543)
Balances at March 31, 2020	299,767,716	$ 2,537	$ 761	$ (1,113)	$ 1,567	$ 3,752
Stock option exercises	316,172	11	—	—	—	11
Share-based compensation	—	20	—	—	—	20
Issuance of shares	45,071	—	—	—	—	—
Dividends declared ($0.52 per share)	—	—	(158)	—	—	(158)
Dividend equivalents declared on restricted stock units	—	1	(1)	—	—	—
Distributions declared by Partnership on Partnership exchangeable units ($0.52 per unit)	—	—	—	—	(85)	(85)
Exchange of Partnership exchangeable units for RBI common shares	2,494,854	33	—	(9)	(24)	—
Restaurant VIE contributions (distributions)	—	—	—	—	(1)	(1)
Net income	—	—	106	—	58	164
Other comprehensive income (loss)	—	—	—	97	52	149
Balances at June 30, 2020	302,623,813	$ 2,602	$ 708	$ (1,025)	$ 1,567	$ 3,852
Stock option exercises	567,636	19	—	—	—	19
Share-based compensation	—	16	—	—	—	16
Issuance of shares	63,686	—	—	—	—	—
Dividends declared ($0.52 per share)	—	—	(158)	—	—	(158)
Dividend equivalents declared on restricted stock units	—	3	(3)	—	—	—
Distributions declared by Partnership on Partnership exchangeable units ($0.52 per unit)	—	—	—	—	(84)	(84)
Exchange of Partnership exchangeable units for RBI common shares	622,068	8	—	(2)	(6)	—
Restaurant VIE contributions (distributions)	—	—	—	—	1	1
Net income	—	—	145	—	78	223
Other comprehensive income (loss)	—	—	—	30	16	46
Balances at September 30, 2020	303,877,203	$ 2,648	$ 692	$ (997)	$ 1,572	$ 3,915

See accompanying notes to condensed consolidated financial statements.

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RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Shareholders' Equity

(In millions of U.S. dollars, except shares and per share data)

(Unaudited)

	Issued Common Shares					
	Shares	Amount	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total
Balances at December 31, 2018	251,532,493	$ 1,737	$ 674	$ (800)	$ 2,007	$ 3,618
Cumulative effect adjustment	—	—	12	—	9	21
Stock option exercises	2,019,620	42	—	—	—	42
Share-based compensation	—	22	—	—	—	22
Issuance of shares	134,809	7	—	—	—	7
Dividends declared ($0.50 per share)	—	—	(127)	—	—	(127)
Dividend equivalents declared on restricted stock units	—	2	(2)	—	—	—
Distributions declared by Partnership on Partnership exchangeable units ($0.50 per unit)	—	—	—	—	(104)	(104)
Exchange of Partnership exchangeable units for RBI common shares	141,190	2	—	(1)	(1)	—
Net income	—	—	135	—	111	246
Other comprehensive income (loss)	—	—	—	26	22	48
Balances at March 31, 2019	253,828,112	$ 1,812	$ 692	$ (775)	$ 2,044	$ 3,773
Stock option exercises	1,697,488	38	—	—	—	38
Share-based compensation	—	17	—	—	—	17
Issuance of shares	59,970	—	—	—	—	—
Dividends declared ($0.50 per share)	—	—	(128)	—	—	(128)
Dividend equivalents declared on restricted stock units	—	2	(2)	—	—	—
Distributions declared by Partnership on Partnership exchangeable units ($0.50 per unit)	—	—	—	—	(103)	(103)
Exchange of Partnership exchangeable units for RBI common shares	45,325	1	—	—	(1)	—
Restaurant VIE contributions (distributions)	—	—	—	—	1	1
Net income	—	—	142	—	115	257
Other comprehensive income (loss)	—	—	—	58	47	105
Balances at June 30, 2019	255,630,895	$ 1,870	$ 704	$ (717)	$ 2,103	$ 3,960
Stock option exercises	636,918	19	—	—	—	19
Share-based compensation	—	17	—	—	—	17
Issuance of shares	20,700	—	—	—	—	—
Dividends declared ($0.50 per share)	—	—	(141)	—	—	(141)
Dividend equivalents declared on restricted stock units	—	2	(2)	—	—	—
Distributions declared by Partnership on Partnership exchangeable units ($0.50 per unit)	—	—	—	—	(92)	(92)
Exchange of Partnership exchangeable units for RBI common shares	41,807,254	552	—	(118)	(434)	—
Restaurant VIE contributions (distributions)	—	—	—	—	(1)	(1)
Net income	—	—	201	—	150	351
Other comprehensive income (loss)	—	—	—	(29)	(21)	(50)
Balances at September 30, 2019	298,095,767	$ 2,460	$ 762	$ (864)	$ 1,705	$ 4,063

See accompanying notes to condensed consolidated financial statements.

RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(In millions of U.S. dollars)
(Unaudited)

	Nine Months Ended September 30,	
	2020	**2019**
Cash flows from operating activities:		
Net income	$ 611	$ 854
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	139	139
Premiums paid and non-cash loss on early extinguishment of debt	—	4
Amortization of deferred financing costs and debt issuance discount	19	22
(Income) loss from equity method investments	36	(11)
(Gain) loss on remeasurement of foreign denominated transactions	54	(38)
Net (gains) losses on derivatives	14	(43)
Share-based compensation expense	55	56
Deferred income taxes	(120)	(16)
Other	23	1
Changes in current assets and liabilities, excluding acquisitions and dispositions:		
Accounts and notes receivable	(83)	(7)
Inventories and prepaids and other current assets	(21)	(34)
Accounts and drafts payable	(110)	(15)
Other accrued liabilities and gift card liability	(12)	(85)
Tenant inducements paid to franchisees	(7)	(13)
Other long-term assets and liabilities	10	97
Net cash provided by operating activities	608	911
Cash flows from investing activities:		
Payments for property and equipment	(71)	(32)
Net proceeds from disposal of assets, restaurant closures, and refranchisings	9	22
Settlement/sale of derivatives, net	29	17
Net cash (used for) provided by investing activities	(33)	7
Cash flows from financing activities:		
Proceeds from revolving line of credit and long-term debt	1,585	750
Repayments of revolving line of credit, long-term debt and finance leases	(1,071)	(290)
Payment of financing costs	(10)	(13)
Payment of dividends on common shares and distributions on Partnership exchangeable units	(716)	(669)
Proceeds from stock option exercises	60	99
(Payments) proceeds from derivatives	(29)	17
Other financing activities, net	(1)	—
Net cash used for financing activities	(182)	(106)
Effect of exchange rates on cash and cash equivalents	(7)	7
Increase (decrease) in cash and cash equivalents	386	819
Cash and cash equivalents at beginning of period	1,533	913
Cash and cash equivalents at end of period	$ 1,919	$ 1,732
Supplemental cash flow disclosures:		
Interest paid	$ 315	$ 433
Income taxes paid	$ 163	$ 171

See accompanying notes to condensed consolidated financial statements.

RESTAURANT BRANDS INTERNATIONAL INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 1. Description of Business and Organization

Restaurant Brands International Inc. (the "Company", "RBI", "we", "us" or "our") was formed on August 25, 2014 and continued under the laws of Canada. The Company serves as the sole general partner of Restaurant Brands International Limited Partnership ("Partnership"). We franchise and operate quick service restaurants serving premium coffee and other beverage and food products under the *Tim Hortons*® brand ("Tim Hortons" or "TH"), fast food hamburgers principally under the *Burger King*® brand ("Burger King" or "BK"), and chicken under the *Popeyes*® brand ("Popeyes" or "PLK"). We are one of the world's largest quick service restaurant, or QSR, companies as measured by total number of restaurants. As of September 30, 2020, we franchised or owned 4,934 Tim Hortons restaurants, 18,675 Burger King restaurants, and 3,418 Popeyes restaurants, for a total of 27,027 restaurants, and operate in more than 100 countries and U.S. territories. Approximately 100% of current system-wide restaurants are franchised.

All references to "$" or "dollars" are to the currency of the United States unless otherwise indicated. All references to "Canadian dollars" or "C$" are to the currency of Canada unless otherwise indicated.

COVID-19

The global crisis resulting from the spread of coronavirus ("COVID-19") has had a substantial impact on our global restaurant operations for the three and nine months ended September 30, 2020, which is expected to continue with the timing of recovery uncertain. During the three and nine months ended September 30, 2020, some TH, BK and PLK restaurants were temporarily closed in certain countries and many of the restaurants that remained open had limited operations, such as Drive-thru, Takeout and Delivery (where applicable). This has continued into the fourth quarter of 2020.

Our operating results substantially depend upon our franchisees' sales volumes, restaurant profitability, and financial stability. The financial impact of COVID-19 has had, and is expected to continue for an uncertain period to have, an adverse effect on many of our franchisees' liquidity and we have worked closely with our franchisees to monitor and assist them with access to appropriate sources of liquidity in order to sustain their businesses throughout this crisis, such as offering rent relief programs for eligible franchisees who lease property from us. See Note 4, *Leases*, for further information about the rent relief programs. Additionally, we provided cash flow support by extending loans to eligible BK franchisees in the U.S. during the second and third quarters of 2020, and by advancing certain cash payments to eligible TH franchisees in Canada during the second quarter of 2020.

During the nine months ended September 30, 2020, we recorded bad debt expense of $27 million compared to $3 million during the nine months ended September 30, 2019. While these receivables remain contractually due and payable to us, the certainty of the amount and timing of payments has been impacted by the COVID-19 pandemic. Therefore, our bad debt expense during the nine months ended September 30, 2020 reflects an adjustment to our historical collections experience to incorporate an estimate of the impact of current economic conditions resulting from the COVID-19 pandemic. Actual collections may be materially higher or lower than this estimate reflects since it is reasonably possible the duration and future impact of the COVID-19 pandemic on our business or our franchisees may differ from our assumptions. Ongoing material adverse effects of the COVID-19 pandemic on our franchisees for an extended period could negatively affect our operating results, including reductions in revenue and cash flow and could impact our impairment assessments of accounts receivable, intangible assets, long-lived assets or goodwill.

Note 2. Basis of Presentation and Consolidation

We have prepared the accompanying unaudited condensed consolidated financial statements (the "Financial Statements") in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC") for interim financial information. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America ("U.S. GAAP") for complete financial statements. Therefore, the Financial Statements should be read in conjunction with the audited consolidated financial statements contained in our Annual Report on Form 10-K filed with the SEC and Canadian securities regulatory authorities on February 21, 2020.

The Financial Statements include our accounts and the accounts of entities in which we have a controlling financial interest, the usual condition of which is ownership of a majority voting interest. All material intercompany balances and transactions have been eliminated in consolidation. Investments in other affiliates that are owned 50% or less where we have significant influence are accounted for by the equity method.

We are the sole general partner of Partnership and, as such we have the exclusive right, power and authority to manage, control, administer and operate the business and affairs and to make decisions regarding the undertaking and business of Partnership, subject to the terms of the amended and restated limited partnership agreement of Partnership (the "partnership agreement") and applicable laws. As a result, we consolidate the results of Partnership and record a noncontrolling interest in our consolidated balance sheets and statements of operations with respect to the remaining economic interest in Partnership we do not hold.

We also consider for consolidation entities in which we have certain interests, where the controlling financial interest may be achieved through arrangements that do not involve voting interests. Such an entity, known as a variable interest entity ("VIE"), is required to be consolidated by its primary beneficiary. The primary beneficiary is the entity that possesses the power to direct the activities of the VIE that most significantly impact its economic performance and has the obligation to absorb losses or the right to receive benefits from the VIE that are significant to it. Our maximum exposure to loss resulting from involvement with VIEs is attributable to accounts and notes receivable balances, outstanding loan guarantees and future lease payments, where applicable.

As our franchise and master franchise arrangements provide the franchise and master franchise entities the power to direct the activities that most significantly impact their economic performance, we do not consider ourselves the primary beneficiary of any such entity that might be a VIE.

Tim Hortons has historically entered into certain arrangements in which an operator acquires the right to operate a restaurant, but Tim Hortons owns the restaurant's assets. We perform an analysis to determine if the legal entity in which operations are conducted is a VIE and consolidate a VIE entity if we also determine Tim Hortons is the entity's primary beneficiary ("Restaurant VIEs"). As of September 30, 2020 and December 31, 2019, we determined that we are the primary beneficiary of 40 and 35 Restaurant VIEs, respectively, and accordingly, have consolidated the results of operations, assets and liabilities, and cash flows of these Restaurant VIEs in our Financial Statements. Material intercompany accounts and transactions have been eliminated in consolidation.

In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation have been included in the Financial Statements. The results for interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the full year.

The preparation of consolidated financial statements in conformity with U.S. GAAP and related rules and regulations of the SEC requires our management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

The carrying amounts for cash and cash equivalents, accounts and notes receivable and accounts and drafts payable approximate fair value based on the short-term nature of these amounts.

Certain prior year amounts in the accompanying Financial Statements and notes to the Financial Statements have been reclassified in order to be comparable with the current year classifications. These reclassifications had no effect on previously reported net income.

Note 3. New Accounting Pronouncements

Credit Losses – In June 2016, the Financial Accounting Standards Board ("FASB") issued guidance that requires companies to measure and recognize lifetime expected credit losses for certain financial instruments, including trade accounts receivable and net investments in direct financing and sales-type leases. Expected credit losses are estimated using relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. This amendment was effective commencing in 2020, using a modified retrospective approach. The adoption of this new guidance did not have a material impact on our Financial Statements.

Simplifying the Accounting for Income Taxes – In December 2019, the FASB issued guidance which simplifies the accounting for income taxes by removing certain exceptions and by clarifying and amending existing guidance applicable to accounting for income taxes. The amendment is effective commencing in 2021 with early adoption permitted. While we are currently evaluating the impact that the adoption of this new guidance will have on our Financial Statements, we do not currently anticipate this adoption will have a material impact on our Financial Statements.

Accounting Relief for the Transition Away from LIBOR and Certain other Reference Rates – In March 2020, the FASB issued guidance which provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. This amendment is effective as of March 12, 2020 through December 31, 2022. The expedients and exceptions provided by this new guidance do not apply to contract modifications made and hedging relationships entered into or evaluated after December 31, 2022, except for hedging relationships existing as of December 31, 2022, that an entity has elected certain optional expedients for and that are retained through the end of the hedging relationships. We are currently evaluating the impact that the adoption of this new guidance will have on our Financial Statements and have not adopted any of the transition relief available under the new guidance as of September 30, 2020.

Note 4. Leases

During the nine months ended September 30, 2020, we offered a rent relief program for eligible TH franchisees in Canada who lease property from us (the "TH rent relief program") and a rent relief program for eligible BK franchisees in the U.S. and Canada who lease property from us (the "BK rent relief program" and together with the TH rent relief program, the "rent relief programs"), a portion of which concluded during the three months ended September 30, 2020. Under the rent relief programs, we temporarily converted the rent structure from a combination of fixed plus variable rent to 100% variable rent. While in effect, these programs result in a reduction in our property revenues.

In April 2020, the FASB staff issued interpretive guidance that indicated it would be acceptable for entities to make an election to account for lease concessions related to the effects of the COVID-19 pandemic consistent with how those concessions would be accounted for under Accounting Standards Codification Topic 842, Leases ("ASC 842"), as though enforceable rights and obligations for those concessions existed (regardless of whether those enforceable rights and obligations for the concessions explicitly exist in the contract). Consequently, for concessions related to the effects of the COVID-19 pandemic, an entity is not required to analyze each contract to determine whether enforceable rights and obligations for concessions exist in the contract and can elect to apply or not apply the lease modification guidance in ASC 842 to those contracts. This election is available for concessions related to the effects of the COVID-19 pandemic that do not result in a substantial increase in the rights of the lessor or the obligations of the lessee.

We have elected to apply this interpretive guidance to the rent relief programs while in effect and have assumed that enforceable rights and obligations for those concessions exist in the lease contract. As such, we recognize reductions in rents arising from the rent relief programs as reductions in variable lease payments, as the rent reductions did not result in a substantial increase in the rights of the lessor or the obligations of the lessee.

Property revenues are comprised primarily of lease income from operating leases and earned income on direct financing leases with franchisees as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Lease income - operating leases				
Minimum lease payments	$ 112	$ 112	$ 333	$ 335
Variable lease payments	82	100	191	281
Amortization of favorable and unfavorable income lease contracts, net	1	1	4	5
Subtotal - lease income from operating leases	195	213	528	621
Earned income on direct financing leases	1	2	4	7
Total property revenues	$ 196	$ 215	$ 532	$ 628

Note 5. Revenue Recognition

Contract Liabilities

Contract liabilities consist of deferred revenue resulting from initial and renewal franchise fees paid by franchisees, as well as upfront fees paid by master franchisees, which are generally recognized on a straight-line basis over the term of the underlying agreement. We may recognize unamortized upfront fees when a contract with a franchisee or master franchisee is modified and is accounted for as a termination of the existing contract. We classify these contract liabilities as Other liabilities, net in our condensed consolidated balance sheets. The following table reflects the change in contract liabilities between December 31, 2019 and September 30, 2020 (in millions):

Contract Liabilities	TH	BK	PLK	Consolidated
Balance at December 31, 2019	$ 64	$ 449	$ 28	$ 541
Recognized during period and included in the contract liability balance at the beginning of the year	(7)	(50)	(2)	(59)
Increase, excluding amounts recognized as revenue during the period	5	15	9	29
Impact of foreign currency translation	(1)	7	—	6
Balance at September 30, 2020	$ 61	$ 421	$ 35	$ 517

The following table illustrates estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of September 30, 2020 (in millions):

Contract liabilities expected to be recognized in	TH	BK	PLK	Consolidated
Remainder of 2020	$ 2	$ 9	$ 1	$ 12
2021	8	34	2	44
2022	8	33	2	43
2023	7	32	2	41
2024	7	31	2	40
Thereafter	29	282	26	337
Total	$ 61	$ 421	$ 35	$ 517

Disaggregation of Total Revenues

Total revenues consist of the following (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Sales	$ 541	$ 624	$ 1,450	$ 1,735
Royalties	581	602	1,576	1,706
Property revenues	196	215	532	628
Franchise fees and other revenue	19	17	52	55
Total revenues	$ 1,337	$ 1,458	$ 3,610	$ 4,124

Note 6. Earnings per Share

An economic interest in Partnership common equity is held by the holders of Class B exchangeable limited partnership units (the "Partnership exchangeable units"), which is reflected as a noncontrolling interest in our equity. See Note 12, *Shareholders' Equity*.

Basic and diluted earnings per share is computed using the weighted average number of shares outstanding for the period. We apply the treasury stock method to determine the dilutive weighted average common shares represented by outstanding equity awards, unless the effect of their inclusion is anti-dilutive. The diluted earnings per share calculation assumes conversion of 100% of the Partnership exchangeable units under the "if converted" method. Accordingly, the numerator is also adjusted to include the earnings allocated to the holders of noncontrolling interests.

The following table summarizes the basic and diluted earnings per share calculations (in millions, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Numerator:				
Net income attributable to common shareholders - basic	$ 145	$ 201	$ 395	$ 478
Add: Net income attributable to noncontrolling interests	78	150	215	376
Net income available to common shareholders and noncontrolling interests - diluted	$ 223	$ 351	$ 610	$ 854
Denominator:				
Weighted average common shares - basic	303	267	301	258
Exchange of noncontrolling interests for common shares (Note 12)	162	197	164	204
Effect of other dilutive securities	5	6	4	7
Weighted average common shares - diluted	470	470	469	469
Basic earnings per share (a)	$ 0.48	$ 0.76	$ 1.31	$ 1.85
Diluted earnings per share (a)	$ 0.47	$ 0.75	$ 1.30	$ 1.82
Anti-dilutive securities outstanding	8	3	8	3

(a) Earnings per share may not recalculate exactly as it is calculated based on unrounded numbers.

Note 7. Intangible Assets, net and Goodwill

Intangible assets, net and goodwill consist of the following (in millions):

	As of					
	September 30, 2020			December 31, 2019		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Identifiable assets subject to amortization:						
Franchise agreements	$ 724	$ (252)	$ 472	$ 720	$ (225)	$ 495
Favorable leases	116	(63)	53	127	(65)	62
Subtotal	840	(315)	525	847	(290)	557
Indefinite-lived intangible assets:						
Tim Hortons brand	$ 6,390	$ —	$ 6,390	$ 6,534	$ —	$ 6,534
Burger King brand	2,145	—	2,145	2,117	—	2,117
Popeyes brand	1,355	—	1,355	1,355	—	1,355
Subtotal	9,890	—	9,890	10,006	—	10,006
Intangible assets, net			$ 10,415			$ 10,563
Goodwill						
Tim Hortons segment	$ 4,119			$ 4,207		
Burger King segment	606			598		
Popeyes segment	846			846		
Total	$ 5,571			$ 5,651		

Amortization expense on intangible assets totaled $11 million and $12 million for the three months ended September 30, 2020 and 2019, respectively, and $33 million and $33 million for the nine months ended September 30, 2020 and 2019, respectively. The change in the brands and goodwill balances during the nine months ended September 30, 2020 was due to the impact of foreign currency translation.

Note 8. Equity Method Investments

The aggregate carrying amount of our equity method investments was $198 million and $266 million as of September 30, 2020 and December 31, 2019, respectively, and is included as a component of Other assets, net in our accompanying condensed consolidated balance sheets. TH and BK both have equity method investments. PLK does not have any equity method investments.

With respect to our TH business, the most significant equity method investment is our 50% joint venture interest with The Wendy's Company (the "TIMWEN Partnership"), which jointly holds real estate underlying Canadian combination restaurants. Distributions received from this joint venture were $2 million and $3 million during the three months ended September 30, 2020 and 2019, respectively. Distributions received from this joint venture were $6 million and $10 million during the nine months ended September 30, 2020 and 2019, respectively.

Except for the following equity method investments, no quoted market prices are available for our other equity method investments. The aggregate market value of our 15.2% equity interest in Carrols Restaurant Group, Inc. ("Carrols") based on the quoted market price on September 30, 2020 was approximately $61 million. The aggregate market value of our 9.8% equity interest in BK Brasil Operação e Assessoria a Restaurantes S.A. based on the quoted market price on September 30, 2020 was approximately $43 million.

We have equity interests in entities that own or franchise Tim Hortons or Burger King restaurants. Franchise and property revenues recognized from franchisees that are owned or franchised by entities in which we have an equity interest consist of the following (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Revenues from affiliates:				
Royalties	$ 82	$ 89	$ 209	$ 254
Property revenues	8	8	24	25
Franchise fees and other revenue	4	1	10	7
Total	$ 94	$ 98	$ 243	$ 286

We recognized $4 million and $5 million of rent expense associated with the TIMWEN Partnership during the three months ended September 30, 2020 and 2019, respectively. We recognized $11 million and $14 million of rent expense associated with the TIMWEN Partnership during the nine months ended September 30, 2020 and 2019, respectively.

At September 30, 2020 and December 31, 2019, we had $72 million and $47 million, respectively, of accounts receivable, net from our equity method investments which were recorded in Accounts and notes receivable, net in our condensed consolidated balance sheets.

Note 9. Other Accrued Liabilities and Other Liabilities, net

Other accrued liabilities (current) and other liabilities, net (noncurrent) consist of the following (in millions):

	As of	
	September 30, 2020	December 31, 2019
Current:		
Dividend payable	$ 243	$ 232
Interest payable	106	71
Accrued compensation and benefits	62	57
Taxes payable	157	126
Deferred income	41	35
Accrued advertising expenses	65	40
Restructuring and other provisions	12	8
Current portion of operating lease liabilities	128	126
Other	69	95
Other accrued liabilities	$ 883	$ 790
Noncurrent:		
Taxes payable	$ 604	$ 579
Contract liabilities	517	541
Derivatives liabilities	592	341
Unfavorable leases	83	103
Accrued pension	55	65
Deferred income	26	25
Other	40	44
Other liabilities, net	$ 1,917	$ 1,698

Note 10. Long-Term Debt

Long-term debt consists of the following (in millions):

	As of	
	September 30, 2020	December 31, 2019
Term Loan B (due November 19, 2026)	$ 5,310	$ 5,350
Term Loan A (due October 7, 2024)	736	750
2017 4.25% Senior Notes (due May 15, 2024)	1,500	1,500
2019 3.875% Senior Notes (due January 15, 2028)	750	750
2020 5.75% Senior Notes (due April 15, 2025)	500	—
2017 5.00% Senior Notes (due October 15, 2025)	2,800	2,800
2019 4.375% Senior Notes (due January 15, 2028)	750	750
TH Facility and other	171	81
Less: unamortized deferred financing costs and deferred issue discount	(139)	(148)
Total debt, net	12,378	11,833
Less: current maturities of debt	(78)	(74)
Total long-term debt	$ 12,300	$ 11,759

Credit Facilities

In March 2020, we drew $995 million on our senior secured revolving credit facility (the "Revolving Credit Facility"), which we repaid in June 2020. As of September 30, 2020, we had no amounts outstanding under our Revolving Credit Facility, had $2 million of letters of credit issued against the Revolving Credit Facility, and our borrowing availability under our Revolving Credit Facility was $998 million. Funds available under the Revolving Credit Facility may be used to repay other debt, finance debt or share repurchases, fund acquisitions or capital expenditures and for other general corporate purposes. We have a $125 million letter of credit sublimit as part of the Revolving Credit Facility, which reduces our borrowing availability thereunder by the cumulative amount of outstanding letters of credit.

On April 2, 2020, two of our subsidiaries (the "Borrowers") entered into a fifth amendment (the "Fifth Amendment") to the credit agreement (the "Credit Agreement") governing our senior secured term loan facilities (the "Term Loan Facilities") and Revolving Credit Facility. The Fifth Amendment provides the Borrowers with the option to comply with a $1,000 million minimum liquidity covenant in lieu of the 6.50:1.00 net first lien senior secured leverage ratio financial maintenance covenant for the period after June 30, 2020 and prior to September 30, 2021. Additionally, for the periods ending September 30, 2021 and December 31, 2021, to determine compliance with the net first lien senior secured leverage ratio, we are permitted to annualize the Adjusted EBITDA (as defined in the Credit Agreement) for the three months ending September 30, 2021 and six months ending December 31, 2021, respectively, in lieu of calculating the ratio based on Adjusted EBITDA for the prior four quarters. There were no other material changes to the terms of the Credit Agreement.

TH Facility

One of our subsidiaries entered into a non-revolving delayed drawdown term credit facility in a total aggregate principal amount of C$225 million with a maturity date of October 4, 2025 (the "TH Facility"). The interest rate applicable to the TH Facility is the Canadian Bankers' Acceptance rate plus an applicable margin equal to 1.40% or the Prime Rate plus an applicable margin equal to 0.40%, at our option. Obligations under the TH Facility are guaranteed by four of our subsidiaries, and amounts borrowed under the TH Facility are secured by certain parcels of real estate. During the nine months ended September 30, 2020, we drew down the remaining availability of C$125 million under the TH Facility and, as of September 30, 2020, we had outstanding C$224 million under the TH Facility with a weighted average interest rate of 1.88%.

2020 First Lien Senior Notes

On April 7, 2020, the Borrowers entered into an indenture (the "2020 5.75% Senior Notes Indenture") in connection with the issuance of $500 million of 5.75% first lien notes due April 15, 2025 (the "2020 5.75% Senior Notes"). No principal payments are due until maturity and interest is paid semi-annually. The net proceeds from the offering of the 2020 5.75% Senior Notes were used for general corporate purposes. In connection with the issuance of the 2020 5.75% Senior Notes, we capitalized approximately $9 million in debt issuance costs.

Obligations under the 2020 5.75% Senior Notes are guaranteed on a senior secured basis, jointly and severally, by the Borrowers and substantially all of the Borrowers' Canadian and U.S. subsidiaries, including The TDL Group Corp., Burger King Worldwide, Inc., Popeyes Louisiana Kitchen, Inc. and substantially all of their respective Canadian and U.S. subsidiaries (the "Note Guarantors"). The 2020 5.75% Senior Notes are first lien senior secured obligations and rank equal in right of payment with all of the existing and future first lien senior debt of the Borrowers and Note Guarantors, including borrowings and guarantees of the Credit Facilities.

Our 2020 5.75% Senior Notes may be redeemed in whole or in part, on or after April 15, 2022 at the redemption prices set forth in the 2020 5.75% Senior Notes Indenture, plus accrued and unpaid interest, if any, at the date of redemption. The 2020 5.75% Senior Notes Indenture also contains optional redemption provisions related to tender offers, change of control and equity offerings, among others.

2020 Second Lien Senior Notes

On October 5, 2020, the Borrowers entered into an indenture (the "2020 4.00% Senior Notes Indenture") in connection with the issuance of $1,400 million of 4.00% second lien notes due October 15, 2030 (the "October 2020 4.00% Senior Notes"). No principal payments are due until maturity and interest is paid semi-annually. On October 16, 2020, the proceeds from the offering of the October 2020 4.00% Senior Notes were used to redeem $1,350 million of the outstanding aggregate principal amount of our existing $2,800 million 2017 5.00% Senior Notes (due October 15, 2025) and pay related redemption premiums, fees and expenses.

On October 14, 2020, the Borrowers entered into a purchase agreement relating to the sale of $1,500 million in aggregate principal amount of 4.00% second lien notes due October 15, 2030 (the "November 2020 4.00% Senior Notes" and together with the October 2020 4.00% Senior Notes, the "2020 4.00% Senior Notes"), which will be issued as additional notes under the 2020 4.00% Senior Notes Indenture. The closing of the offering of the November 2020 4.00% Senior Notes is expected to occur on or about November 2, 2020, subject to customary closing conditions. The November 2020 4.00% Senior Notes are treated as a single series with the October 2020 4.00% Senior Notes and have the same terms for all purposes under the 2020 4.00% Senior Notes Indenture, including waivers, amendments, redemptions and offers to purchase. The net proceeds from the offering of the November 2020 4.00% Senior Notes will be used to redeem the remaining $1,450 million principal amount outstanding of the 2017 5.00% Senior Notes on or about November 13, 2020 and pay related redemption premiums, fees and expenses.

Obligations under the 2020 4.00% Senior Notes are guaranteed on a senior secured basis, jointly and severally, by the Borrowers and Note Guarantors. The 2020 4.00% Senior Notes are second lien senior secured obligations and rank equal in right of payment will all of the existing and future senior debt of the Borrowers and Note Guarantors and effectively subordinated to all of the existing and future first lien senior debt of the Borrowers and Note Guarantors.

Our 2020 4.00% Senior Notes may be redeemed in whole or in part, on or after October 15, 2025 at the redemption prices set forth in the 2020 4.00% Senior Notes Indenture, plus accrued and unpaid interest, if any, at the date of redemption. The 2020 4.00% Senior Notes Indenture also contains optional redemption provisions related to tender offers, change of control and equity offerings, among others.

2020 3.50% First Lien Notes

On October 20, 2020, the Borrowers entered into a purchase agreement relating to the sale of $750 million in aggregate principal amount of 3.50% first lien notes due February 15, 2029 (the "2020 3.50% Senior Notes"). The closing of the offering of the 2020 3.50% Senior Notes is expected to occur on or about November 9, 2020, subject to customary closing conditions. The net proceeds from the offering of the 2020 3.50% Senior Notes will be used to redeem $725 million of our 4.25% first lien notes due 2024 and pay related redemption premiums, fees and expenses.

Restrictions and Covenants

As of September 30, 2020, we were in compliance with all applicable financial debt covenants under the Credit Facilities, the TH Facility, and the indentures governing our Senior Notes.

Fair Value Measurement

The following table presents the fair value of our variable rate term debt and senior notes, estimated using inputs based on bid and offer prices that are Level 2 inputs, and principal carrying amount (in millions):

	As of	
	September 30, 2020	December 31, 2019
Fair value of our variable term debt and senior notes	$ 12,283	$ 12,075
Principal carrying amount of our variable term debt and senior notes	12,346	11,900

Interest Expense, net

Interest expense, net consists of the following (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Debt (a)	$ 119	$ 130	$ 351	$ 382
Finance lease obligations	4	5	14	16
Amortization of deferred financing costs and debt issuance discount	7	7	19	22
Interest income	(1)	(5)	(8)	(14)
Interest expense, net	$ 129	$ 137	$ 376	$ 406

(a) Amount includes $15 million and $16 million benefit during the three months ended September 30, 2020 and 2019, respectively, and $56 million and $53 million benefit during the nine months ended September 30, 2020 and 2019, respectively, related to the amortization of the Excluded Component as defined in Note 13, *Derivatives*.

Note 11. Income Taxes

Our effective tax rate was 22.6% and 9.2% for the three and nine months ended September 30, 2020, respectively. The effective tax rate during these periods reflects the mix of income from multiple tax jurisdictions and the impact of internal financing arrangements. Additionally, the effective tax rate during the nine months ended September 30, 2020 reflects a $64 million increase in deferred tax assets which decreased the effective tax rate by (9.5)% during this period. Based on the analysis of final guidance related to the Tax Cuts and Jobs Act (the “Tax Act”) received during this period, a deferred tax asset was recorded.

Our effective tax rate was 18.3% and 21.4% for the three and nine months ended September 30, 2019, respectively. The effective tax rate during these periods reflects the mix of income from multiple tax jurisdictions, the impact of internal financing arrangements and stock option exercises. Additionally, the effective tax rate during the nine months ended September 30, 2019 reflects a $37 million increase in the provision for unrecognized tax benefits related to a prior restructuring transaction that is not applicable to ongoing operations which increased the effective tax rate by 3.4% during this period. Benefits from stock option exercises reduced the effective tax rate by 1.2% and 2.9% for the three and nine months ended September 30, 2019, respectively.

Note 12. Shareholders' Equity

Noncontrolling Interests

The holders of Partnership exchangeable units held an economic interest of approximately 34.8% and 35.7% in Partnership common equity through the ownership of 162,212,231 and 165,507,199 Partnership exchangeable units as of September 30, 2020 and December 31, 2019, respectively.

During the nine months ended September 30, 2020, Partnership exchanged 3,294,968 Partnership exchangeable units, pursuant to exchange notices received. In accordance with the terms of the partnership agreement, Partnership satisfied the exchange notices by exchanging these Partnership exchangeable units for the same number of newly issued RBI common shares. See Note 17, *Subsequent Events*, for detail of Partnership exchangeable units repurchased for cash on October 2, 2020. The exchanges represented increases in our ownership interest in Partnership and were accounted for as equity transactions, with no gain or loss recorded in the accompanying condensed consolidated statement of operations. Pursuant to the terms of the partnership agreement, upon the exchange of Partnership exchangeable units, each such Partnership exchangeable unit is automatically deemed cancelled concurrently with the exchange.

Accumulated Other Comprehensive Income (Loss)

The following table displays the changes in the components of accumulated other comprehensive income (loss) ("AOCI") (in millions):

	Derivatives	Pensions	Foreign Currency Translation	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2019	$ 199	$ (19)	$ (943)	$ (763)
Foreign currency translation adjustment	—	—	(170)	(170)
Net change in fair value of derivatives, net of tax	(229)	—	—	(229)
Amounts reclassified to earnings of cash flow hedges, net of tax	51	—	—	51
Amounts attributable to noncontrolling interests	64	—	50	114
Balance at September 30, 2020	$ 85	$ (19)	$ (1,063)	$ (997)

Note 13. Derivative Instruments

Disclosures about Derivative Instruments and Hedging Activities

We enter into derivative instruments for risk management purposes, including derivatives designated as cash flow hedges, derivatives designated as net investment hedges and those utilized as economic hedges. We use derivatives to manage our exposure to fluctuations in interest rates and currency exchange rates.

Interest Rate Swaps

At September 30, 2020, we had outstanding receive-variable, pay-fixed interest rate swaps with a total notional value of $3,500 million to hedge the variability in the interest payments on a portion of our senior secured term loan facilities (the "Term Loan Facilities") beginning October 31, 2019 through the termination date of November 19, 2026. Additionally, at September 30, 2020, we also had outstanding receive-variable, pay-fixed interest rate swaps with a total notional value of $500 million to hedge the variability in the interest payments on a portion of our Term Loan Facilities effective September 30, 2019 through the termination date of September 30, 2026. At inception, all of these interest rate swaps were designated as cash flow hedges for hedge accounting. The unrealized changes in market value are recorded in AOCI and reclassified into earnings during the period in which the hedged forecasted transaction affects earnings.

During 2019, we extended the term of our previous $3,500 million receive-variable, pay-fixed interest rate swaps to align the maturity date of the new interest rate swaps with the new maturity date of our Term Loan B. The extension of the term resulted in a de-designation and re-designation of the interest rate swaps and the swaps continue to be accounted for as a cash flow hedge for hedge accounting. In connection with the de-designation, we recognized a net unrealized loss of $213 million in AOCI and this amount gets reclassified into Interest expense, net as the original forecasted transaction affects earnings. The amount of pre-tax losses in AOCI as of September 30, 2020 that we expect to be reclassified into interest expense within the next 12 months is $51 million.

During 2015, we settled certain interest rate swaps and recognized a net unrealized loss of $85 million in AOCI at the date of settlement. This amount gets reclassified into Interest expense, net as the original hedged forecasted transaction affects earnings. The amount of pre-tax losses in AOCI as of September 30, 2020 that we expect to be reclassified into interest expense within the next 12 months is $12 million.

Cross-Currency Rate Swaps

To protect the value of our investments in our foreign operations against adverse changes in foreign currency exchange rates, we hedge a portion of our net investment in one or more of our foreign subsidiaries by using cross-currency rate swaps. At September 30, 2020, we had outstanding cross-currency rate swap contracts between the Canadian dollar and U.S. dollar and the Euro and U.S. dollar that have been designated as net investment hedges of a portion of our equity in foreign operations in those currencies. The component of the gains and losses on our net investment in these designated foreign operations driven by changes in foreign exchange rates are economically partly offset by movements in the fair value of our cross-currency swap contracts. The fair value of the swaps is calculated each period with changes in fair value reported in AOCI, net of tax. Such amounts will remain in AOCI until the complete or substantially complete liquidation of our investment in the underlying foreign operations.

At September 30, 2020, we had outstanding fixed-to-fixed cross-currency rate swaps to partially hedge the net investment in our Canadian subsidiaries. At inception, these cross-currency rate swaps were designated as a hedge and are accounted for as net investment hedges. These swaps are contracts to exchange quarterly fixed-rate interest payments we make on the Canadian dollar notional amount of C$6,754 million for quarterly fixed-rate interest payments we receive on the U.S. dollar notional amount of $5,000 million through the maturity date of June 30, 2023.

At September 30, 2020, we had outstanding cross-currency rate swaps in which we pay quarterly fixed-rate interest payments on the Euro notional value of €1,108 million and receive quarterly fixed-rate interest payments on the U.S. dollar notional value of $1,200 million. At inception, these cross-currency rate swaps were designated as a hedge and are accounted for as a net investment hedge. During 2018, we extended the term of the swaps from March 31, 2021 to the maturity date of February 17, 2024. The extension of the term resulted in a re-designation of the hedge and the swaps continue to be accounted for as a net investment hedge. Additionally, at September 30, 2020, we also had outstanding cross-currency rate swaps in which we receive quarterly fixed-rate interest payments on the U.S. dollar notional value of $400 million, entered during 2018, and $500 million, entered during 2019, through the maturity date of February 17, 2024. At inception, these cross-currency rate swaps were designated as a hedge and are accounted for as a net investment hedge.

The fixed to fixed cross-currency rate swaps hedging Canadian dollar and Euro net investments utilized the forward method of effectiveness assessment prior to March 15, 2018. On March 15, 2018, we de-designated and subsequently re-designated the outstanding fixed to fixed cross-currency rate swaps to prospectively use the spot method of hedge effectiveness assessment. Additionally, as a result of adopting new hedge accounting guidance during 2018, we elected to exclude the interest component (the “Excluded Component”) from the accounting hedge without affecting net investment hedge accounting and elected to amortize the Excluded Component over the life of the derivative instrument. The amortization of the Excluded Component is recognized in Interest expense, net in the condensed consolidated statement of operations. The change in fair value that is not related to the Excluded Component is recorded in AOCI and will be reclassified to earnings when the foreign subsidiaries are sold or substantially liquidated.

Foreign Currency Exchange Contracts

We use foreign exchange derivative instruments to manage the impact of foreign exchange fluctuations on U.S. dollar purchases and payments, such as coffee purchases made by our Canadian Tim Hortons operations. At September 30, 2020, we had outstanding forward currency contracts to manage this risk in which we sell Canadian dollars and buy U.S. dollars with a notional value of $98 million with maturities to November 2021. We have designated these instruments as cash flow hedges, and as such, the unrealized changes in market value of effective hedges are recorded in AOCI and are reclassified into earnings during the period in which the hedged forecasted transaction affects earnings.

Credit Risk

By entering into derivative contracts, we are exposed to counterparty credit risk. Counterparty credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is in an asset position, the counterparty has a liability to us, which creates credit risk for us. We attempt to minimize this risk by selecting counterparties with investment grade credit ratings and regularly monitoring our market position with each counterparty.

Credit-Risk Related Contingent Features

Our derivative instruments do not contain any credit-risk related contingent features.

Quantitative Disclosures about Derivative Instruments and Fair Value Measurements

The following tables present the required quantitative disclosures for our derivative instruments, including their estimated fair values (all estimated using Level 2 inputs) and their location on our condensed consolidated balance sheets (in millions):

	Gain or (Loss) Recognized in Other Comprehensive Income (Loss)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Derivatives designated as cash flow hedges[(1)]				
Interest rate swaps	$ (22)	$ (35)	$ (370)	$ (156)
Forward-currency contracts	$ (2)	$ 1	$ 3	$ (3)
Derivatives designated as net investment hedges				
Cross-currency rate swaps	$ (238)	$ 180	$ 51	$ 25

(1) We did not exclude any components from the cash flow hedge relationships presented in this table.

	Location of Gain or (Loss) Reclassified from AOCI into Earnings	Gain or (Loss) Reclassified from AOCI into Earnings			
		Three Months Ended September 30,		Nine Months Ended September 30,	
		2020	2019	2020	2019
Derivatives designated as cash flow hedges					
Interest rate swaps	Interest expense, net	$ (30)	$ (7)	$ (71)	$ (14)
Forward-currency contracts	Cost of sales	$ —	$ —	$ 2	$ 4

	Location of Gain or (Loss) Recognized in Earnings	Gain or (Loss) Recognized in Earnings (Amount Excluded from Effectiveness Testing)			
		Three Months Ended September 30,		Nine Months Ended September 30,	
		2020	2019	2020	2019
Derivatives designated as net investment hedges					
Cross-currency rate swaps	Interest expense, net	$ 15	$ 16	$ 56	$ 53

	Fair Value as of		
	September 30, 2020	December 31, 2019	Balance Sheet Location
Assets:			
Derivatives designated as cash flow hedges			
Interest rate	$ —	$ 7	Other assets, net
Derivatives designated as net investment hedges			
Foreign currency	18	22	Other assets, net
Total assets at fair value	$ 18	$ 29	
Liabilities:			
Derivatives designated as cash flow hedges			
Interest rate	$ 490	$ 175	Other liabilities, net
Foreign currency	1	2	Other accrued liabilities
Derivatives designated as net investment hedges			
Foreign currency	102	166	Other liabilities, net
Total liabilities at fair value	$ 593	$ 343	

Note 14. Other Operating Expenses (Income), net

Other operating expenses (income), net consist of the following (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net losses (gains) on disposal of assets, restaurant closures, and refranchisings	$ 4	$ 6	$ 2	$ (1)
Litigation settlements (gains) and reserves, net	4	1	5	1
Net losses (gains) on foreign exchange	44	(35)	54	(38)
Other, net	2	(2)	(2)	(6)
Other operating expenses (income), net	$ 54	$ (30)	$ 59	$ (44)

Net losses (gains) on disposal of assets, restaurant closures, and refranchisings represent sales of properties and other costs related to restaurant closures and refranchisings. Gains and losses recognized in the current period may reflect certain costs related to closures and refranchisings that occurred in previous periods.

Net losses (gains) on foreign exchange is primarily related to revaluation of foreign denominated assets and liabilities.

Note 15. Commitments and Contingencies

Litigation

From time to time, we are involved in legal proceedings arising in the ordinary course of business relating to matters including, but not limited to, disputes with franchisees, suppliers, employees and customers, as well as disputes over our intellectual property.

On October 5, 2018, a class action complaint was filed against Burger King Worldwide, Inc. ("BKW") and Burger King Corporation ("BKC") in the U.S. District Court for the Southern District of Florida by Jarvis Arrington, individually and on behalf of all others similarly situated. On October 18, 2018, a second class action complaint was filed against RBI, BKW and BKC in the U.S. District Court for the Southern District of Florida by Monique Michel, individually and on behalf of all others similarly situated. On October 31, 2018, a third class action complaint was filed against BKC and BKW in the U.S. District Court for the Southern District of Florida by Geneva Blanchard and Tiffany Miller, individually and on behalf of all others similarly situated. On November 2, 2018, a fourth class action complaint was filed against RBI, BKW and BKC in the U.S. District Court for the Southern District of Florida by Sandra Muster, individually and on behalf of all others similarly situated. These complaints have been consolidated and allege that the defendants violated Section 1 of the Sherman Act by incorporating an employee no-solicitation and no-hiring clause in the standard form franchise agreement all Burger King franchisees are required to sign. Each plaintiff seeks injunctive relief and damages for himself or herself and other members of the class. On March 24, 2020, the Court granted BKC's motion to dismiss for failure to state a claim and on April 20, 2020 the plaintiffs filed a motion for leave to amend their complaint. On April 27, 2020, BKC filed a motion opposing the motion for leave to amend. The court denied the plaintiffs motion for leave to amend their complaint in August 2020 and the plaintiffs are appealing this ruling. While we currently believe these claims are without merit, we are unable to predict the ultimate outcome of these cases or estimate the range of possible loss, if any.

In July 2019, a class action complaint was filed against The TDL Group Corp. ("TDL") in the Supreme Court of British Columbia by Samir Latifi, individually and on behalf of all others similarly situated. The complaint alleges that TDL violated the Canadian Competition Act by incorporating an employee no-solicitation and no-hiring clause in the standard form franchise agreement all Tim Hortons franchisees are required to sign. The plaintiff seeks damages and restitution, on behalf of himself and other members of the class. While we currently believe this claim is without merit, we are unable to predict the ultimate outcome of this case or estimate the range of possible loss, if any.

On June 30, 2020, a class action complaint was filed against Restaurant Brands International Inc., Restaurant Brands International Limited Partnership and The TDL Group Corp. in the Quebec Superior Court by Steve Holcman, individually and on behalf of all Quebec residents who downloaded the Tim Hortons mobile application. On July 2, 2020, a Notice of Action related to a second class action complaint was filed against Restaurant Brands International Inc., in the Ontario Superior Court by Ashley Sitko and Ashley Cadeau, individually and on behalf of all Canadian residents who downloaded the Tim Hortons mobile application. On August 31, 2020, a notice of claim was filed against Restaurant Brands International Inc. in the Supreme Court of British Columbia by Wai Lam Jacky Law on behalf of all persons in Canada who downloaded the Tim Hortons mobile application or the Burger King mobile application. On September 30, 2020, a notice of action was filed against Restaurant Brands International Inc., Restaurant Brands International Limited Partnership, The TDL Group Corp., Burger King Worldwide, Inc. and Popeyes Louisiana Kitchen, Inc. in the Ontario Superior Court of Justice by William Jung on behalf of a to be determined class. All of the complaints allege that the defendants violated the plaintiff's privacy rights, the Personal Information Protection and Electronic Documents Act, consumer protection and competition laws or app-based undertakings to users, in each case in connection with the collection of geolocation data through the Tim Hortons mobile application, and in certain cases, the Burger King and Popeyes mobile applications. Each plaintiff seeks injunctive relief and monetary damages for himself or herself and other members of the class. These cases are in preliminary stages and we intend to vigorously defend against these lawsuits, but we are unable to predict the ultimate outcome of any of these cases or estimate the range of possible loss, if any.

Note 16. Segment Reporting

As stated in Note 1, *Description of Business and Organization*, we manage three brands. Under the *Tim Hortons* brand, we operate in the donut/coffee/tea category of the quick service segment of the restaurant industry. Under the *Burger King* brand, we operate in the fast food hamburger restaurant category of the quick service segment of the restaurant industry. Under the *Popeyes* brand, we operate in the chicken category of the quick service segment of the restaurant industry. Our business generates revenue from the following sources: (i) franchise revenues, consisting primarily of royalties based on a percentage of sales reported by franchise restaurants and franchise fees paid by franchisees; (ii) property revenues from properties we lease or sublease to franchisees; and (iii) sales at restaurants owned by us ("Company restaurants"). In addition, our TH business generates revenue from sales to franchisees related to our supply chain operations, including manufacturing, procurement, warehousing and distribution, as well as sales to retailers. We manage each of our brands as an operating segment and each operating segment represents a reportable segment.

The following tables present revenues, by segment and by country (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Revenues by operating segment:				
TH	$ 762	$ 881	$ 2,028	$ 2,472
BK	433	457	1,168	1,315
PLK	142	120	414	337
Total revenues	$ 1,337	$ 1,458	$ 3,610	$ 4,124

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Revenues by country (a):				
Canada	$ 691	$ 805	$ 1,837	$ 2,245
United States	499	489	1,392	1,412
Other	147	164	381	467
Total revenues	$ 1,337	$ 1,458	$ 3,610	$ 4,124

(a) Only Canada and the United States represented 10% or more of our total revenues in each period presented.

Our measure of segment income is Adjusted EBITDA. Adjusted EBITDA represents earnings (net income or loss) before interest expense, net, loss on early extinguishment of debt, income tax expense, and depreciation and amortization, adjusted to exclude (i) the non-cash impact of share-based compensation and non-cash incentive compensation expense, (ii) (income) loss from equity method investments, net of cash distributions received from equity method investments, (iii) other operating expenses (income), net and, (iv) income/expenses from non-recurring projects and non-operating activities. For the periods referenced, this included costs incurred in connection with the centralization and relocation of our Canadian and U.S. restaurant support centers to new offices in Toronto, Ontario, and Miami, Florida, respectively, and from professional advisory and consulting services associated with certain transformational corporate restructuring initiatives that rationalize our structure and optimize cash movements, including consulting services related to the interpretation of final and proposed regulations and guidance under the Tax Cuts and Jobs Act (the "Tax Act").

Adjusted EBITDA is used by management to measure operating performance of the business, excluding these non-cash and other specifically identified items that management believes are not relevant to management's assessment of our operating business. A reconciliation of segment income to net income consists of the following (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Segment income:				
TH	$ 258	$ 301	$ 594	$ 825
BK	245	254	605	728
PLK	58	47	164	129
Adjusted EBITDA	561	602	1,363	1,682
Share-based compensation and non-cash incentive compensation expense	19	18	63	62
Corporate restructuring and tax advisory fees	3	5	11	22
Office centralization and relocation costs	—	—	—	6
Impact of equity method investments (a)	20	(9)	42	1
Other operating expenses (income), net	54	(30)	59	(44)
EBITDA	465	618	1,188	1,635
Depreciation and amortization	48	47	139	139
Income from operations	417	571	1,049	1,496
Interest expense, net	129	137	376	406
Loss on early extinguishment of debt	—	4	—	4
Income tax expense	65	79	62	232
Net income	$ 223	$ 351	$ 611	$ 854

(a) Represents (i) (income) loss from equity method investments and (ii) cash distributions received from our equity method investments. Cash distributions received from our equity method investments are included in segment income.

Note 17. Subsequent Events

Exchange of Partnership Exchangeable Units

In September 2020 Partnership received an exchange notice for 6,757,692 Partnership exchange units (the "Exchangeable Units"). In accordance with the terms of the partnership agreement, Partnership chose to satisfy the exchange by repurchasing all of these Exchangeable Units on October 2, 2020 for approximately $380 million with available cash on hand. The exchange represented an increase in our ownership interest in Partnership and will be accounted for as an equity transaction, with no gain or loss recorded in the condensed consolidated statement of operations. Pursuant to the terms of the partnership agreement, upon the exchange of Partnership exchangeable units, each such Partnership exchangeable unit is automatically deemed cancelled.

Dividends

On October 2, 2020, we paid a cash dividend of $0.52 per common share to common shareholders of record on September 18, 2020. On such date, Partnership also made a distribution in respect of each Partnership exchangeable unit in the amount of $0.52 per exchangeable unit to holders of record on September 18, 2020.

Subsequent to September 30, 2020, our board of directors declared a cash dividend of $0.52 per common share, which will be paid on January 5, 2021 to common shareholders of record on December 21, 2020. Partnership will also make a distribution in respect of each Partnership exchangeable unit in the amount of $0.52 per Partnership exchangeable unit, and the record date and payment date for distributions on Partnership exchangeable units are the same as the record date and payment date set forth above.

Issuance of Senior Notes and Redemption of Senior Notes

As discussed in Note 10, *Long-Term Debt*, on October 5, 2020, the Borrowers entered into the 2020 4.00% Senior Notes Indenture in connection with the issuance of the October 2020 4.00% Senior Notes. The proceeds from the offering of the October 2020 4.00% Senior Notes were used to redeem $1,350 million of the outstanding aggregate principal amount of our existing $2,800 million 2017 5.00% Senior Notes (due October 15, 2025) on October 16, 2020 and pay related redemption premiums, fees and expenses.

Also as discussed in Note 10, *Long-Term Debt*, on October 14, 2020, the Borrowers entered into a purchase agreement relating to the sale of the November 2020 4.00% Senior Notes, which will be issued as additional notes under the 2020 4.00% Senior Notes Indenture. The closing of the offering of the November 2020 4.00% Senior Notes is expected to occur on or about November 2, 2020, subject to customary closing conditions. The net proceeds from the offering of the November 2020 4.00% Senior Notes will be used to redeem the remaining $1,450 million principal amount outstanding of the 2017 5.00% Senior Notes and pay related redemption premiums, fees and expenses.

As additionally discussed in Note 10, *Long-Term Debt*, on October 20, 2020, the Borrowers entered into a purchase agreement relating to the sale of the 2020 3.50% Senior Notes. The closing of the offering of the 2020 3.50% Senior Notes is expected to occur on or about November 9, 2020, subject to customary closing conditions. The net proceeds from the offering of the 2020 3.50% Senior Notes will be used to redeem $725 million of our 4.25% first lien notes due 2024 and pay related redemption premiums, fees and expenses.

During the three months ending December 31, 2020, we will record a loss on early extinguishment of debt that will include the redemption premiums paid as well as the write-off of unamortized debt issuance costs in connection with the redemption of the notes discussed above.

Litigation

On October 26, 2020, City of Warwick Municipal Employees Pension Fund, a purported stockholder of Restaurant Brands International, individually and on behalf of all other stockholders similarly situated, filed a lawsuit in the Supreme Court of the State of New York County of New York naming the Company and certain of its officers, directors and selling shareholders as defendants alleging violations of Sections 11, 12(a)(2) and 15 of the Securities Act of 1933, as amended, in connection with the offering of securities by an affiliate of 3G Capital Partners Ltd. in August and September 2019. The complaint alleges that the shelf registration statement used in connection with such offering contained certain false and/or misleading statements or omissions. The complaint seeks, among other relief, class certification of the lawsuit, unspecified compensatory damages, rescission, pre-judgement and post-judgement interest, costs and expenses. The Company is currently evaluating the lawsuit, but believes that the claims are without merit and intends to vigorously defend. While we believe these

claims are without merit, we are unable to predict the ultimate outcome of this case or estimate the range of possible loss, if any.

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Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

You should read the following discussion together with our unaudited condensed consolidated financial statements and the related notes thereto included in Part I, Item 1 "Financial Statements" of this report.

The following discussion includes information regarding future financial performance and plans, targets, aspirations, expectations, and objectives of management, which constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of Canadian securities laws as described in further detail under "Special Note Regarding Forward-Looking Statements" set forth below. Actual results may differ materially from the results discussed in the forward-looking statements. Please refer to the risks and further discussion in the "Special Note Regarding Forward-Looking Statements" below.

We prepare our financial statements in accordance with accounting principles generally accepted in the United States ("U.S. GAAP" or "GAAP"). However, this Management's Discussion and Analysis of Financial Condition and Results of Operations also contains certain non-GAAP financial measures to assist readers in understanding our performance. Non-GAAP financial measures either exclude or include amounts that are not reflected in the most directly comparable measure calculated and presented in accordance with GAAP. Where non-GAAP financial measures are used, we have provided the most directly comparable measures calculated and presented in accordance with U.S. GAAP, a reconciliation to GAAP measures and a discussion of the reasons why management believes this information is useful to it and may be useful to investors.

Operating results for any one quarter are not necessarily indicative of results to be expected for any other quarter or for the fiscal year and our key business measures, as discussed below, may decrease for any future period. Unless the context otherwise requires, all references in this section to "RBI", the "Company", "we", "us" or "our" are to Restaurant Brands International Inc. and its subsidiaries, collectively.

Overview

We are one of the world's largest quick service restaurant ("QSR") companies with approximately $31 billion in annual system-wide sales and approximately 27,000 restaurants in more than 100 countries and U.S. territories as of September 30, 2020. Our *Tim Hortons*®, *Burger King*®, and *Popeyes*® brands have similar franchised business models with complementary daypart mixes and product platforms. Our three iconic brands are managed independently while benefiting from global scale and sharing of best practices.

Tim Hortons restaurants are quick service restaurants with a menu that includes premium blend coffee, tea, espresso-based hot and cold specialty drinks, fresh baked goods, including donuts, *Timbits*®, bagels, muffins, cookies and pastries, grilled paninis, classic sandwiches, wraps, soups, and more. Burger King restaurants are quick service restaurants that feature flame-grilled hamburgers, chicken, and other specialty sandwiches, french fries, soft drinks, and other affordably-priced food items. Popeyes restaurants are quick service restaurants featuring a unique "Louisiana" style menu that includes fried chicken, chicken tenders, fried shrimp, and other seafood, red beans and rice, and other regional items.

We have three operating and reportable segments: (1) Tim Hortons ("TH"); (2) Burger King ("BK"); and (3) Popeyes Louisiana Kitchen ("PLK"). Our business generates revenue from the following sources: (i) franchise revenues, consisting primarily of royalties based on a percentage of sales reported by franchise restaurants and franchise fees paid by franchisees; (ii) property revenues from properties we lease or sublease to franchisees; and (iii) sales at restaurants owned by us ("Company restaurants"). In addition, our TH business generates revenue from sales to franchisees related to our supply chain operations, including manufacturing, procurement, warehousing, and distribution, as well as sales to retailers.

COVID-19

The global crisis resulting from the spread of coronavirus ("COVID-19") has had a substantial impact on our global restaurant operations for the three and nine months ended September 30, 2020, which is expected to continue with the timing of recovery uncertain. System-wide sales growth, system-wide sales and comparable sales were also negatively impacted for the three and nine months ended September 30, 2020 as a result of the impact of COVID-19. During the first nine months of 2020, substantially all TH, BK and PLK restaurants remained open in North America with limited operations, such as Drive-thru, Takeout and Delivery (where applicable) and that currently remains the case. While certain markets have opened for dine-in guests, the capacity may be limited, and local conditions may lead to closures or increased limitations. Some international markets temporarily closed most or all restaurants and the restaurants that remained open or have reopened may have limited operations. As of the end of September, 96% of our restaurants were open worldwide, including substantially all of our restaurants in North America, Asia Pacific and Europe, Middle East and Africa and approximately 92% of our restaurants in Latin America.

Our operating results substantially depend upon our franchisees' sales volumes, restaurant profitability, and financial stability. The financial impact of COVID-19 has had, and is expected to continue to have, an adverse effect on many of our franchisees' liquidity and we have worked closely with our franchisees around the world to monitor and assist them with access to appropriate sources of liquidity in order to sustain their businesses throughout this crisis. During the nine months ended September 30, 2020, we offered rent relief programs to eligible TH franchisees in Canada and eligible BK franchisees in the U.S. and Canada who lease property from us, a portion of which concluded during the third quarter. While in effect, these programs provide working capital support to franchisees and result in a reduction in our property revenues. See Note 4 to the accompanying unaudited condensed consolidated financial statements.

We also provided cash flow support by extending loans to eligible BK franchisees in the U.S. during the second and third quarters of 2020, and by advancing certain cash payments to eligible TH franchisees in Canada during the second quarter of 2020. Additionally, we temporarily deferred franchisee capital investment commitments for restaurant renovations and new restaurant development globally, based on the individual circumstances of relevant markets and restaurant owners.

During the nine months ended September 30, 2020, we recorded higher bad debt expense than the nine months ended September 30, 2019. While these receivables remain contractually due and payable to us, the certainty of the amount and timing of payments has been impacted by the COVID-19 pandemic. Therefore, our bad debt expense during the nine months ended September 30, 2020 reflects an adjustment to our historical collections experience to incorporate an estimate of the impact of current economic conditions resulting from the COVID-19 pandemic. Actual collections may be materially higher or lower than this estimate reflects since it is reasonably possible the duration and future impact of the COVID-19 pandemic on our business or our franchisees may differ from our assumptions.

While we do not know the future impact COVID-19 will have on our business, or when our business will fully return to normal operations, we expect to see a continued impact from COVID-19 on our results in the fourth quarter.

Operating Metrics

We evaluate our restaurants and assess our business based on the following operating metrics:

- System-wide sales growth refers to the percentage change in sales at all franchise restaurants and Company restaurants (referred to as system-wide sales) in one period from the same period in the prior year.
- Comparable sales refers to the percentage change in restaurant sales in one period from the same prior year period for restaurants that have been open for 13 months or longer for TH and BK and 17 months or longer for PLK. Additionally, if a restaurant is closed for a significant portion of a month, the restaurant is excluded from the monthly comparable sales calculation.
- System-wide sales growth and comparable sales are measured on a constant currency basis, which means the results exclude the effect of foreign currency translation ("FX Impact"). For system-wide sales growth and comparable sales, we calculate the FX Impact by translating prior year results at current year monthly average exchange rates.
- Unless otherwise stated, system-wide sales growth, system-wide sales and comparable sales are presented on a system-wide basis, which means they include franchise restaurants and Company restaurants. System-wide results are driven by our franchise restaurants, as approximately 100% of system-wide restaurants are franchised. Franchise sales represent sales at all franchise restaurants and are revenues to our franchisees. We do not record franchise sales as revenues; however, our royalty revenues are calculated based on a percentage of franchise sales.
- Net restaurant growth refers to the net increase in restaurant count (openings, net of permanent closures) over a trailing twelve month period, divided by the restaurant count at the beginning of the trailing twelve month period.

These metrics are important indicators of the overall direction of our business, including trends in sales and the effectiveness of each brand's marketing, operations and growth initiatives.

Recent Events and Factors Affecting Comparability

Tax Restructuring and Reform

In December 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act") that significantly revised the U.S. tax code generally effective January 1, 2018 by, among other changes, lowering the federal corporate income tax rate from 35% to 21%, limiting deductibility of interest expense and performance based incentive compensation and implementing a modified territorial tax system. As a Canadian entity, we generally would be classified as a foreign entity (and, therefore, a non-U.S. tax resident) under general rules of U.S. federal income taxation. However, we have subsidiaries subject to U.S. federal income taxation and therefore the Tax Act impacted our consolidated results of operations in 2019 and the current period, and is expected to continue to impact our consolidated results of operations in future periods.

We recorded $3 million and $5 million of costs during the three months ended September 30, 2020 and 2019, respectively, and $11 million and $22 million of costs during the nine months ended September 30, 2020 and 2019, respectively, which are classified as selling, general and administrative expenses in our condensed consolidated statements of operations, arising primarily from professional advisory and consulting services associated with certain transformational corporate restructuring initiatives that rationalize our structure and optimize cash movement within our structure, including consulting services related to the interpretation of final and proposed regulations and guidance issued by the U.S. Treasury, the IRS and state tax authorities in their ongoing efforts to interpret and implement the Tax Act and related state and local tax implications ("Corporate restructuring and tax advisory fees").

During the nine months ended September 30, 2020, various guidance was issued by the U.S. Treasury relating to the Tax Act. After review of such guidance, we recorded a deferred tax asset of approximately $64 million during the nine months ended September 30, 2020 related to certain tax attribute carryforwards, which we now expect to be able to deduct in future years under recently issued regulations implementing the Tax Act.

Office Centralization and Relocation Costs

In connection with the centralization and relocation of our Canadian and U.S. restaurant support centers to new offices in Toronto, Ontario, and Miami, Florida, respectively, we incurred certain non-operational expenses ("Office centralization and relocation costs") totaling $6 million during the nine months ended September 30, 2019 consisting primarily of moving costs and relocation-driven compensation expenses, which are classified as selling, general and administrative expenses in our condensed consolidated statements of operations. We did not incur any Office centralization and relocation costs during the three months ended September 30, 2019 and during 2020 and do not expect to incur any additional Office centralization and relocation costs during 2020.

Results of Operations for the Three and Nine Months Ended September 30, 2020 and 2019

Tabular amounts in millions of U.S. dollars unless noted otherwise. Segment income may not calculate exactly due to rounding.

Consolidated	Three Months Ended September 30,		Variance	FX Impact (a)	Variance Excluding FX Impact	Nine Months Ended September 30,		Variance	FX Impact (a)	Variance Excluding FX Impact
	2020	2019	Favorable / (Unfavorable)			2020	2019	Favorable / (Unfavorable)		
Revenues:										
Sales	$ 541	$ 624	$ (83)	$ (4)	$ (79)	$ 1,450	$ 1,735	$ (285)	$ (26)	$ (259)
Franchise and property revenues	796	834	(38)	(6)	(32)	2,160	2,389	(229)	(33)	(196)
Total revenues	1,337	1,458	(121)	(10)	(111)	3,610	4,124	(514)	(59)	(455)
Operating costs and expenses:										
Cost of sales	418	475	57	3	54	1,156	1,334	178	20	158
Franchise and property expenses	128	133	5	—	5	388	401	13	4	9
Selling, general and administrative expenses	302	320	18	—	18	922	948	26	5	21
(Income) loss from equity method investments	18	(11)	(29)	1	(30)	36	(11)	(47)	—	(47)
Other operating expenses (income), net	54	(30)	(84)	1	(85)	59	(44)	(103)	—	(103)
Total operating costs and expenses	920	887	(33)	5	(38)	2,561	2,628	67	29	38
Income from operations	417	571	(154)	(5)	(149)	1,049	1,496	(447)	(30)	(417)
Interest expense, net	129	137	8	—	8	376	406	30	—	30
Loss on early extinguishment of debt	—	4	4	—	4	—	4	4	—	4
Income before income taxes	288	430	(142)	(5)	(137)	673	1,086	(413)	(30)	(383)
Income tax expense	65	79	14	—	14	62	232	170	1	169
Net income	$ 223	$ 351	$ (128)	$ (5)	$ (123)	$ 611	$ 854	$ (243)	$ (29)	$ (214)

(a) We calculate the FX Impact by translating prior year results at current year monthly average exchange rates. We analyze these results on a constant currency basis as this helps identify underlying business trends, without distortion from the effects of currency movements.

TH Segment	Three Months Ended September 30,		Variance	FX Impact (a)	Variance Excluding FX Impact	Nine Months Ended September 30,		Variance	FX Impact (a)	Variance Excluding FX Impact
	2020	2019	Favorable / (Unfavorable)			2020	2019	Favorable / (Unfavorable)		
Revenues:										
Sales	$ 506	$ 584	$ (78)	$ (4)	$ (74)	$ 1,345	$ 1,618	$ (273)	$ (26)	$ (247)
Franchise and property revenues	256	297	(41)	(3)	(38)	683	854	(171)	(14)	(157)
Total revenues	762	881	(119)	(7)	(112)	2,028	2,472	(444)	(40)	(404)
Cost of sales	388	441	53	3	50	1,061	1,233	172	20	152
Franchise and property expenses	83	91	8	—	8	250	268	18	4	14
Segment SG&A	63	77	14	—	14	211	236	25	3	22
Segment depreciation and amortization (b)	28	28	—	—	—	82	80	(2)	1	(3)
Segment income (c)	258	301	(43)	(2)	(41)	594	825	(231)	(13)	(218)

(b) Segment depreciation and amortization consists of depreciation and amortization included in cost of sales and franchise and property expenses.

(c) TH segment income includes $2 million and $3 million of cash distributions received from equity method investments for the three months ended September 30, 2020 and 2019, respectively. TH segment income includes $6 million and $11 million of cash distributions received from equity method investments for the nine months ended September 30, 2020 and 2019, respectively.

BK Segment	Three Months Ended September 30,		Variance	FX Impact (a)	Variance Excluding FX Impact	Nine Months Ended September 30,		Variance	FX Impact (a)	Variance Excluding FX Impact
	2020	2019	Favorable / (Unfavorable)			2020	2019	Favorable / (Unfavorable)		
Revenues:										
Sales	$ 17	$ 19	$ (2)	$ —	$ (2)	$ 49	$ 57	$ (8)	$ —	$ (8)
Franchise and property revenues	416	438	(22)	(2)	(20)	1,119	1,258	(139)	(18)	(121)
Total revenues	433	457	(24)	(2)	(22)	1,168	1,315	(147)	(18)	(129)
Cost of sales	16	18	2	—	2	49	53	4	—	4
Franchise and property expenses	42	39	(3)	—	(3)	129	124	(5)	—	(5)
Segment SG&A	142	159	17	—	17	422	449	27	1	26
Segment depreciation and amortization (b)	13	12	(1)	—	(1)	37	37	—	—	—
Segment income (d)	245	254	(9)	(2)	(7)	605	728	(123)	(17)	(106)

(d) No cash distributions were received from equity method investments for the three months ended September 30, 2020 and 2019 and no significant amounts of cash distributions were received during the nine months ended September 30, 2020. BK segment income includes $2 million of cash distributions received from equity method investments for the nine months ended September 30, 2019.

PLK Segment	Three Months Ended September 30,		Variance	FX Impact (a)	Variance Excluding FX Impact	Nine Months Ended September 30,		Variance	FX Impact (a)	Variance Excluding FX Impact
	2020	2019	Favorable / (Unfavorable)			2020	2019	Favorable / (Unfavorable)		
Revenues:										
Sales	$ 18	$ 21	$ (3)	$ —	$ (3)	$ 56	$ 60	$ (4)	$ —	$ (4)
Franchise and property revenues	124	99	25	(1)	26	358	277	81	(1)	82
Total revenues	142	120	22	(1)	23	414	337	77	(1)	78
Cost of sales	14	16	2	—	2	46	48	2	—	2
Franchise and property expenses	3	3	—	—	—	9	9	—	—	—
Segment SG&A	70	56	(14)	—	(14)	201	159	(42)	—	(42)
Segment depreciation and amortization (b)	2	2	—	—	—	6	8	2	—	2
Segment income	58	47	11	(1)	12	164	129	35	(1)	36

Key Business Metrics	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
System-wide sales growth				
TH	(13.7)%	(0.1)%	(19.1)%	0.6 %
BK	(7.9)%	10.7 %	(12.1)%	9.6 %
PLK	21.5 %	15.6 %	25.7 %	10.5 %
Consolidated	(5.4)%	8.9 %	(8.9)%	7.8 %
System-wide sales				
TH	$ 1,520	$ 1,774	$ 4,010	$ 5,037
BK	$ 5,484	$ 6,010	$ 14,610	$ 17,016
PLK	$ 1,331	$ 1,103	$ 3,836	$ 3,070
Consolidated	$ 8,335	$ 8,887	$ 22,456	$ 25,123
Comparable sales				
TH	(12.5)%	(1.4)%	(17.2)%	(0.5)%
BK	(7.0)%	4.8 %	(7.9)%	3.6 %
PLK	17.4 %	9.7 %	22.5 %	4.5 %

	As of September 30, 2020	As of September 30, 2019
Net restaurant growth		
TH	1.0 %	1.7 %
BK	2.4 %	5.8 %
PLK	7.1 %	5.6 %
Consolidated	2.7 %	5.0 %
Restaurant count		
TH	4,934	4,887
BK	18,675	18,232
PLK	3,418	3,192
Consolidated	27,027	26,311

Comparable Sales

TH comparable sales were (12.5)% during the three months ended September 30, 2020, including Canada comparable sales of (13.7)%. TH comparable sales were (17.2)% during the nine months ended September 30, 2020, including Canada comparable sales of (18.0)%.

BK comparable sales were (7.0)% during the three months ended September 30, 2020, including U.S. comparable sales of (3.2)%. BK comparable sales were (7.9)% during the nine months ended September 30, 2020, including U.S. comparable sales of (6.5)%.

PLK comparable sales were 17.4% during the three months ended September 30, 2020, including U.S. comparable sales of 19.7%. PLK comparable sales were 22.5% during the nine months ended September 30, 2020, including U.S. comparable sales of 25.6%.

Sales and Cost of Sales

Sales include TH supply chain sales and sales from Company restaurants. TH supply chain sales represent sales of products, supplies and restaurant equipment, as well as sales to retailers. Sales from Company restaurants, including sales by our consolidated TH Restaurant VIEs, represent restaurant-level sales to our guests.

Cost of sales includes costs associated with the management of our TH supply chain, including cost of goods, direct labor and depreciation, as well as the cost of products sold to retailers. Cost of sales also includes food, paper and labor costs of Company restaurants.

During the three months ended September 30, 2020, the decrease in sales was driven primarily by a decrease of $74 million in our TH segment, a decrease of $2 million in our BK segment, a decrease of $3 million in our PLK segment, and an unfavorable FX Impact of $4 million. The decrease in our TH segment was driven by a decrease in supply chain sales due to the decrease in system-wide sales, net of an increase in sales to retailers.

During the nine months ended September 30, 2020, the decrease in sales was driven primarily by a decrease of $247 million in our TH segment, a decrease of $8 million in our BK segment, a decrease of $4 million in our PLK segment, and an unfavorable FX Impact of $26 million. The decrease in our TH segment was driven by a $255 million decrease in supply chain sales due to the decrease in system-wide sales, net of an increase in sales to retailers. The decrease in supply chain sales was partially offset by an increase of $8 million in Company restaurant revenue due to an increase in the number of Company restaurants.

While we cannot currently estimate the duration or future negative impact of the COVID-19 pandemic on our system-wide sales and sales revenue, we expect the negative effects to continue into the fourth quarter of 2020.

During the three months ended September 30, 2020, the decrease in cost of sales was driven primarily by a decrease of $50 million in our TH segment, a decrease of $2 million in our BK segment, a decrease of $2 million in our PLK segment and a $3 million favorable FX Impact. The decrease in our TH segment was driven by a decrease in supply chain cost of sales due to the decrease in system-wide sales, net of an increase in sales to retailers.

During the nine months ended September 30, 2020, the decrease in cost of sales was driven primarily by a decrease of $152 million in our TH segment, a decrease of $4 million in our BK segment, a decrease of $2 million in our PLK segment and a $20 million favorable FX Impact. The decrease in our TH segment was driven primarily by a decrease of $161 million in supply chain cost of sales due to the decrease in system-wide sales, net of an increase in sales to retailers, and an increase in bad debt expense. The decrease in supply chain cost of sales was partially offset by a $9 million increase in Company restaurant cost of sales due to an increase in the number of Company restaurants.

Franchise and Property

Franchise and property revenues consist primarily of royalties earned on franchise sales (including advertising fund revenues), rents from real estate leased or subleased to franchisees, franchise fees, and other revenue. Franchise and property expenses consist primarily of depreciation of properties leased to franchisees, rental expense associated with properties subleased to franchisees, amortization of franchise agreements, and bad debt expense (recoveries).

During the three months ended September 30, 2020, the decrease in franchise and property revenues was driven by a decrease of $38 million in our TH segment, a decrease of $20 million in our BK segment, and a $6 million unfavorable FX Impact, partially offset by an increase of $26 million in our PLK segment. The decrease in our TH segment was primarily driven by decreases in royalties and rent from decreases in system-wide sales and rent relief provided to eligible franchisees during the current period. The decrease in our BK segment was primarily driven by a decrease in royalties as a result of a decrease in system-wide sales. The increase in our PLK segment was primarily driven by an increase in royalties as a result of an increase in system-wide sales.

During the nine months ended September 30, 2020, the decrease in franchise and property revenues was driven by a decrease of $157 million in our TH segment, a decrease of $121 million in our BK segment, and a $33 million unfavorable FX Impact, partially offset by an increase of $82 million in our PLK segment. The decrease in our TH segment was primarily driven by decreases in royalties and rent from decreases in system-wide sales and rent relief provided to eligible franchisees during the current period. The decrease in our BK segment was primarily driven by a decrease in royalties as a result of a decrease in system-wide sales. The increase in our PLK segment was primarily driven by an increase in royalties as a result of an increase in system-wide sales.

We cannot currently estimate the duration or future negative impact of the COVID-19 pandemic on our system-wide sales and, along with rent concessions remaining in place to eligible franchisees as a result of COVID-19, the impact on our franchise and property revenues. We expect these negative effects to continue into the fourth quarter of 2020.

During the three months ended September 30, 2020, the decrease in franchise and property expenses was driven by a decrease of $8 million in our TH segment partially offset by an increase of $3 million in our BK segment.

During the nine months ended September 30, 2020, the decrease in franchise and property expenses was driven by a decrease of $14 million in our TH segment and a $4 million favorable FX Impact, partially offset by an increase of $5 million

in our BK segment. Overall, the decrease was driven by a decrease in property expenses partially offset by an increase in bad debt expense.

Selling, General and Administrative Expenses

Our selling, general and administrative expenses were comprised of the following:

	Three Months Ended September 30,		Variance		Nine Months Ended September 30,		Variance	
			$	%			$	%
	2020	2019	Favorable / (Unfavorable)		2020	2019	Favorable / (Unfavorable)	
Segment SG&A:								
TH	$ 63	$ 77	$ 14	18.2 %	$ 211	$ 236	$ 25	10.6 %
BK	142	159	17	10.7 %	422	449	27	6.0 %
PLK	70	56	(14)	(25.0)%	201	159	(42)	(26.4)%
Share-based compensation and non-cash incentive compensation expense	19	18	(1)	(5.6)%	63	62	(1)	(1.6)%
Depreciation and amortization	5	5	—	— %	14	14	—	— %
Corporate restructuring and tax advisory fees	3	5	2	40.0 %	11	22	11	50.0 %
Office centralization and relocation costs	—	—	—	— %	—	6	6	100.0 %
Selling, general and administrative expenses	$ 302	$ 320	$ 18	5.6 %	$ 922	$ 948	$ 26	2.7 %

Segment selling, general and administrative expenses (“Segment SG&A”) include segment selling expenses, which consist primarily of advertising fund expenses, and segment general and administrative expenses, which are comprised primarily of salary and employee-related costs for non-restaurant employees, professional fees, information technology systems, and general overhead for our corporate offices. Segment SG&A excludes share-based compensation and non-cash incentive compensation expense, depreciation and amortization, Corporate restructuring and tax advisory fees, and Office centralization and relocation costs.

During the three and nine months ended September 30, 2020, the decrease in Segment SG&A in our TH and BK segments was primarily due to a decrease in advertising fund expenses. During the three and nine months ended September 30, 2020, the increase in Segment SG&A in our PLK segment was primarily due to an increase in advertising fund expenses resulting from an increase in advertising fund revenue.

During the three and nine months ended September 30, 2020, share-based compensation and non-cash incentive compensation expense was consistent with prior year.

(Income) Loss from Equity Method Investments

(Income) loss from equity method investments reflects our share of investee net income or loss, non-cash dilution gains or losses from changes in our ownership interests in equity method investees, and basis difference amortization.

The change in (income) loss from equity method investments during the three and nine months ended September 30, 2020 was primarily driven by an increase in equity method investment net losses that we recognized during the current year, driven by the negative impact of the COVID-19 pandemic, and the non-recurrence of an $11 million non-cash dilution gain during 2019 from the issuance of additional shares in connection with a merger by one of our equity method investees.

Other Operating Expenses (Income), net

Our other operating expenses (income), net were comprised of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net losses (gains) on disposal of assets, restaurant closures, and refranchisings	$ 4	$ 6	$ 2	$ (1)
Litigation settlements (gains) and reserves, net	4	1	5	1
Net losses (gains) on foreign exchange	44	(35)	54	(38)
Other, net	2	(2)	(2)	(6)
Other operating expenses (income), net	$ 54	$ (30)	$ 59	$ (44)

Net losses (gains) on disposal of assets, restaurant closures, and refranchisings represent sales of properties and other costs related to restaurant closures and refranchisings. Gains and losses recognized in the current period may reflect certain costs related to closures and refranchisings that occurred in previous periods.

Net losses (gains) on foreign exchange is primarily related to revaluation of foreign denominated assets and liabilities.

Interest Expense, net

Our interest expense, net and the weighted average interest rate on our long-term debt were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Interest expense, net	$ 129	$ 137	$ 376	$ 406
Weighted average interest rate on long-term debt	4.5 %	5.1 %	4.6 %	5.1 %

During the three and nine months ended September 30, 2020, interest expense, net decreased primarily due to a decrease in the weighted average interest rate in the current year driven by the decrease in interest rates and the 2019 refinancing of our senior secured debt, partially offset by an increase in long-term debt.

Income Tax Expense

Our effective tax rate was 22.6% and 18.3% for the three months ended September 30, 2020 and 2019, respectively. Our effective tax rate was higher primarily due to changes in our relative mix of income from multiple tax jurisdictions, unfavorable movements in foreign exchange rates related to unremitted earnings and lower benefits from stock option exercises for the quarter. There may continue to be some quarter-to-quarter volatility of our effective tax rate as our mix of income from multiple tax jurisdictions and related income forecasts change due to the effects of COVID-19.

Our effective tax rate was 9.2% and 21.4% for the nine months ended September 30, 2020 and 2019, respectively. The effective tax rate for the nine months ended September 30, 2020 reflects a $64 million benefit due to an increase in deferred tax assets which decreased the effective tax rate by (9.5)%. Based on the analysis of final guidance related to the Tax Act received during this period, a deferred tax asset was recorded. The effective tax rate for the nine months ended September 30, 2019 included a $37 million increase in the provision for unrecognized tax benefits related to a prior restructuring transaction that was not applicable to ongoing operations which increased the effective tax rate by 3.4% during the period.

Net Income

We reported net income of $223 million for the three months ended September 30, 2020, compared to net income of $351 million for the three months ended September 30, 2019. The decrease in net income is primarily due to an $84 million unfavorable change in the results from other operating expenses (income), net, a $29 million unfavorable change from the impact of equity method investments, a $43 million decrease in TH segment income, a $9 million decrease in BK segment income, a $1 million increase in share-based compensation and non-cash incentive compensation expense, and a $1 million increase in depreciation and amortization. These factors were partially offset by a $14 million decrease in income tax expense, an $11 million increase in PLK segment income, an $8 million decrease in interest expense, net, the non-recurrence of $4 million in loss on early extinguishment of debt, and a $2 million decrease in Corporate restructuring and tax advisory fees. Amounts above include a total unfavorable FX Impact to net income of $5 million.

We reported net income of $611 million for the nine months ended September 30, 2020, compared to net income of $854 million for the nine months ended September 30, 2019. The decrease in net income is primarily due to a $231 million decrease in TH segment income, a $123 million decrease in BK segment income, a $103 million unfavorable change in the results from other operating expenses (income), net, a $41 million unfavorable change from the impact of equity method investments and a $1 million increase in share-based compensation and non-cash incentive compensation expense. These factors were partially offset by a $170 million decrease in income tax expense, a $35 million increase in PLK segment income, a $30 million decrease in interest expense, net, an $11 million decrease in Corporate restructuring and tax advisory fees, the non-recurrence of $6 million in Office Centralization and relocation costs, and the non-recurrence of $4 million in loss on early extinguishment of debt. Amounts above include a total unfavorable FX Impact to net income of $29 million.

While we cannot currently estimate the duration or future negative impact of the COVID-19 pandemic on our net income, we expect the negative effects to continue into the fourth quarter of 2020.

Non-GAAP Reconciliations

The table below contains information regarding EBITDA and Adjusted EBITDA, which are non-GAAP measures. These non-GAAP measures do not have a standardized meaning under U.S. GAAP and may differ from similar captioned measures of other companies in our industry. We believe that these non-GAAP measures are useful to investors in assessing our operating performance, as they provide them with the same tools that management uses to evaluate our performance and is responsive to questions we receive from both investors and analysts. By disclosing these non-GAAP measures, we intend to provide investors with a consistent comparison of our operating results and trends for the periods presented. EBITDA is defined as earnings (net income or loss) before interest expense, net, loss on early extinguishment of debt, income tax expense, and depreciation and amortization and is used by management to measure operating performance of the business. Adjusted EBITDA is defined as EBITDA excluding (i) the non-cash impact of share-based compensation and non-cash incentive compensation expense, (ii) (income) loss from equity method investments, net of cash distributions received from equity method investments, (iii) other operating expenses (income), net and, (iv) income/expenses from non-recurring projects and non-operating activities. For the periods referenced, this included costs incurred in connection with the centralization and relocation of our Canadian and U.S. restaurant support centers to new offices in Toronto, Ontario, and Miami, Florida, respectively, and from professional advisory and consulting services associated with certain transformational corporate restructuring initiatives that rationalize our structure and optimize cash movements, including consulting services related to the interpretation of final and proposed regulations and guidance under the Tax Act. Management believes that these types of expenses are either not related to our underlying profitability drivers or not likely to re-occur in the foreseeable future and the varied timing, size and nature of these projects may cause volatility in our results unrelated to the performance of our core business that does not reflect trends of our core operations.

Adjusted EBITDA is used by management to measure operating performance of the business, excluding these non-cash and other specifically identified items that management believes are not relevant to management's assessment of our operating business. Adjusted EBITDA, as defined above, also represents our measure of segment income for each of our three operating segments.

	Three Months Ended September 30,		Variance $	Variance %	Nine Months Ended September 30,		Variance $	Variance %
	2020	2019	Favorable / (Unfavorable)		2020	2019	Favorable / (Unfavorable)	
Segment income:								
TH	$ 258	$ 301	$ (43)	(14.1)%	$ 594	$ 825	$ (231)	(27.9)%
BK	245	254	(9)	(3.3)%	605	728	(123)	(16.9)%
PLK	58	47	11	23.4 %	164	129	35	26.9 %
Adjusted EBITDA	561	602	(41)	(6.6)%	1,363	1,682	(319)	(18.9)%
Share-based compensation and non-cash incentive compensation expense	19	18	(1)	(5.6)%	63	62	(1)	(1.6)%
Corporate restructuring and tax advisory fees	3	5	2	40.0 %	11	22	11	50.0 %
Office centralization and relocation costs	—	—	—	NM	—	6	6	100.0 %
Impact of equity method investments (a)	20	(9)	(29)	NM	42	1	(41)	NM
Other operating expenses (income), net	54	(30)	(84)	NM	59	(44)	(103)	NM
EBITDA	465	618	(153)	(24.8)%	1,188	1,635	(447)	(27.3)%
Depreciation and amortization	48	47	(1)	(2.1)%	139	139	—	— %
Income from operations	417	571	(154)	(27.0)%	1,049	1,496	(447)	(29.9)%
Interest expense, net	129	137	8	5.8 %	376	406	30	7.4 %
Loss on early extinguishment of debt	—	4	4	NM	—	4	4	NM
Income tax expense	65	79	14	17.7 %	62	232	170	73.3 %
Net income	$ 223	$ 351	$ (128)	(36.5)%	$ 611	$ 854	$ (243)	(28.5)%

NM - Not Meaningful

(a) Represents (i) (income) loss from equity method investments and (ii) cash distributions received from our equity method investments. Cash distributions received from our equity method investments are included in segment income.

The decrease in Adjusted EBITDA for the three and nine months ended September 30, 2020 reflects the decreases in segment income in our TH and BK segments, partially offset by an increase in segment income in our PLK segment. Segment income in our TH and BK segments for the three months ended September 30, 2020 includes an increase of $14 million and for the nine months ended September 30, 2020 includes a decrease of $18 million, related to the timing of advertising fund revenue and expenses.

The decrease in EBITDA for the three and nine months ended September 30, 2020 is primarily due to decreases in segment income in our TH and BK segments and unfavorable results from other operating expenses (income), net, and the impact of equity method investments, partially offset by an increase in segment income in our PLK segment, a decrease in Corporate restructuring and tax advisory fees, and the non-recurrence of Office centralization and relocation costs in the nine months period.

While we cannot currently estimate the duration or future negative impact of the COVID-19 pandemic on our segment income, Adjusted EBITDA and EBITDA, we expect the negative effects to continue into the fourth quarter of 2020.

Liquidity and Capital Resources

Our primary sources of liquidity are cash on hand, cash generated by operations, and borrowings available under our Revolving Credit Facility (as defined below). We have used, and may in the future use, our liquidity to make required interest and/or principal payments, to repurchase our common shares, to repurchase Class B exchangeable limited partnership units of Partnership ("Partnership exchangeable units"), to voluntarily prepay and repurchase our or one of our affiliate's outstanding debt, to fund our investing activities, and to pay dividends on our common shares and make distributions on the Partnership exchangeable units. As a result of our borrowings, we are highly leveraged. Our liquidity requirements are significant, primarily due to debt service requirements.

As of September 30, 2020, we had cash and cash equivalents of $1,919 million, working capital of $1,059 million and borrowing availability of $998 million under our senior secured revolving credit facility (the "Revolving Credit Facility"). During the first quarter of 2020, we drew down the remaining availability of C$125 million under the TH Facility (defined below). On April 7, 2020, two of our subsidiaries (the "Borrowers") entered into an indenture (the "2020 5.75% Senior Notes Indenture") in connection with the issuance of $500 million of 5.75% first lien notes due April 15, 2025 (the "2020 5.75% Senior Notes"). No principal payments are due until maturity and interest is paid semi-annually. The net proceeds from the offering of the 2020 5.75% Senior Notes were used for general corporate purposes.

Additionally, on October 5, 2020, the Borrowers entered into an indenture (the "2020 4.00% Senior Notes Indenture") in connection with the issuance of $1,400 million of 4.00% second lien notes due October 15, 2030 (the "October 2020 4.00% Senior Notes"). No principal payments are due until maturity and interest is paid semi-annually. On October 16, 2020 the proceeds from the offering of the October 2020 4.00% Senior Notes were used to redeem $1,350 million of our existing $2,800 million 2017 5.00% Senior Notes (due October 15, 2025) and pay related redemption premiums, fees and expenses.

On October 14, 2020, the Borrowers entered into a purchase agreement relating to the sale of $1,500 million in aggregate principal amount of 4.00% second lien notes due October 15, 2030 (the "November 2020 4.00% Senior Notes" and together with the October 2020 4.00% Senior Notes, the "2020 4.00% Senior Notes"), which will be issued as additional notes under the 2020 4.00% Senior Notes Indenture. The closing of the offering of the November 2020 4.00% Senior Notes is expected to occur on or about November 2, 2020, subject to customary closing conditions. The November 2020 4.00% Senior Notes are treated as a single series with the October 2020 4.00% Senior Notes and have the same terms for all purposes under the 2020 4.00% Senior Notes Indenture, including waivers, amendments, redemptions and offers to purchase. The net proceeds from the offering of the November 2020 4.00% Senior Notes will be used to redeem the remaining $1,450 million principal amount outstanding of the 2017 5.00% Senior Notes and pay related redemption premiums, fees and expenses.

On October 20, 2020, the Borrowers entered into a purchase agreement relating to the sale of $750 million in aggregate principal amount of 3.50% first lien notes due February 15, 2029 (the "2020 3.50% Senior Notes"). The closing of the offering of the 2020 3.50% Senior Notes is expected to occur on or about November 9, 2020, subject to customary closing conditions. The net proceeds from the offering of the 2020 3.50% Senior Notes will be used to redeem $725 million of our 4.25% first lien notes due 2024 and pay related redemption premiums, fees and expenses.

In September 2020, Partnership received an exchange notice for 6,757,692 Partnership exchange units (the "Exchangeable Units"). In accordance with the terms of the partnership agreement, Partnership chose to satisfy the exchange by repurchasing all of these Exchangeable Units on October 2, 2020 for approximately $380 million with available cash on hand. The cash and cash equivalents balance as of September 30, 2020 does not reflect (i) the issuance of the October 2020 4.00% Senior Notes on October 5, 2020, (ii) the redemption of $1,350 million of our existing $2,800 million 2017 5.00% Senior Notes on October 16, 2020, (iii) the repurchase of the Exchangeable Units on October 2, 2020, (iv) the expected issuance and use of proceeds of the November 2020 4.00% Senior Notes in November 2020, and (v) the expected issuance and use of proceeds of the 2020 3.50% Senior Notes in November 2020. Based on our current level of operations and available cash, we believe our cash flow from operations, combined with our availability under our Revolving Credit Facility, will provide sufficient liquidity to fund our current obligations, debt service requirements and capital spending over the next twelve months.

Our operating results substantially depend upon our franchisees' sales volumes, restaurant profitability, and financial stability. The financial impact of COVID-19 has had, and is expected to continue for an uncertain period to have, an adverse effect on our franchisees' liquidity and we have worked closely with our franchisees around the world to monitor and assist them with access to appropriate sources of liquidity in order to sustain their businesses throughout this crisis. We provided cash flow support by extending loans to eligible BK franchisees in the U.S. during the second and third quarters of 2020 and by advancing certain cash payments to eligible TH franchisees in Canada during the second quarter of 2020. Also, during the nine months ended September 30, 2020, we offered a rent relief program for eligible TH franchisees in Canada and extended payment terms for eligible TH franchisees in Canada and the U.S. who lease property from us and also offered rent relief programs and extended payment terms for eligible BK franchisees in the U.S. and Canada who lease property from us. A

portion of these rent relief programs concluded during the three months ended September 30, 2020. We also temporarily deferred franchisee capital investment commitments for restaurant renovations and new restaurant development globally, based on individual circumstances of relevant markets and restaurant owners. These actions are expected to adversely affect our cash flow and financial results at least through the fourth quarter of 2020. In addition to these actions, we may decide to take additional steps to assist in the financial stabilization of our franchisees, which could impact our liquidity and our financial results.

On August 2, 2016, our board of directors approved a share repurchase authorization that allows us to purchase up to $300 million of our common shares through July 2021. Repurchases under the Company's authorization will be made in the open market or through privately negotiated transactions. On August 6, 2020, we announced that the Toronto Stock Exchange (the "TSX") had accepted the notice of our intention to renew the normal course issuer bid. Under this normal course issuer bid, we are permitted to repurchase up to 30,000,015 common shares for the one-year period commencing on August 8, 2020 and ending on August 7, 2021, or earlier if we complete the repurchases prior to such date. Share repurchases under the normal course issuer bid will be made through the facilities of the TSX, the New York Stock Exchange (the "NYSE") and/or other exchanges and alternative Canadian or foreign trading systems, if eligible, or by such other means as may be permitted by the TSX and/or the NYSE under applicable law. Shareholders may obtain a copy of the prior notice, free of charge, by contacting us.

We provide applicable deferred taxes based on the tax liability or withholding taxes that would be due upon repatriation of unremitted earnings. We will continue to monitor our plans for foreign earnings but our expectation is to continue to provide taxes on unremitted earnings.

Debt Instruments and Debt Service Requirements

As of September 30, 2020, our long-term debt consists primarily of borrowings under our Credit Facilities, amounts outstanding under our 2017 4.25% Senior Notes, 2019 3.875% Senior Notes, 2020 5.75% Senior Notes, 2017 5.00% Senior Notes, 2019 4.375% Senior Notes and TH Facility (each as defined below), and obligations under finance leases. For further information about our long-term debt, see Note 10 to the accompanying unaudited condensed consolidated financial statements included in this report.

Credit Facilities

As of September 30, 2020, there was $6,046 million outstanding principal amount under our senior secured term loan facilities (the "Term Loan Facilities") with a weighted average interest rate of 1.84%. Based on the amounts outstanding under the Term Loan Facilities and LIBOR as of September 30, 2020, subject to a floor of 0.00%, required debt service for the next twelve months is estimated to be approximately $112 million in interest payments and $72 million in principal payments. In addition, based on LIBOR as of September 30, 2020, net cash settlements that we expect to pay on our $4,000 million interest rate swap are estimated to be approximately $91 million for the next twelve months.

On April 2, 2020, the Borrowers entered into a fifth amendment (the "Fifth Amendment") to the credit agreement (the "Credit Agreement") governing our Term Loan Facilities and Revolving Credit Facility. The Fifth Amendment provides the Borrowers with the option to comply with a $1,000 million minimum liquidity covenant in lieu of the 6.50:1.00 net first lien senior secured leverage ratio financial maintenance covenant for the period after June 30, 2020 and prior to September 30, 2021. Additionally, for the periods ending September 30, 2021 and December 31, 2021, to determine compliance with the net first lien senior secured leverage ratio, we are permitted to annualize the Adjusted EBITDA (as defined in the Credit Agreement) for the three months ending September 30, 2021 and six months ending December 31, 2021, respectively, in lieu of calculating the ratio based on Adjusted EBITDA for the prior four quarters. There were no other material changes to the terms of the Credit Agreement.

The interest rate applicable to borrowings under our Term Loan A and Revolving Credit Facility is, at our option, either (i) a base rate, subject to a floor of 1.00%, plus an applicable margin varying from 0.00% to 0.50%, or (ii) a Eurocurrency rate, subject to a floor of 0.00%, plus an applicable margin varying between 0.75% to 1.50%, in each case, determined by reference to a net first lien leverage based pricing grid. The interest rate applicable to borrowings under our Term Loan B is, at our option, either (i) a base rate, subject to a floor of 1.00%, plus an applicable margin of 0.75% or (ii) a Eurocurrency rate, subject to a floor of 0.00%, plus an applicable margin of 1.75%.

As of September 30, 2020, we had no amounts outstanding under our Revolving Credit Facility, had $2 million of letters of credit issued against the Revolving Credit Facility, and our borrowing availability was $998 million. Funds available under the Revolving Credit Facility may be used to repay other debt, finance debt or share repurchases, fund acquisitions or capital expenditures, and for other general corporate purposes. We have a $125 million letter of credit sublimit as part of the Revolving Credit Facility, which reduces our borrowing availability thereunder by the cumulative amount of outstanding letters of credit.

Senior Notes

The Borrowers are party to (i) an indenture (the “2017 4.25% Senior Notes Indenture”) in connection with the issuance of $1,500 million of 4.25% first lien senior notes due May 15, 2024 (the “2017 4.25% Senior Notes”), (ii) an indenture (the “2019 3.875% Senior Notes Indenture”) in connection with the issuance of $750 million of 3.875% first lien senior notes due January 15, 2028 (the “2019 3.875% Senior Notes”), (iii) an indenture (the “2017 5.00% Senior Notes Indenture”) in connection with the issuance of $2,800 million of 5.00% second lien senior notes due October 15, 2025 (the “2017 5.00% Senior Notes”), (iv) an indenture (the “2019 4.375% Senior Notes Indenture” and together with the above indentures the "Senior Notes Indentures") in connection with the issuance of $750 million of 4.375% second lien senior notes due January 15, 2028 (the “2019 4.375% Senior Notes”) and (v) the 2020 5.75% Senior Notes Indenture described above. No principal payments are due on the 2017 4.25% Senior Notes, 2019 3.875% Senior Notes, 2017 5.00% Senior Notes, 2019 4.375% Senior Notes and 2020 5.75% Senior Notes until maturity and interest is paid semi-annually.

Based on the amounts outstanding at September 30, 2020, required debt service for the next twelve months on all of the Senior Notes outstanding is approximately $294 million in interest payments.

TH Facility

One of our subsidiaries entered into a non-revolving delayed drawdown term credit facility in a total aggregate principal amount of C$225 million with a maturity date of October 4, 2025 (the “TH Facility”). The interest rate applicable to the TH Facility is the Canadian Bankers’ Acceptance rate plus an applicable margin equal to 1.40% or the Prime Rate plus an applicable margin equal to 0.40%, at our option. Obligations under the TH Facility are guaranteed by four of our subsidiaries, and amounts borrowed under the TH Facility are secured by certain parcels of real estate. As of September 30, 2020, we had outstanding C$224 million under the TH Facility with a weighted average interest rate of 1.88%.

Based on the amounts outstanding under the TH Facility as of September 30, 2020, required debt service for the next twelve months is estimated to be approximately $3 million in interest payments and $4 million in principal payments.

Restrictions and Covenants

As of September 30, 2020, we were in compliance with all applicable financial debt covenants under the Credit Facilities, the TH Facility, and the Senior Notes Indentures.

Cash Dividends

On October 2, 2020, we paid a dividend of $0.52 per common share and Partnership made a distribution in respect of each Partnership exchangeable unit in the amount of $0.52 per Partnership exchangeable unit.

Our board of directors has declared a cash dividend of $0.52 per common share, which will be paid on January 5, 2021 to common shareholders of record on December 21, 2020. Partnership will also make a distribution in respect of each Partnership exchangeable unit in the amount of $0.52 per Partnership exchangeable unit, and the record date and payment date for distributions on Partnership exchangeable units are the same as the record date and payment date set forth above.

In addition, because we are a holding company, our ability to pay cash dividends on our common shares may be limited by restrictions under our debt agreements. Although we do not have a formal dividend policy, our board of directors may, subject to compliance with the covenants contained in our debt agreements and other considerations, determine to pay dividends in the future. We expect to pay all dividends from cash generated from our operations.

Outstanding Security Data

As of October 20, 2020, we had outstanding 303,902,641 common shares and one special voting share. The special voting share is held by a trustee, entitling the trustee to that number of votes on matters on which holders of common shares are entitled to vote equal to the number of Partnership exchangeable units outstanding. The trustee is required to cast such votes in accordance with voting instructions provided by holders of Partnership exchangeable units. At any shareholder meeting of the Company, holders of our common shares vote together as a single class with the special voting share except as otherwise provided by law. For information on our share-based compensation and our outstanding equity awards, see Note 15 to the audited consolidated financial statements in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2019, filed with the SEC and Canadian securities regulatory authorities on February 21, 2020.

There were 155,453,689 Partnership exchangeable units outstanding as of October 20, 2020. During the nine months ended September 30, 2020, Partnership exchanged 3,294,968 Partnership exchangeable units pursuant to exchange notices received. Since December 12, 2015, the holders of Partnership exchangeable units have had the right to require Partnership to

exchange all or any portion of such holder's Partnership exchangeable units for our common shares at a ratio of one share for each Partnership exchangeable unit, subject to our right as the general partner of Partnership to determine to settle any such exchange for a cash payment in lieu of our common shares.

Comparative Cash Flows

Operating Activities

Cash provided by operating activities was $608 million for the nine months ended September 30, 2020, compared to $911 million during the same period in the prior year. The decrease in cash provided by operating activities was driven by a decrease in TH segment income, a decrease in BK segment income, a decrease in cash provided by other long term assets and liabilities and an increase in cash used for working capital. These factors were partially offset by a decrease in interest payments, an increase in PLK segment income, and a decrease in income tax payments.

Investing Activities

Cash used for investing activities was $33 million for the nine months ended September 30, 2020, compared to $7 million of cash provided from investing activities during the same period in the prior year. The change in investing activities was driven by an increase in capital expenditures during the current period.

Financing Activities

Cash used for financing activities was $182 million for the nine months ended September 30, 2020, compared to $106 million during the same period in the prior year. The change in financing activities was driven primarily by a decrease in proceeds from the issuance of Senior Notes, an increase in RBI common share dividends and distributions on Partnership exchangeable units, payments from derivatives in 2020 compared to proceeds from derivatives in 2019, and a decrease in proceeds from stock option exercises, partially offset by proceeds from the draw down on the remaining availability under the TH Facility in 2020 and the non-recurrence of the Term Loan B prepayments in 2019.

Contractual Obligations and Commitments

Except as described herein, there were no material changes to our contractual obligations, which are detailed in our Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC and Canadian securities regulatory authorities on February 21, 2020, other than the following.

During the first quarter of 2020, we drew down the remaining availability of C$125 million under the TH Facility. Additionally, on April 7, 2020, we obtained the proceeds from the 2020 5.75% Senior Notes. Also, on October 5, 2020, we issued the October 2020 4.00% Senior Notes and used the net proceeds to redeemed $1,350 million of our existing $2,800 million 2017 5.00% Senior Notes on October 16, 2020. Each of these terms is defined and described above. The following table provides contractual obligations under our Credit Facilities, senior notes and other long term debt as of September 30, 2020 and October 16, 2020, which reflects all of the debt transactions disclosed above but does not reflect the expected issuance of the November 2020 4.00% Senior Notes and the 2020 3.50% Senior Notes or redemption of the remaining $1,450 million principal amount outstanding of the 2017 5.00% Senior Notes and $725 million of the 4.25% First Lien Notes due 2024, which transactions have not closed as of the date of this report.

		Payment Due by Period as of October 16, 2020				
Contractual Obligations	**Total as of September 30, 2020**	**Total**	**Less Than 1 Year**	**1-3 Years**	**3-5 Years**	**More Than 5 Years**
			(In millions)			
Credit Facilities, including interest (a)	$ 6,700	$ 6,700	$ 186	$ 386	$ 976	$ 5,152
Senior Notes, including interest (b)	7,818	8,092	285	566	2,465	4,776
Other long term debt	184	184	9	24	37	114

(a) We have estimated our interest payments through the maturity of our Credit Facilities based on LIBOR as of September 30, 2020.

(b) Amounts included herein for the Senior Notes exclude amounts for the Tim Hortons Notes.

Critical Accounting Policies and Estimates

For information regarding our Critical Accounting Policies and Estimates, see the "Critical Accounting Policies and Estimates" section of "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission (the "SEC") on February 21, 2020. Additionally, see the "COVID-19" section of Note 1 to the accompanying unaudited condensed consolidated financial statements for a discussion about the potential impact of the COVID-19 pandemic on asset impairment assessments.

New Accounting Pronouncements

See Note 3 – *New Accounting Pronouncements* in the notes to the accompanying unaudited condensed consolidated financial statements.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

There were no material changes during the nine months ended September 30, 2020 to the disclosures made in Part II, Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC and Canadian securities regulatory authorities on February 21, 2020.

Item 4. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

An evaluation was conducted under the supervision and with the participation of management, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and Exchange Act Rules 15d-15(e)) as of September 30, 2020. Based on that evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures were effective as of such date.

Internal Control Over Financial Reporting

The Company's management, including the CEO and CFO, confirm there were no changes in the Company's internal control over financial reporting during the three months ended September 30, 2020 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Special Note Regarding Forward-Looking Statements

Certain information contained in this report, including information regarding future financial performance and plans, targets, aspirations, expectations, and objectives of management, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of Canadian securities laws. We refer to all of these as forward-looking statements. Forward-looking statements are forward-looking in nature and, accordingly, are subject to risks and uncertainties. These forward-looking statements can generally be identified by the use of words such as "believe", "anticipate", "expect", "intend", "estimate", "plan", "continue", "will", "may", "could", "would", "target", "potential" and other similar expressions and include, without limitation, statements regarding our expectations or beliefs regarding (i) the effects of the COVID-19 pandemic on our results of operations, business, liquidity and prospects and those of our franchisees, (ii) our future financial obligations, including annual debt service requirements, capital expenditures and dividend payments, our ability to meet such obligations and the source of funds used to satisfy such obligations; (iii) expected timing of debt refinancing transactions; (iv) our efforts to assist restaurant owners in maintaining liquidity and the impact of these programs on our future cash flow and financial results; (v) the amount and timing of additional Corporate restructuring and tax advisory fees related to the Tax Act and Office centralization and relocation costs; (vi) certain tax matters, including the impact of the Tax Act on future periods; (vii) the amount of net cash settlements we expect to pay on our derivative instruments; and (viii) certain accounting matters.

Our forward-looking statements, included in this report and elsewhere, represent management's expectations as of the date that they are made. Our forward-looking statements are based on assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. However, these forward-looking statements are subject to a number of

risks and uncertainties and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results, level of activity, performance or achievements to differ materially from those expressed or implied by these forward-looking statements include, among other things, risks related to: (1) our substantial indebtedness, which could adversely affect our financial condition and prevent us from fulfilling our obligations; (2) global economic or other business conditions that may affect the desire or ability of our customers to purchase our products and supply chain, such as the effects of the COVID-19 pandemic, inflationary pressures, high unemployment levels, declines in median income growth, consumer confidence and consumer discretionary spending and changes in consumer perceptions of dietary health and food safety; (3) our relationship with, and the success of, our franchisees and risks related to our fully franchised business model; (4) our franchisees' financial stability and their ability to access and maintain the liquidity necessary to operate their businesses; (5) supply chain operations; (6) our ownership and leasing of real estate; (7) the effectiveness of our marketing and advertising programs and franchisee support of these programs; (8) significant and rapid fluctuations in interest rates and in the currency exchange markets and the effectiveness of our hedging activity; (9) our ability to successfully implement our domestic and international growth strategy for our brands and risks related to our international operations; (10) our reliance on master franchisees and subfranchisees to accelerate restaurant growth; (11) the ability of the counterparties to our credit facilities and derivatives to fulfill their commitments and/or obligations; and (12) changes in applicable tax laws or interpretations thereof, and risks related to the complexity of the Tax Act and our ability to accurately interpret and predict its impact on our financial condition and results.

We operate in a very competitive and rapidly changing environment and our inability to successfully manage any of the above risks may permit our competitors to increase their market share and may decrease our profitability. New risk factors emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. Finally, our future results will depend upon various other risks and uncertainties, including, but not limited to, those detailed in Part I, Item 1A "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC and Canadian securities regulatory authorities on February 21, 2020, as well as other materials that we from time to time file with, or furnish to, the SEC or file with Canadian securities regulatory authorities. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements in this section and elsewhere in this report. Other than as required under securities laws, we do not assume a duty to update these forward-looking statements, whether as a result of new information, subsequent events or circumstances, changes in expectations or otherwise.

Part II – Other Information

Item 1. Legal Proceedings

On June 30, 2020, a class action complaint was filed against Restaurant Brands International Inc., Restaurant Brands International Limited Partnership and The TDL Group Corp. in the Quebec Superior Court by Steve Holcman, individually and on behalf of all Quebec residents who downloaded the Tim Hortons mobile application. On July 2, 2020, a Notice of Action related to a second class action complaint was filed against Restaurant Brands International Inc., in the Ontario Superior Court by Ashley Sitko and Ashley Cadeau, individually and on behalf of all Canadian residents who downloaded the Tim Hortons mobile application. On August 31, 2020, a notice of claim was filed against Restaurant Brands International Inc. in the Supreme Court of British Columbia by Wai Lam Jacky Law on behalf of all persons in Canada who downloaded the Tim Hortons mobile application or the Burger King mobile application. On September 30, 2020, a notice of action was filed against Restaurant Brands International Inc., Restaurant Brands International Limited Partnership, The TDL Group Corp., Burger King Worldwide, Inc. and Popeyes Louisiana Kitchen, Inc. in the Ontario Superior Court of Justice by William Jung on behalf of a to be determined class. All of the complaints allege that the defendants violated the plaintiff's privacy rights, the Personal Information Protection and Electronic Documents Act, consumer protection and competition laws or app-based undertakings to users, in each case in connection with the collection of geolocation data through the Tim Hortons mobile application, and in certain cases, the Burger King and Popeyes mobile applications. Each plaintiff seeks injunctive relief and monetary damages for himself or herself and other members of the class. We intend to vigorously defend against these lawsuits, but we are unable to predict the ultimate outcome of any of these cases.

On October 26, 2020, City of Warwick Municipal Employees Pension Fund, a purported stockholder of Restaurant Brands International, individually and on behalf of all other stockholders similarly situated, filed a lawsuit in the Supreme Court of the State of New York County of New York naming the Company and certain of its officers, directors and selling shareholders as defendants alleging violations of Sections 11, 12(a)(2) and 15 of the Securities Act of 1933, as amended, in connection with the offering of securities by an affiliate of 3G Capital Partners Ltd. in August and September 2019. The complaint alleges that the shelf registration statement used in connection with such offering contained certain false and/or misleading statements or omissions. The complaint seeks, among other relief, class certification of the lawsuit, unspecified compensatory damages, rescission, pre-judgement and post-judgement interest, costs and expenses. The Company is currently evaluating the lawsuit, but believes that the claims are without merit and intends to vigorously defend. While we believe these claims are without merit, we are unable to predict the ultimate outcome of this case or estimate the range of possible loss, if any.

Item 1A. Risk Factors

The below updates the risk factor included in our Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission (the "SEC") on February 21, 2020.

Our results can be adversely affected by unforeseen events, such as adverse weather conditions, natural disasters, terrorist attacks or threats, pandemics, such as the COVID-19 pandemic, or other catastrophic events.

Unforeseen events, such as adverse weather conditions, natural disasters or catastrophic events, can adversely impact restaurant sales. Natural disasters such as earthquakes, hurricanes, and severe adverse weather conditions and health pandemics whether occurring in Canada, the United States or abroad, can keep customers in the affected area from dining out, cause damage to or closure of restaurants and result in lost opportunities for our restaurants.

In March 2020, the World Health Organization declared COVID-19 a global pandemic, and governmental authorities around the world have implemented measures to reduce the spread of COVID-19. These measures have adversely affected workforces, customers, consumer sentiment, economies and financial markets, and, along with decreased consumer spending, have led to an economic downturn in many of our markets. As a result of COVID-19, we and our franchisees have experienced significant store closures and instances of reduced store-level operations, including reduced operating hours and dining-room closures. During 2020, our restaurants in the U.S. and Canada closed dine-in operations, continuing to offer drive-thru, delivery and take-out where possible, sometimes with limited hours, several markets in Asia, Europe and Latin America closed all restaurants, and many other international markets also limited operations. As of the end of September, restaurants in most markets have reopened, many with limited operations. While certain markets have opened for dine-in guests, the capacity may be limited, and local conditions may lead to closures or increased limitations. As a result of COVID-19, restaurant traffic and system-wide sales have been significantly negatively impacted.

Our operating results substantially depend upon our franchisees' sales volumes, restaurant profitability, and financial stability. The impact of COVID-19 has, and is expected to continue to have, an adverse effect on our franchisees' liquidity. As a result, we provided cash flow support by extending loans to eligible BK franchisees in the U.S. and advancing certain cash payments to eligible TH franchisees in Canada. For approximately 3,700 eligible locations where we have property control at Tim Hortons in Canada and Burger King in the United States and Canada, we temporarily converted our rent structure from a combination of fixed plus variable rent to 100% variable rent, which provides relief in the face of declining sales. In addition, we deferred rent payments for up to 45 days for certain other franchisees. These actions are expected to continue to adversely affect our cash flow and financial results in the upcoming quarter. In addition to these actions, we may decide to take additional steps to assist in the financial stabilization of our franchisees, which could impact our liquidity and our financial results. In addition, we delayed the capital expenditure obligations of our franchisees relating to new restaurants, remodels and significant equipment deployments, which could adversely affect our growth once the COVID-19 pandemic has passed. To the extent that our franchisees experience financial distress, it could negatively affect (i) our operating results as a result of delayed or reduced payments of royalties, advertising fund contributions and rents for properties we lease to them or claims under our lease guarantees, (ii) our future revenue, earnings and cash flow growth and (iii) our financial condition.

COVID-19 or other events could lead to delays or interruptions in the delivery of food or other supplies to our franchised restaurants arising from delays or restrictions on shipping and/or manufacturing, closures of supplier or distributor facilities or financial distress or insolvency of suppliers or distributors and also could lead to difficulties in maintaining appropriate staffing of restaurants. Food distributors and suppliers often operate with thin margins and therefore may be more vulnerable to governmental actions which result in significantly reduced activity or to general economic downturns. As of December 31, 2019, four distributors serviced approximately 92% of BK restaurants in the U.S. and five distributors serviced approximately 85% of PLK restaurants in the U.S. Consequently, our operations could be adversely affected if any of these distributors were unable to fulfill their responsibilities and we were unable to locate a substitute distributor in a timely manner. In addition, as COVID-19 may be transmitted through human contact, the risk or perceived risk of contracting COVID-19 could adversely affect the ability, or the cost, of staffing restaurants, which could be exacerbated to the extent that we or our franchisees have employees who test positive for the virus.

We cannot predict the duration or scope of the COVID-19 pandemic or when operations will cease to be affected by it. Furthermore, we cannot predict the effects that actual or threatened armed conflicts, terrorist attacks, efforts to combat terrorism or heightened security requirements will have on our future operations. Because a significant portion of our restaurant operating costs are fixed or semi-fixed in nature, the loss of sales during these periods hurts our and our franchisees' operating margins and can result in restaurant operating losses and our loss of royalties. We expect the COVID-19 pandemic to negatively impact our financial results and based on the duration and scope, such impact could be material.

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Item 6. Exhibits

Exhibit Number	Description
10.74	Purchase Agreement, dated as of September 16, 2020, among Morgan Stanley & Co., LLC, as representative of the Initial Purchaser (as defined therein), the Issuers (as defined therein) and the Guarantors (as defined therein).
10.75	Purchase Agreement, dated as of October 14, 2020, among Morgan Stanley & Co., LLC, as representative of the Initial Purchaser (as defined therein), the Issuers (as defined therein) and the Guarantors (as defined therein).
31.1	Certification of Chief Executive Officer of Restaurant Brands International Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer of Restaurant Brands International Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer of Restaurant Brands International Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer of Restaurant Brands International Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

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 thereunto duly authorized.

RESTAURANT BRANDS INTERNATIONAL INC.
(Registrant)

Date: October 28, 2020

By: /s/ Matthew Dunnigan
Name: Matthew Dunnigan
Title: Chief Financial Officer
(principal financial officer)
(duly authorized officer)

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Section 2: EX-10.74 (EX-10.74)

Execution Version
EXHIBIT 10.74

1011778 B.C. Unlimited Liability Company
NEW RED FINANCE, INC.

$1,400,000,000

4.000% Second Lien Senior Secured Notes due 2030

Purchase Agreement

September 16, 2020

Morgan Stanley & Co. LLC
as Representative of the
several Initial Purchasers listed
in Schedule 1 hereto

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

Ladies and Gentlemen:

1011778 B.C. Unlimited Liability Company, an unlimited liability company organized under the laws of British Columbia (the "Company"), and New Red Finance, Inc., a Delaware corporation and a direct wholly owned subsidiary of the Company (the "Co-Issuer" and, together with the Company, the "Issuers" and each, individually, an "Issuer"), propose, subject to the terms and conditions stated herein, to issue and sell to the several initial purchasers listed in Schedule 1 hereto (the "Initial Purchasers"), for whom you are acting as representative (the "Representative"), $1,400,000,000 aggregate principal amount of their 4.000% Second Lien Senior Secured Notes due 2030 (the "Securities"). The Securities will be issued pursuant to an Indenture to be dated as of the Closing Date (as defined in Section 2 hereof) (the "Indenture") among the Issuers, certain subsidiaries of the Issuers listed on Schedule 2 hereto (the "Guarantors") and Wilmington Trust, National Association, as trustee (in such capacity, the "Trustee") and as collateral agent (in such capacity, the "Collateral Agent"), and will be guaranteed on a senior secured second priority basis by each of the Guarantors (the "Guarantees").

The Securities and the Guarantees will be secured by a second-priority lien (which will be *pari passu* in right of payment and security with the liens securing the Issuers' outstanding Existing Second Lien Notes (as defined below)), subject to certain Permitted

Liens (as defined below), on substantially all of the tangible and intangible assets of the Issuers and the Guarantors, now owned or hereafter acquired by either of the Issuers or any Guarantor, that secure borrowings under the Credit Agreement (as defined below) on a first-priority basis, subject to certain exceptions described in the Time of Sale Information and the Offering Memorandum (each as defined below) (the "Collateral"). The Collateral shall be described in (a) with respect to fee-owned real property that constitutes Collateral, the mortgages, debentures, hypothecs, deeds of trust or deeds to secure debt for the Existing Second Lien Notes (collectively, the "Mortgages"), (b) with respect to personal property that constitutes Collateral, (i) that certain U.S. security agreement, dated as of December 12, 2014 (as amended, supplemented or otherwise modified from time to time, the "U.S. Security Agreement"), by and among the Co-Issuer, the Guarantors party thereto and the Collateral Agent in its capacity as collateral agent for the holders of the Existing Second Lien Notes, as supplemented by a joinder agreement dated as of the Closing Date executed by the Trustee and the Collateral Agent in its capacity as collateral agent for the holders of the Existing Second

Lien Notes (the "U.S. Security Agreement Joinder"), (ii) that certain Canadian security agreement, dated as of December 12, 2014 (as amended, supplemented or otherwise modified from time to time, the "Canadian Security Agreement"), by and among the Company, the Guarantors party thereto and the Collateral Agent, as supplemented by a joinder agreement dated as of the Closing Date executed by the Trustee and the Collateral Agent in its capacity as collateral agent for the holders of the Existing Second Lien Notes (the "Canadian Security Agreement Joinder"), and (iii) those certain deeds of hypothec (Quebec) dated 25 August 2017, 30 April 2019, 9 August 2019, 5 November 2019 and on or about 21 August 2020 (as amended, supplemented or otherwise modified from time to time, the "Deeds of Hypothec" and, together with the Canadian Security Agreement, the U.S. Security Agreement and the Security Agreement Joinders (as defined below), the "Security Agreements") among the Guarantors party thereto and Wilmington Trust, National Association, in its capacity, inter alia, as collateral agent and hypothecary representative for the secured parties described therein, as supplemented by additional pari passu joinder agreements (deed of hypothec) executed from time to time, and as further supplemented by additional pari passu joinder agreements (deed of hypothec) dated as of the Closing Date executed by the Trustee, in its capacity as Additional Pari Passu Agent (as defined in said Deeds of Hypothec) for, inter alios, the holders of the Securities, and Wilmington Trust, National Association, in its capacity as hypothecary representative for the secured parties described in the Deeds of Hypothec (the "Deeds of Hypothec Joinders", and, together with the Canadian Security Agreement Joinder and the U.S. Security Agreement Joinder, the "Security Agreement Joinders"), and (c) with respect to the grants of security interest in registrations and/or applications for trademarks, patents and copyrights (and exclusive licenses in any of the foregoing), in the Intellectual Property Security Agreements (as defined below), granting a second-priority security interest in the Collateral, subject to Permitted Liens, for the benefit of the Collateral Agent, the Trustee and each holder of the Securities and the successors and assigns of the foregoing (collectively, the "Secured Parties"). The term "Collateral Documents" as used herein shall mean the Mortgages, the Security Agreements, the Intellectual Property Security Agreements and the Intercreditor Agreements (as defined below) and the term "Collateral Joinder Documents" shall mean the Security Agreement Joinders, the First Lien-Second Lien Intercreditor Agreement Joinder No. 8 (as defined below).

The rights of the holders of the Securities with respect to the Collateral shall be further governed by:

(i) that certain Intercreditor Agreement, dated as of December 12, 2014, between Wilmington Trust, National Association, as collateral agent for the holders of the Issuers' (redeemed) $2,250,000,000 6.00% Second Lien Senior Secured Notes due 2022, and the Credit Facilities Agent (as defined below), as supplemented by (r) that certain Joinder No. 1, dated as of May 22, 2015, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as trustee and collateral agent for the holders of the Issuers' (redeemed) $1,250,000,000 4.625% First Lien Senior Secured Notes due 2022, (s) that certain Joinder No. 2, dated as of May 17, 2017, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as collateral agent for the holders of the Issuers' $1,500,000,000 aggregate principal amount of 4.250% First Lien Senior Secured Notes due 2024 (the "2024 First Lien Notes"), (t) that certain Joinder No. 3, dated as of August 28, 2017, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as collateral agent for the holders of the Issuers' $1,300,000,000 aggregate principal amount of 5.000% Second Lien Senior Secured Notes due 2025 (the "2025 Second Lien Notes"), (u) that certain Joinder No. 4, dated as of October 4, 2017, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as collateral agent for the holders of the Issuers' $1,500,000,000 aggregate principal amount of

5.000% Second Lien Senior Secured Notes due 2025 (the "Additional 2025 Second Lien Notes"), (v) that certain Joinder No. 5, dated as of September 24, 2019, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as collateral agent for the holders of the Issuers' $750,000,000 aggregate principal amount of 3.875% First Lien Senior Secured Notes due 2028 (the "2028 First Lien Notes"), (w) that certain Joinder No. 6, dated as of November 19, 2019, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as collateral agent for the holders of the Issuers' $750,000,000 aggregate principal amount of 4.375% Second Lien Senior Secured Notes due 2028 (the "2028 Second Lien Notes" and, together with the 2025 Second Lien Notes and the Additional 2025 Second Lien Notes, the "Existing Second Lien Notes"), (x) that certain Joinder No. 7, dated as of April 7, 2020, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as collateral agent for the holders of the Issuers' $500,000,000 aggregate principal amount of 5.750% First Lien Senior Secured Notes due 2025 (the "2025 First Lien Notes" and, together with the 2024 First Lien Notes and the 2028 First Lien Notes, the "First Lien Notes"), (y) that certain Joinder No. 8, to be dated as of the Closing Date (the "First Lien-Second Lien Intercreditor Agreement Joinder No. 8"), between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and the Collateral Agent (collectively, the "First Lien-Second Lien Intercreditor Agreement"); and

(ii) that certain Third Amended and Restated Intercreditor Agreement to be dated as of the Closing Date, among Wilmington Trust, National Association, in its capacity as collateral agent for the holders of the Notes and the Existing Second Lien Notes, The TDL Group Corp. (as successor in interest to Tim Hortons Inc.) ("TDL") and BNY Trust Company of Canada, in its capacity as collateral agent (the "Existing THI Notes Agent") for the holders under that certain Trust Indenture, dated as of June 1, 2010 (as amended, modified or supplemented to the date hereof, the "Existing THI Notes Indenture"), governing the 4.52% Senior Unsecured Notes, Series 2, due December 1, 2023 (the "Existing THI Notes") of TDL (the "THI Notes Intercreditor Agreement" and, together with the First Lien-Second Lien Intercreditor Agreement, the "Intercreditor Agreements").

As described in the Time of Sale Information and the Offering Memorandum under the caption "Use of proceeds," the Issuers expect to use the proceeds of the offering of the Securities to redeem a portion of the 2025 Second Lien Notes (the "Refinancing") and pay related premium, fees and expenses. The issuance and sale of the Securities and the use of proceeds therefrom as described above and the execution and delivery of this Agreement, the Indenture (including each Guarantee set forth therein), the Securities and the Collateral Joinder Documents (such documents, collectively, the "Transaction Documents"), in each case including the transactions contemplated thereby, are herein collectively referred to as the "Transactions."

The Securities will be sold to the Initial Purchasers who may resell all or a portion of the Securities to purchasers ("Subsequent Purchasers") without being registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon an exemption therefrom and without the filing of a prospectus with any securities commission or other securities regulatory authority in any province or territory of Canada under the applicable securities laws of each of the provinces and territories of Canada and the respective regulations and rules made thereunder together with all applicable published policy statements, notices, blanket orders and rulings of each such jurisdiction's securities regulatory authorities (collectively, the "Canadian Securities Laws"). A portion of the Securities may be offered and sold in the provinces of British Columbia, Alberta, Ontario and Quebec (collectively, the "Offering Provinces") on a private placement basis to "accredited investors", as defined in National Instrument 45-106 – *Prospectus*

Exemptions ("NI 45-106") or, in Ontario, as defined in Section 73.3(1) of the Securities Act (Ontario) (except, in each case, for the criteria set out in paragraph (j), (k) or (l) of such definition in NI 45-106) that are also "permitted clients", as defined in Section 1.1 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103"), in reliance upon the "accredited investor" exemption from the prospectus requirements of the applicable Canadian Securities Laws provided for in section 2.3 of NI 45-106 or, in Ontario, subsection 73.3(2) of the Securities Act (Ontario) (such offer and sale, the "Canadian Private Placement"). The Issuers and the Guarantors have prepared a preliminary offering memorandum dated September 16, 2020 (the "Preliminary Offering Memorandum") and will prepare an offering memorandum dated the date hereof (the "Offering Memorandum") setting forth information concerning the Issuers, the Guarantors (including each of their respective subsidiaries), the Securities and the Guarantees. Copies of the Preliminary Offering Memorandum have been, and copies of the Offering Memorandum will be, delivered by the Issuers to the Initial Purchasers pursuant to the terms of this Purchase Agreement (this "Agreement"). The Issuers hereby jointly and severally represent that they have authorized the use of the Preliminary Offering Memorandum, the other Time of Sale Information (as defined below) and the Offering Memorandum in connection with the offering and resale of the Securities by the Initial Purchasers in the manner contemplated by this Agreement. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Time of Sale Information. References herein to the Preliminary Offering Memorandum, the Time of Sale Information and the Offering Memorandum shall be deemed to refer to and include any document incorporated by reference therein and any reference to "amend," "amendment" or "supplement" with respect to the Preliminary Offering Memorandum or the Offering Memorandum shall be deemed to refer to and include any documents filed after such date and incorporated by reference therein.

At or prior to the time when sales of the Securities were first made (the "Time of Sale"), the Issuers shall have prepared the following information (collectively, the "Time of Sale Information"): the Preliminary Offering Memorandum, as supplemented and amended by the written communications listed on Annex A hereto.

Each of the Issuers and the Guarantors hereby jointly and severally agrees with the several Initial Purchasers concerning the purchase and resale of the Securities, as follows:

1. Purchase and Resale of the Securities. On the basis of the representations, warranties and agreements set forth herein, the Issuers jointly agree to issue and sell the Securities to the several Initial Purchasers as provided in this Agreement, and each Initial Purchaser, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, agrees, severally and not jointly, to purchase from the Issuers the respective principal amount of the Securities set forth opposite such Initial Purchaser's name in Schedule 1 hereto at a price equal to 99.41% of the principal amount thereof plus accrued interest, if any, from October 5, 2020 to the Closing Date. The Issuers will not be obligated to deliver any of the Securities except upon payment for all the Securities to be purchased as provided herein.

The Issuers understand that the Initial Purchasers intend to offer the Securities for resale on the terms set forth in the Time of Sale Information. Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) it is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act (a "QIB") and an accredited investor within the meaning of Rule 501(a) of Regulation D under the Securities Act ("Regulation D");

(ii) neither it nor any person engaged by it has solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(a)(2) of the Securities Act; and

(iii) neither it nor any person engaged by it has solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Securities as part of their initial offering except:

(1) to persons whom it reasonably believes to be QIBs in transactions pursuant to Rule 144A under the Securities Act ("Rule 144A") and in connection with each such sale, it has taken or will take reasonable steps to ensure that the purchaser of the Securities is aware that such sale is being made in reliance on Rule 144A; or

(2) in accordance with the restrictions set forth in Annex C hereto.

Each Initial Purchaser acknowledges and agrees that the Issuers and, for purposes of the "no registration" opinions (and equivalent exempt distribution opinions in respect of the Canadian Private Placement) to be delivered to the Initial Purchasers pursuant to Section 6(f)(i) and Section 6(f)(ii) and Section 6(g), counsel for the Issuers and counsel for the Initial Purchasers, respectively, may rely upon the accuracy of the representations and warranties of the Initial Purchasers, and compliance by the Initial Purchasers with their agreements, contained in paragraph (b) above (including Annex C hereto) and Section 5, and each Initial Purchaser hereby consents to such reliance.

Each Issuer and each of the Guarantors acknowledge and agree that the Initial Purchasers may offer and sell Securities to or through any affiliate of an Initial Purchaser and that any such affiliate may offer and sell Securities purchased by it to or through any Initial Purchaser; provided that such offers and sales shall be made in accordance with the provisions of this Agreement (including Annex C hereto).

The Issuers and the Guarantors acknowledge and agree that each Initial Purchaser is acting solely in the capacity of an arm's-length contractual counterparty to the Issuers and the Guarantors with respect to the offering of Securities contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or fiduciary to, or agent of, the Issuers, the Guarantors or any other person. Additionally, neither the Representative nor any other Initial Purchaser is advising the Issuers, the Guarantors or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Issuers and the Guarantors shall consult with their own advisors concerning such matters and shall be responsible for making their own independent investigation and appraisal of the transactions contemplated hereby, and neither the Representative nor any other Initial Purchaser shall have any responsibility or liability to the Issuers or the Guarantors with respect thereto. Any review by the Representative or any Initial Purchaser of the Issuers, the Guarantors, any other person and the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Representative or such Initial Purchaser, as the case may be, and shall not be on behalf of the Issuers, the Guarantors or any other person. The Issuers and the Guarantors agree that they will not claim that the Initial Purchasers, or any of them, have rendered services of any nature, or owe a fiduciary or similar duty to the Issuers or the Guarantors, in connection with the purchase and sale of the Securities pursuant to this Agreement or the process leading thereto.

2. Payment and Delivery. Payment for and delivery of the Securities will be made at the offices of Cahill Gordon & Reindel llp at 10:00 a.m., New York City time, on October 5, 2020, or at such

other time or place on the same or such other date as the Representative and the Issuers may agree upon in writing not later than the fifth business day thereafter. The time and date of such payment and delivery is referred to herein as the "Closing Date."

Payment for the Securities shall be made by wire transfer in immediately available funds to the account(s) specified by the Issuers to the Representative against delivery to the nominee of The Depository Trust Company ("DTC"), for the account of the Initial Purchasers, of one or more global notes representing the Securities (collectively, the "Global Note"), with any transfer and other stamp, excise or similar taxes payable in connection with the sale of the Securities duly paid by the Issuers. The Global Note will be made available for inspection by the Representative not later than 1:00 p.m., New York City time, on the business day prior to the Closing Date.

3. Representations and Warranties of the Issuers and the Guarantors. Each of the Issuers and the Guarantors hereby jointly and severally represents and warrants to each Initial Purchaser that:

(a) *Preliminary Offering Memorandum, Time of Sale Information and Offering Memorandum.* The Preliminary Offering Memorandum, as of its date, did not, the Time of Sale Information, at the Time of Sale, did not, and at the Closing Date, will not, and the Offering Memorandum, at the time first used by the Initial Purchasers to confirm sales of the Securities and as of the Closing Date, will not, contain any Misrepresentation; provided that the Issuers and the Guarantors make no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Initial Purchaser furnished to the Issuers or the Guarantors in writing by or on behalf of such Initial Purchaser through the Representative expressly for use in the Preliminary Offering Memorandum, the Time of Sale Information or the Offering Memorandum. For the purposes of this Agreement, "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(b) *Additional Written Communications*. Neither the Issuers nor the Guarantors (including their respective agents and representatives, other than the Initial Purchasers in their capacity as such) have prepared, used, authorized or approved, nor will they prepare, use, authorize or approve, any written communication that constitutes an offer to sell or solicitation of an offer to buy the Securities (each such communication by an Issuer, the Guarantors or their respective agents and representatives (other than a communication referred to in clauses (i), (ii) and (iii) below), an "Issuer Written Communication") other than (i) the Preliminary Offering Memorandum, (ii) the Offering Memorandum, (iii) the documents listed on Annex A hereto, including a term sheet substantially in the form of Annex B hereto, which constitute part of the Time of Sale Information, and (iv) any electronic road show or other written communications, in each case used in accordance with Section 4(c) hereof. Each such Issuer Written Communication, when taken together with the Time of Sale Information at the Time of Sale, did not, and at the Closing Date will not, contain any Misrepresentation; provided that the Issuers and the Guarantors make no representation and warranty with respect to any statements or omissions made in each such Issuer Written Communication in reliance upon and in conformity with information relating to any Initial Purchaser furnished to the Issuers or the Guarantors in writing by or on behalf of such Initial Purchaser through the Representative expressly for use in any Issuer Written Communication.

(c) *Incorporated Documents.* The documents incorporated by reference in each of the Time of Sale Information and the Offering Memorandum, when filed with the Securities and Exchange Commission (the "Commission"), conformed or will conform, as the case may be, in all material respects to the requirements of the Exchange Act, and the rules and regulations of the Commission thereunder, and did not and will not contain any Misrepresentation.

(d) *Financial Statements.* The consolidated financial statements and the related notes thereto of Restaurant Brands International Inc. ("Parent") and its subsidiaries and Restaurant Brands International Limited Partnership (the "Partnership") and its subsidiaries included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum present fairly in all material respects the consolidated financial position of Parent and its subsidiaries and the Partnership and its subsidiaries, respectively, as of the dates indicated and the results of their operations and the changes in their cash flows for the periods specified; and such financial statements have been prepared in conformity with U.S. generally accepted accounting principles, applied on a consistent basis throughout the periods covered thereby (except with respect to FASB Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers and ASC Topic 842, Leases); the other financial information included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum has been derived from the accounting records of Parent and its subsidiaries and the Partnership and its subsidiaries, as applicable, and present fairly in all material respects the information shown thereby. The interactive data in eXtensible Business Reporting Language incorporated by reference in each of the Time of Sale Information and the Offering Memorandum fairly presents the information called for in all material respects and is prepared in accordance with the Commission's rules and guidelines applicable thereto.

(e) *No Material Adverse Change.* Since the date of the most recent financial statements of Parent and its subsidiaries included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum except as disclosed in such financial statements, (i) other than as described in the Time of Sale Information and the Offering Memorandum, there has not been any change in the capital stock or long-term debt of the Company, the Co-Issuer or any of their respective subsidiaries, or any dividend or distribution of any kind, other than internal cash distributions, declared, set aside for payment, paid or made by either Issuer, Parent or the Partnership on any class of capital stock, or any material adverse change, or any development involving a prospective material adverse change, in or affecting the business, assets, management, financial position or results of operations of the Issuers and their respective subsidiaries taken as a whole; (ii) none of the Company, the Co-Issuer nor any of their respective subsidiaries has entered into any transaction or agreement that is material to the Issuers and their respective subsidiaries taken as a whole or incurred any liability or obligation, direct or contingent, that is material to the Issuers and their respective subsidiaries taken as a whole; and (iii) none of the Company, the Co-Issuer nor any of their respective subsidiaries has sustained any loss or interference with its business that is material to the Company, the Co-Issuer or any of their respective subsidiaries taken as a whole and that is either from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, except in respect of clauses (i), (ii) and (iii) above as otherwise disclosed in each of the Time of Sale Information and the Offering Memorandum.

(f) *Organization and Good Standing.* The Issuers and each of their respective subsidiaries have been duly organized or formed and are validly existing and in good standing (if

such designation exists in the jurisdiction of organization or formation for such entity) under the laws of their respective jurisdictions of organization, are duly qualified to do business and are in good standing (if such designation exists in the jurisdiction of organization or formation for such entity) in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the failure to be so qualified, in good standing (if such designation exists in the jurisdiction of organization or formation for such entity) or have such power or authority would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the business, assets, properties, financial position or results of operations of the Issuers and their respective subsidiaries, taken as a whole, or on the performance by the Issuers and the Guarantors of their respective obligations under this Agreement, the Securities and the Guarantees (a "Material Adverse Effect").

(g) *Capitalization.* At June 30, 2020, on a consolidated basis, after giving pro forma effect to the Transactions, Parent would have had the capitalization as set forth in each of the Time of Sale Information and the Offering Memorandum under the heading "Capitalization" and all the outstanding shares of capital stock or other equity interests of Parent and each subsidiary of Parent, have been duly and validly authorized and issued, are fully paid and non-assessable (except, in the case of any foreign subsidiary, for directors' qualifying shares) and, with respect to the subsidiaries, are owned directly or indirectly by Parent free and clear of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other claim of any third party, except in each case pursuant to (i) the Credit Agreement, dated as of October 27, 2014, as amended on May 22, 2015, February 17, 2017, March 27, 2017, May 17, 2017, October 13, 2017, October 2, 2018, September 6, 2019, November 19, 2019 and April 2, 2020, by and among 1013421 B.C. Unlimited Liability Company, an unlimited liability company organized under the laws of British Columbia, the Issuers, as the borrowers thereunder, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent (the "Credit Facilities Agent"), and each other party from time to time party thereto (the "Credit Agreement" and, together with any other documents, agreements or instruments delivered in connection therewith, collectively, the "Credit Facilities Documentation"), (ii) the documentation governing the First Lien Notes, (iii) the documentation governing the Existing Second Lien Notes, (iv) the documentation governing the Existing THI Notes or (v) as disclosed in the Time of Sale Information and the Offering Memorandum.

(h) *Due Authorization.* Each of the Issuers and the Guarantors has, had or will have (as of the date on which it executed and delivered such document or will execute and deliver such document) full right, power and authority to execute and deliver, in each case, to the extent a party thereto, this Agreement and each of the other Transaction Documents, and to perform their respective obligations hereunder and thereunder; and all action required to be taken for the due and proper authorization, execution and delivery of each of the Transaction Documents and the consummation of the transactions contemplated thereby has been or will be duly and validly taken on or prior to the Closing Date.

(i) *The Indenture*. The Indenture has been or prior to the Closing Date will be duly authorized by the Issuers and each of the Guarantors and, when duly executed and delivered in accordance with its terms by each of the parties thereto, will constitute a valid and legally binding agreement of the Issuers and each of the Guarantors enforceable against the Issuers and each of the Guarantors in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, fraudulent conveyance, reorganization, moratorium, insolvency or similar laws

affecting the enforcement of creditors' rights generally or by equitable principles (whether considered in a proceeding in equity or law) relating to enforceability (collectively, the "Enforceability Exceptions").

(j) *The Securities and the Guarantees*. The Securities have been or prior to the Closing Date will be duly authorized by each Issuer and, when duly executed, authenticated, issued and delivered as provided in the Indenture and paid for as provided herein, the Securities will be duly and validly issued and outstanding and will constitute valid and legally binding obligations of each Issuer enforceable against each Issuer in accordance with their terms, subject to the Enforceability Exceptions, and will be entitled to the benefits of the Indenture. The Guarantees have been duly authorized by each of the Guarantors and, when the Securities have been duly executed, authenticated, issued and delivered by the Issuers as provided in the Indenture and paid for as provided herein, the Guarantees will be valid and legally binding obligations of each of the Guarantors, enforceable against each of the Guarantors in accordance with their terms, subject to the Enforceability Exceptions, and will be entitled to the benefits of the Indenture.

(k) *Purchase Agreement.* This Agreement has been duly authorized, executed and delivered by the Issuers and each of the Guarantors.

(l) *Collateral Documents*. Each of the Collateral Documents has been or prior to the Closing Date will be duly authorized by each Issuer and each of the Guarantors, to the extent a party thereto, and on the Closing Date upon execution of the Collateral Joinder Documents, each of the Collateral Documents will be duly executed and delivered in accordance with its terms by each Issuer and each of the Guarantors, to the extent a party thereto, and, when duly executed and delivered in accordance with its terms by each of the parties thereto, each of the Collateral Documents will constitute a valid and legally binding agreement of each Issuer and each of the Guarantors, to the extent a party thereto, enforceable against each Issuer and each of the Guarantors, to the extent a party thereto, in accordance with its terms, subject to the Enforceability Exceptions.

(m) *Collateral Documents, Financing Statements and Collateral*.

The Mortgages are sufficient to grant a legal, valid and enforceable mortgage lien, charge and security interest on all of the mortgagor's right, title and interest in the real property (including fixtures) that constitutes Collateral (each, a "Mortgaged Property" and, collectively, the "Mortgaged Properties"). To the extent the Mortgages are duly recorded or registered in the proper recording or Land Registry offices or appropriate public records and the mortgage recording fees and taxes in respect thereof are paid and compliance is otherwise had with the formal requirements of state, provincial or local law, applicable to the recording or registration of real estate mortgages generally, each such Mortgage shall constitute a validly perfected and enforceable second-priority lien, charge and security interest in the related Mortgaged Property constituting Collateral for the benefit of the Collateral Agent, the Trustee and the holders of the Securities, subject only to Permitted Liens (as defined below) or liens and encumbrances expressly set forth as an exception to the policies of title insurance, if any, obtained to insure the lien of each Mortgage with respect to each of the Mortgaged Properties (such encumbrances and exceptions, the "Permitted Exceptions"), and to the Enforceability Exceptions;

Upon execution and delivery of the Collateral Joinder Documents, the Security Agreements will be effective to grant a legal, valid and enforceable lien and security interest in all of the grantor's right, title and interest in the Collateral (other than the Mortgaged Properties) (the "Personal Property Collateral") to the Collateral Agent for the benefit of the Secured Parties to secure the obligations under the Indenture and the Securities;

Upon execution and delivery of the Collateral Joinder Documents, the financing statements and the short form intellectual property security agreements (the "Intellectual Property Security Agreements"), as applicable, previously filed in connection with the Security Agreements are sufficient to cause the security interests granted by the Security Agreements to constitute valid, perfected second-priority liens and security interests in the Personal Property Collateral, to the extent such liens and security interests can be perfected by the filing and/or recording, as applicable, of financing statements and the Intellectual Property Security Agreements in favor of the Collateral Agent for the benefit of the Secured Parties, and such security interests will be enforceable in accordance with the terms contained therein against all creditors of any grantor and subject only to liens expressly permitted to be incurred or exist on the Collateral under the Indenture (which, for the avoidance of doubt, includes, without limitation, liens granted under the TH Facility (as defined below)) or Permitted Exceptions, and to the Enforceability Exceptions ("Permitted Liens"); and

The Issuers and their respective subsidiaries collectively own, have rights in or have the power and authority to collaterally assign rights in the Collateral, free and clear of any liens other than the Permitted Exceptions and the Permitted Liens.

(n) *Descriptions of the Transaction Documents.* Each of the Transaction Documents conforms in all material respects to the description thereof contained in each of the Time of Sale Information and the Offering Memorandum (to the extent described therein).

(o) *No Violation or Default.* None of the Issuers nor any of their respective subsidiaries is (i) in violation of its articles, charter or by-laws or similar organizational documents; (ii) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Issuers or any of their respective subsidiaries is a party or by which the Issuers or any of their respective subsidiaries is bound or to which any of the property or assets of the Issuers or any of their respective subsidiaries is subject; or (iii) in violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (ii) and (iii) above, for any such default or violation that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(p) *No Conflicts.* The execution, delivery and performance by each Issuer and each of the Guarantors of each of the Transaction Documents to which each is a party (including but not limited to, the issuance and sale of the Securities (including the Guarantees)), and compliance by each Issuer and each of the Guarantors with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in

the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Issuers or any of their respective subsidiaries pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Issuers or any of their respective subsidiaries is a party or by which the Issuers or any of their respective subsidiaries is bound or to which any of the property or assets of the Issuers or any of their respective subsidiaries is subject (other than any lien, charge or encumbrance created or imposed pursuant to the Transaction Documents), (ii) result in any violation of the provisions of the articles, charter or by-laws or similar organizational documents of the Issuers or any of their respective subsidiaries or (iii) result in the violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (i) and (iii) above, for any such conflict, breach, violation, default, lien, charge or encumbrance that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(q) *No Consents Required*. No consent, approval, authorization, order, registration or qualification of or with any court or arbitrator or governmental or regulatory authority is required for the execution, delivery and performance by each Issuer and each of the Guarantors of each of the Transaction Documents to which each is a party, the issuance and sale of the Securities (including the Guarantees) and compliance by each Issuer and each of the Guarantors with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents, except for such consents, approvals, authorizations, orders and registrations or qualifications (A) as may be required (i) under applicable state securities laws and Canadian Securities Laws in connection with the purchase and resale of the Securities by the Initial Purchasers, (ii) with respect to perfection of security interests on the Collateral as required under the Transaction Documents and (iii) that if not obtained or made would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or (B) as have been obtained or made prior to the Closing Date.

(r) *Legal Proceedings*. Except as described in each of the Time of Sale Information and the Offering Memorandum, there are no legal, governmental or regulatory investigations, actions, suits or proceedings pending to which the Issuers or any of their respective subsidiaries is or may be a party or to which any property of the Issuers or any of their respective subsidiaries is or may be the subject that, individually or in the aggregate, if determined adversely to the Issuers or any of their respective subsidiaries, could reasonably be expected to have a Material Adverse Effect, and no order, ruling or determination having the effect of suspending the sale or ceasing the trading of any securities of either Issuer or any of the Guarantors has been issued or made by any court, securities regulatory authority or stock exchange or any other regulatory authority and is continuing in effect; and no such investigations, actions, suits or proceedings are, to the knowledge of each Issuer and each of the Guarantors, threatened or contemplated by any governmental or regulatory authority or by others.

(s) *Independent Auditors*. KPMG LLP ("KPMG"), who has certified certain financial statements of Parent and its subsidiaries and the Partnership and its subsidiaries, is an independent registered public accounting firm with respect to Parent and its subsidiaries and the Partnership and its subsidiaries within the applicable rules and regulations adopted by the Commission and the Public Company Accounting Oversight Board (United States) and as required by the Securities Act.

(t) *Title to Real and Personal Property*. The Issuers and their respective subsidiaries have good and marketable title (in the case of real property, in fee simple) to, or have valid rights

to lease or otherwise use, all items of real and personal property that are material to the respective businesses of the Issuers and their respective subsidiaries, in each case free and clear of all liens, encumbrances, claims and defects and imperfections of title except for those that (i) would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, (ii) are created pursuant to the Transaction Documents or the Credit Facilities Documentation or (iii) are created pursuant to the documentation governing the Existing Second Lien Notes, the First Lien Notes, the Existing THI Notes or the Amended and Restated Credit Agreement, dated as of May 24, 2019 (the "TH Facility"), among The TDL Group Corp./Groupe TDL Corporation, Bank of Montreal, as Administrative Agent, and the lenders referred to therein, as amended, modified, supplemented or replaced from time to time.

(u) *Intellectual Property.* Except as otherwise disclosed in the Time of Sale Information and the Offering Memorandum, the Issuers and their respective subsidiaries own or possess adequate rights to use all material patents, trademarks, service marks, trade names, trademark registrations, service mark registrations and other indicia of origin, copyrights, works of authorship, all applications and registrations for the foregoing, domain names and know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) necessary for the conduct of their respective businesses as currently conducted, free of liens (other than liens created pursuant to the Transaction Documents, the Credit Facilities Documentation and the documentation governing the Existing Second Lien Notes, the First Lien Notes or the Existing THI Notes); to the knowledge of the Issuers and the Guarantors, the conduct of their respective businesses does not infringe or otherwise violate any such rights of others (except for such infringements or other violations as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect); to the knowledge of each Issuer and each of the Guarantors, no third party violates or infringes the intellectual property owned by the Issuers or any of their respective subsidiaries except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and none of the Issuers or their respective subsidiaries have received any written notice of any claim of infringement or other violation of any such rights of others that, if determined in a manner adverse to the Issuers or their respective subsidiaries, would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(v) *No Undisclosed Relationships.* No relationship, direct or indirect, exists between or among the Issuers and any of their respective subsidiaries, on the one hand, and the directors, officers, stockholders or other affiliates of the Issuers or any of their respective subsidiaries, on the other, that is required by the Securities Act to be described in a registration statement to be filed with the Commission and that is not so described in each of the Time of Sale Information and the Offering Memorandum.

(w) *Investment Company Act.* None of the Issuers nor any of the Guarantors is, and after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in each of the Time of Sale Information and the Offering Memorandum, none of them will be required to be registered as an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(x) *Taxes.*

(1) The Issuers and each of their respective subsidiaries have paid all federal, provincial, state, local and foreign taxes (including any related interest, penalties and

additions to tax) due and payable by them (including in their capacity as withholding agent) and have filed all tax returns required to be filed (taking into account any validly-obtained extension of the time within which to file) except for (i) items being contested in good faith and by appropriate proceedings for which adequate reserves for taxes have been established in accordance with generally accepted accounting principles or (ii) where failure to pay or file, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; and except as otherwise disclosed in each of the Time of Sale Information and the Offering Memorandum, there is no tax audit, assessment, deficiency or other claim that has been, or could reasonably be expected to be, asserted against either Issuer or any of their respective subsidiaries or any of their respective properties or assets, except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(2) Except to the extent that any such payments are made in respect of services physically performed in Canada, no withholding tax imposed under the *Income Tax Act* (Canada) (the "Canadian Tax Act") will be payable in respect of any payments under this Agreement to an Initial Purchaser other than withholding tax imposed as a result of the Initial Purchaser (i) carrying on business in Canada for the purposes of the Canadian Tax Act; (ii) not dealing at arm's-length with each of the Issuers for the purposes of the Canadian Tax Act and (iii) being a "specified shareholder" of the Company or not dealing at arm's length with a "specified shareholder" of the Company (as defined in the Canadian Tax Act).

(y) *Licenses and Permits*. The Issuers and their respective subsidiaries possess all licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate federal, provincial, state, local or foreign governmental or regulatory authorities that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses as described in each of the Time of Sale Information and the Offering Memorandum, except where the failure to possess or make the same would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and none of the Issuers nor any of their respective subsidiaries has received notice of any revocation or modification of any such license, certificate, permit or authorization or has any reason to believe that any such license, certificate, permit or authorization will not be renewed in the ordinary course, except where such modification or failure to renew, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(z) *No Labor Disputes*. No labor disturbance by or dispute with employees of either Issuer or any of their respective subsidiaries exists or, to the knowledge of the Issuers and each of the Guarantors, is contemplated or threatened, and none of the Issuers nor any Guarantor is aware of any existing or imminent labor disturbance by, or dispute with, the employees of any of the Issuers' or any of their respective subsidiaries' principal suppliers, contractors or customers, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(aa) *Compliance with Environmental Laws*. (i) The Issuers and their respective subsidiaries (x) are, and were during the applicable statute of limitations, in compliance with any and all applicable federal, provincial, state, local and foreign laws, rules, regulations, requirements, decisions and orders relating to the protection of human health or safety, the environment, natural resources, hazardous or toxic substances or wastes, pollutants or

contaminants (collectively, "Environmental Laws"), (y) have received and are in compliance with all permits, licenses, certificates or other authorizations or approvals required of them under applicable Environmental Laws to conduct their respective businesses as currently conducted, and (z) have not received written notice of any actual or potential liability under or relating to any Environmental Laws, including for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, and have no knowledge of any event or condition that would reasonably be expected to result in any such notice, that would with respect to subclause (x), (y) or (z) of this clause (i), individually or in the aggregate, be reasonably expected to have a Material Adverse Effect, and (ii) there are no costs or liabilities associated with Environmental Laws of or relating to the Issuers or their respective subsidiaries, except in the case of each of (i) and (ii) above, for any such failure to comply, or failure to receive required permits, licenses or approvals, written notice, or cost or liability, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and (iii) (x) there are no proceedings that are pending, or that are to the Issuers' or the Guarantors' knowledge contemplated, against the Issuers or any of their respective subsidiaries under any Environmental Laws in which a governmental entity is also a party, other than such proceedings regarding which it is reasonably believed no monetary sanctions of $100,000 or more will be imposed, (y) none of the Issuers nor any of the Guarantors has knowledge of any issues regarding compliance with Environmental Laws, or liabilities or other obligations under Environmental Laws or concerning hazardous or toxic substances or wastes, pollutants or contaminants, that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and (z) none of the Issuers and their respective subsidiaries anticipates material capital expenditures relating to any Environmental Laws that would, individually or in the aggregate reasonably be expected to have a Material Adverse Effect.

(ab) *Compliance with ERISA.* (i) Each employee benefit plan, within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), for which the Issuers or any member of their respective "Controlled Group" (defined as any organization which is a member of a controlled group of corporations within the meaning of Section 414 of the Internal Revenue Code of 1986, as amended (the "Code")) would have any liability (each, a "Plan") has been maintained in compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, including but not limited to ERISA and the Code; (ii) no prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Plan excluding transactions effected pursuant to a statutory or administrative exemption; (iii) for each Plan that is subject to the funding rules of Section 412 of the Code or Section 302 of ERISA, no failure to satisfy the minimum funding standard under Section 412 of the Code or Section 302 of ERISA, whether or not waived, has occurred or is reasonably expected to occur; (iv) except as otherwise disclosed in the Time of Sale Information and the Offering Memorandum, the fair market value of the assets of each Plan exceeds the present value of all benefits accrued under such Plan (determined based on those assumptions used to fund such Plan); (v) except as otherwise disclosed in the Time of Sale Information and the Offering Memorandum, each pension plan within the meaning of Section 3(2) of ERISA that is maintained outside the jurisdiction of the United States satisfies the minimum funding requirements to the extent required by applicable law; (vi) no "reportable event" (within the meaning of Section 4043 (c) of ERISA) has occurred or is reasonably expected to occur; and (vii) none of the Issuers nor any member of their respective Controlled Group has incurred, nor reasonably expects to incur, any liability under Title IV of ERISA (other than contributions to the Plan or premiums to the PBGC, in the ordinary course and without default) in respect of a Plan (including a "multiemployer plan," within the meaning of Section 4001(a)(3) of

ERISA), and except for where failure to comply with any of the clauses (i) through (vii) of this paragraph would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(ac) *Disclosure Controls*. Each of Parent and its subsidiaries and the Partnership and its subsidiaries maintains a system of "disclosure controls and procedures" (as defined in Rule 13a-15(e) of the Exchange Act) that is designed to ensure that information required to be disclosed by Parent or the Partnership, as the case may be, in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to Parent's or the Partnership's, as the case may be, management as appropriate to allow timely decisions regarding required disclosure. Each of Parent and its subsidiaries and the Partnership and its subsidiaries has carried out evaluations of the effectiveness of their disclosure controls and procedures as required by Rule 13a-15 of the Exchange Act.

(ad) *Accounting Controls*. Each of Parent and its subsidiaries and the Partnership and its subsidiaries maintains systems of "internal control over financial reporting" (as defined in Rule 13a-15(f) of the Exchange Act and in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings) that comply with the requirements of the Exchange Act and Canadian Securities Laws and have been designed by, or under the supervision of, their respective principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Each of Parent and its subsidiaries and the Partnership and its subsidiaries maintains internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and (v) interactive data in eXtensible Business Reporting Language incorporated by reference in each of the Preliminary Offering Memorandum, the Time of Sale Information and the Offering Memorandum is prepared in accordance with the Commission's rules and guidelines applicable thereto. There are no material weaknesses in each of Parent's and its subsidiaries' and the Partnership's and its subsidiaries' internal controls.

(ae) *Insurance*. The Issuers and their respective subsidiaries have insurance covering their respective properties, operations, personnel and businesses, including business interruption insurance, which insurance is in amounts and insures against such losses and risks as the Issuers and their respective subsidiaries believe are adequate to protect their respective businesses; and none of the Issuers or any of their respective subsidiaries has (i) received notice from any insurer or agent of such insurer that capital improvements or other expenditures are required or necessary to be made in order to continue such insurance or (ii) any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage at reasonable cost from similar insurers, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(af) *No Unlawful Payments*. None of either Issuer or any of their respective subsidiaries, nor any director, officer or employee of either Issuer or any of their respective subsidiaries nor, to the knowledge of either Issuer or any of the Guarantors, any agent, affiliate or other person associated with or acting on behalf of either Issuer or any of their respective subsidiaries has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made or taken an act in furtherance of an offer, promise or authorization of any direct or indirect unlawful payment or benefit to any foreign or domestic government official or employee, including of any government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended, the *Corruption of Foreign Public Officials Act* (Canada) or any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or committed an offence under the Bribery Act 2010 of the United Kingdom, or any other applicable anti-bribery or anti-corruption law of any other relevant jurisdiction; or (iv) made, offered, agreed, requested or taken an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation, any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit. The Issuers and their respective subsidiaries have instituted, maintain and enforce policies and procedures designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws.

(ag) *Compliance with Money Laundering Laws*. The operations of the Issuers and their respective subsidiaries are and have been conducted at all times in compliance in all material respects with applicable financial recordkeeping and reporting requirements including those of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the money laundering statutes of all jurisdictions where each Issuer or any of their respective subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "Money Laundering Laws"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving either Issuer or any of their respective subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of either Issuer or any of the Guarantors, threatened.

(ah) *Compliance with Sanctions Laws*. None of the Issuers nor any of their respective subsidiaries, directors, officers or employees, nor, to the knowledge of the Issuers or any of the Guarantors, any agent, affiliate or other person associated with or acting on behalf of the Issuers or any of their respective subsidiaries is currently the subject or the target of any comprehensive sanctions administered or enforced by the U.S. government (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State and including, without limitation, the designation as a "specially designated national" or "blocked person"), the Government of Canada, the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority (collectively, "Sanctions"), nor is any Issuer or any of their respective subsidiaries located, organized or resident in a country or territory that is the subject or target of comprehensive Sanctions, including, without limitation, Crimea, Cuba, Iran, North Korea and Syria (each, a "Sanctioned Country"); and the Issuers will not, to the extent required to comply with the Sanctions, directly or knowingly, indirectly use the proceeds of the offering of the Securities hereunder, or lend,

contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject or target of comprehensive Sanctions, (ii) to fund or facilitate any activities of or business in any Sanctioned Country unless otherwise authorized by law or (iii) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, initial purchaser, advisor, investor or otherwise) of comprehensive Sanctions.

(ai) *Solvency*. On and immediately after the consummation of the Transactions, the Issuers and the Guarantors on a consolidated basis (after giving effect to the issuance of the Securities, the Transactions and the other transactions related thereto as described in each of the Time of Sale Information and the Offering Memorandum) will be Solvent. As used in this paragraph, the term "Solvent" means, with respect to a particular date, that on such date (i) the present fair market value (or present fair saleable value) of the assets of the Issuers and the Guarantors is not less than the total amount required to pay the liabilities of the Issuers and the Guarantors on their combined total existing debts and liabilities (including contingent liabilities) as they become absolute and matured; (ii) the Issuers and the Guarantors are able to realize upon their assets and pay their debts and other liabilities, contingent obligations and commitments as they mature and become due in the normal course of business; (iii) assuming consummation of the issuance of the Securities as contemplated by this Agreement and the use of proceeds therefrom as described in the Time of Sale Information and the Offering Memorandum, the Issuers and the Guarantors are not incurring debts or liabilities beyond their ability to pay as such debts and liabilities mature; (iv) the Issuers and the Guarantors are not engaged in any business or transaction, and do not propose to engage in any business or transaction, for which their property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which the Issuers and their respective subsidiaries are engaged; and (v) the Issuers and the Guarantors are not defendants in any civil action that would result in a judgment that the Issuers and the Guarantors are or would become unable to satisfy.

(aj) *No Restrictions on Subsidiaries*. On the Closing Date and assuming consummation of the Transactions, no subsidiary of the Issuers will be prohibited, directly or indirectly, under any agreement or other instrument to which it is as of the Closing Date (assuming consummation of the Transactions) a party or will be subject, from paying any dividends to the Issuers, from making any other distribution on such subsidiary's capital stock or similar ownership interests, from repaying to the Issuers any loans or advances to such subsidiary from the Issuers or such other subsidiary or from transferring any of such subsidiary's properties or assets to the Issuers or any other subsidiary of the Issuers, except (i) to the extent such restriction or prohibition would constitute a Permitted Lien under and as defined in the Indenture, the other Transaction Documents, the Credit Facilities Documentation or the documentation governing the Existing Second Lien Notes, the First Lien Notes, the Existing THI Notes or the TH Facility or (ii) as disclosed in the Time of Sale Information and the Offering Memorandum or as created under the Transaction Documents, the Credit Facilities Documentation or the documentation governing the Existing Second Lien Notes, the First Lien Notes, the Existing THI Notes or the TH Facility.

(ak) *No Broker's Fees*. None of either Issuer nor any of their respective subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against any of them or any Initial Purchaser for a

brokerage commission, finder's fee or like payment in connection with the offering and sale of the Securities.

(al) *Rule 144A Eligibility.* On the Closing Date, the Securities will not be of the same class as securities listed on a national securities exchange registered under Section 6 of the Exchange Act or quoted in an automated inter-dealer quotation system; and each of the Preliminary Offering Memorandum and the Offering Memorandum, as of its respective date, contains or will contain all the information that, if requested by a prospective purchaser of the Securities, would be required to be provided to such prospective purchaser pursuant to Rule 144A(d)(4) under the Securities Act.

(am) *No Integration.* None of the Issuers, the Guarantors nor any of their respective affiliates (as defined in Rule 501(b) of Regulation D) has, directly or through any agent, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act), that is or will be integrated with the sale of the Securities in a manner that would require registration of the Securities under the Securities Act.

(an) *No General Solicitation or Directed Selling Efforts.* None of the Issuers, the Guarantors nor any of their respective affiliates or any other person acting on its or their behalf (other than the Initial Purchasers, as to which no representation is made) has (i) solicited offers for, or offered or sold, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(a)(2) of the Securities Act or (ii) engaged in any directed selling efforts within the meaning of Regulation S under the Securities Act ("Regulation S"), and all such persons have complied with the offering restrictions requirement of Regulation S.

(ao) *Securities Law Exemptions.* Assuming the accuracy of the representations and warranties of the Initial Purchasers contained in Section 1(b) (including Annex C hereto) and Section 5 and their compliance with their agreements set forth therein, it is not necessary, in connection with the issuance and sale of the Securities to the Initial Purchasers and the offer, resale and delivery of the Securities by the Initial Purchasers to Subsequent Purchasers in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum, to register the Securities under the Securities Act nor to file a prospectus under Canadian Securities Laws to qualify the distribution of the Securities or to qualify the Indenture under the Trust Indenture Act of 1939, as amended.

(ap) *No Stabilization.* None of the Issuers nor any of the Guarantors has taken, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Securities.

(aq) *Margin Rules*. Neither the issuance, sale and delivery of the Securities, nor the consummation of the Transactions or the application of the proceeds thereof by the Issuers as described in each of the Time of Sale Information and the Offering Memorandum will violate Regulation T, U or X of the Board of Governors of the Federal Reserve System or any other regulation of such Board of Governors.

(ar) *Forward-Looking Statements.* No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained or

incorporated by reference in any of the Time of Sale Information or the Offering Memorandum has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(as) *Statistical and Market Data*. Nothing has come to the attention of either Issuer or any Guarantor that has caused such entity to believe that the statistical and market-related data included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum is not based on or derived from sources that are reliable and accurate in all material respects.

(at) *Sarbanes-Oxley Act*. To the extent applicable, there is and has been no failure on the part of Parent or any of its subsidiaries or the Partnership or any of its subsidiaries or any of their respective directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith (the "Sarbanes-Oxley Act"), including Section 402 related to loans and Sections 302 and 906 related to certifications.

(au) *Cybersecurity*. Except as disclosed in the Time of Sale Information and the Offering Memorandum, to the knowledge of the Issuers, the Issuers' and their respective subsidiaries' information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases (collectively, "IT Systems") are reasonably believed by the Issuers to be adequate for, and operate and perform in all material respects as required in connection with the operation of the business of the Issuers and their respective subsidiaries as currently conducted, and, to the Issuers' knowledge, are free and clear of all material bugs, errors, defects, Trojan horses, time bombs, malware and other corruptants. Except as disclosed in the Time of Sale Information and the Offering Memorandum, to the knowledge of the Issuers, the Issuers and their respective subsidiaries have used reasonable efforts to establish, implement and maintain commercially reasonable controls, policies, procedures, and safeguards to maintain and protect their material confidential information and the integrity, continuous operation, redundancy and security of all material IT Systems and data (including all personal, personally identifiable, sensitive, confidential or regulated data ("Personal Data")) used in connection with their businesses, and except as disclosed in the Time of Sale Information and the Offering Memorandum, to the knowledge of the Issuers, there have been no breaches, violations, outages or unauthorized uses of or accesses to same, except for those that have been remedied without material cost or liability or the duty to notify any other person, nor are there any known incidents under internal review or investigation relating to the same. Except as disclosed in the Time of Sale Information and the Offering Memorandum, to the knowledge of the Issuers, the Issuers and their respective subsidiaries are presently in compliance in all material respects with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, internal policies and contractual obligations relating to the privacy and security of IT Systems and Personal Data and to the protection of such IT Systems and Personal Data from unauthorized use, access, misappropriation or modification.

4. Further Agreements of the Issuers and the Guarantors. Each of the Issuers and each Guarantor hereby jointly and severally, covenants and agrees with each Initial Purchaser that:

(a) *Delivery of Copies.* The Issuers will deliver, without charge, to the Initial Purchasers as many copies of the Preliminary Offering Memorandum, any other Time of Sale

Information, any Issuer Written Communication and the Offering Memorandum (including all amendments and supplements thereto) as the Representative may reasonably request.

(b) *Offering Memorandum, Amendments or Supplements.* Before finalizing the Offering Memorandum or making or distributing any amendment or supplement to any of the Time of Sale Information or the Offering Memorandum or filing with the Commission any document that will be incorporated by reference therein, the Issuers will furnish to the Representative and counsel for the Initial Purchasers a copy of the proposed Offering Memorandum or such amendment or supplement or document to be incorporated by reference therein for review, and will not distribute any such proposed Offering Memorandum, amendment or supplement or file any such document with the Commission to which the Representative reasonably objects.

(c) *Additional Written Communications.* Before using, authorizing, approving or referring to any Issuer Written Communication (other than those listed on Annex A), the Issuers will furnish to the Representative and counsel for the Initial Purchasers a copy of such written communication for review and will not use, authorize, approve or refer to any such written communication to which the Representative reasonably objects.

(d) *Notice to the Representative.* The Issuers will advise the Representative promptly, and confirm such advice in writing, (i) of the issuance by any governmental or regulatory authority of any order preventing or suspending the use of any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum or the initiation or threatening of any proceeding for that purpose; (ii) of the occurrence of any event at any time prior to the completion of the initial offering of the Securities by the Initial Purchasers as a result of which any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum as then amended or supplemented would include any Misrepresentation when such Time of Sale Information, Issuer Written Communication or the Offering Memorandum is delivered to a purchaser; and (iii) of the receipt by any Issuer of any notice with respect to any suspension of the qualification of the Securities for offer and sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and each of the Issuers will use its reasonable best efforts to prevent the issuance of any such order preventing or suspending the use of any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum or suspending any such qualification of the Securities and, if any such order is issued, will use reasonable best efforts to obtain as soon as possible the withdrawal thereof.

(e) *Time of Sale Information.* If at any time prior to the Closing Date (i) any event shall occur or condition shall exist as a result of which any of the Time of Sale Information as then amended or supplemented would include any Misrepresentation or (ii) it is necessary to amend or supplement any of the Time of Sale Information to comply with law, the Issuers will promptly notify the Initial Purchasers thereof and forthwith prepare and, subject to paragraph (b) above, furnish to the Initial Purchasers such amendments or supplements to any of the Time of Sale Information (or any document to be filed with the Commission and incorporated by reference therein) as may be necessary so that the statements in any of the Time of Sale Information as so amended or supplemented (including such documents to be incorporated by reference therein) will not contain any Misrepresentation or so that any of the Time of Sale Information will comply with law.

(f) *Ongoing Compliance of the Offering Memorandum.* If at any time prior to the completion of the initial offering of the Securities (i) any event shall occur or condition shall exist as a result of which the Offering Memorandum as then amended or supplemented would include any Misrepresentation when the Offering Memorandum is delivered to a purchaser or (ii) it is necessary to amend or supplement the Offering Memorandum to comply with law, the Issuers will promptly notify the Initial Purchasers thereof and forthwith prepare and, subject to paragraph (b) above, furnish to the Initial Purchasers such amendments or supplements to the Offering Memorandum as may be necessary so that the statements in the Offering Memorandum (or any document to be filed with the Commission and incorporated by reference therein) as so amended or supplemented (including such document to be incorporated by reference therein) will not contain any Misrepresentation when the Offering Memorandum is delivered to a purchaser or so that the Offering Memorandum will comply with law.

(g) *Blue Sky Compliance.* The Issuers will qualify the Securities for offer and sale under the securities or "blue sky" laws of such jurisdictions as the Representative shall reasonably request (or, in the case of any offer and sale of the Securities in the Offering Provinces, rely on applicable exemptions from the prospectus requirements of applicable Canadian Securities Laws for purposes of the Canadian Private Placement) and will continue such qualifications in effect so long as required for the offering and resale to Subsequent Purchasers of the Securities; provided that none of the Issuers or any of the Guarantors shall be required to (i) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be required to so qualify, (ii) file any general consent to service of process in any such jurisdiction, (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject or (iv) file, or obtain a receipt for, a prospectus with and from any Canadian securities regulator to qualify such offer, sale or delivery of the Securities under any Canadian Securities Laws.

(h) *Clear Market.* During the period from the date hereof through and including the date that is 60 days after the Closing Date, each Issuer and each of the Guarantors will not, without the prior written consent of the Representative, offer, sell, contract to sell, pledge or otherwise dispose of any debt securities issued or guaranteed by either Issuer or any of the Guarantors and having a term of more than one year (other than the Securities).

(i) *Use of Proceeds.* The Issuers will apply the net proceeds from the sale of the Securities in the manner described in each of the Time of Sale Information and the Offering Memorandum under the heading "Use of proceeds."

(j) *Supplying Information.* While the Securities remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, each Issuer and each of the Guarantors will, during any period in which the Issuers are not subject to and in compliance with Section 13 or 15(d) of the Exchange Act, furnish to holders of the Securities and prospective purchasers of the Securities designated by such holders, upon the request of such holders or such prospective purchasers, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

(k) *DTC.* The Issuers will assist the Initial Purchasers in arranging for the Securities to be eligible for clearance and settlement through DTC.

(l) *No Resales by the Issuers, Parent and the Partnership.* Until the first anniversary of the Closing Date, each of the Issuers will not, and will not permit Parent, the

Partnership or any of the Issuers' respective controlled affiliates (as defined in Rule 144 under the Securities Act) to, resell any of the Securities that have been acquired by any of them, except for Securities purchased by an Issuer or any of their respective affiliates and (i) resold in a transaction registered under the Securities Act or (ii) resold in a transaction exempt from registration under the Securities Act, provided that any Securities transferred under this clause (ii) must bear the restrictive legend set forth in the Offering Memorandum for at least one year following such resale.

(m) *No Integration.* None of the Issuers nor any of their respective affiliates (as defined in Rule 501(b) of Regulation D) will, directly or through any agent, sell, offer for sale, solicit offers to buy or otherwise negotiate in respect of, any security (as defined in the Securities Act), that is or will be integrated with the sale of the Securities in a manner that would require registration of the Securities under the Securities Act.

(n) *No General Solicitation or Directed Selling Efforts.* None of the Issuers nor any of their respective affiliates or any other person acting on its or their behalf (other than the Initial Purchasers, as to which no covenant is given) will (i) solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(a)(2) of the Securities Act or (ii) engage in any directed selling efforts within the meaning of Regulation S, and all such persons will comply with the offering restrictions requirement of Regulation S.

(o) *No Stabilization.* None of the Issuers nor any of the Guarantors will take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Securities.

(p) *Perfection of Security Interests*. The Issuers and each Guarantor (i) to the extent not already completed, shall complete on or prior to the Closing Date all filings and other similar actions required in connection with the perfection of second-priority security interests in the Collateral as and to the extent contemplated by the Indenture and the Collateral Documents and (ii) shall take all actions necessary to maintain such security interests and to perfect security interests in any Collateral acquired after the Closing Date, in each case as and to the extent contemplated by the Indenture and the Collateral Documents.

5. Certain Agreements of the Initial Purchasers. Each Initial Purchaser hereby severally and not jointly represents and agrees that it has not and will not use, authorize use of, refer to, or participate in the planning for use of, any written communication that constitutes an offer to sell or the solicitation of an offer to buy the Securities other than (i) the Preliminary Offering Memorandum and the Offering Memorandum, (ii) a written communication that contains either (a) no "issuer information" (as defined in Rule 433 (h)(2) under the Securities Act) or (b) "issuer information" that was included (including through incorporation by reference) in the Time of Sale Information or the Offering Memorandum, (iii) any written communication listed on Annex A or prepared by the Issuers pursuant to Section 4(c) above (including any electronic road show), (iv) any written communication prepared by such Initial Purchaser and approved by the Issuers in advance in writing or (v) any written communication that only contains the terms of the Securities and/or other information that was included (including through incorporation by reference) or will be included in the Time of Sale Information or the Offering Memorandum.

6. Conditions of Initial Purchasers' Obligations. The obligation of each Initial Purchaser to purchase Securities on the Closing Date as provided herein is subject to the performance by each Issuer and each of the Guarantors of their respective covenants and other obligations hereunder and to the following additional conditions:

(a) *Representations and Warranties.* The representations and warranties of the Issuers and the Guarantors contained herein shall be true and correct on the date hereof and on and as of the Closing Date; and the statements of the Issuers, the Guarantors and their respective officers made in any certificates delivered pursuant to this Agreement shall be true and correct on and as of the Closing Date.

(b) *No Downgrade.* Subsequent to the earlier of (A) the Time of Sale and (B) the execution and delivery of this Agreement, (i) no downgrading shall have occurred in the rating accorded the Securities or any other debt securities or preferred stock issued or guaranteed by any Issuer, Parent, the Partnership or any of their respective subsidiaries by any "nationally recognized statistical rating organization," as such term is defined by the Commission for purposes of Section 3(a)(62) of the Exchange Act; and (ii) no such organization shall have publicly announced that it has under surveillance or review, or has changed its outlook with respect to, its rating of the Securities or of any other debt securities or preferred stock issued or guaranteed by any Issuer, Parent, the Partnership or any of their respective subsidiaries (other than an announcement with positive implications of a possible upgrading).

(c) *No Material Adverse Change.* No event or condition described in Section 3(e) hereof shall have occurred or shall exist, which event or condition is not described in each of the Time of Sale Information (excluding any amendment or supplement thereto) and the Offering Memorandum (excluding any amendment or supplement thereto) and the effect of which in the judgment of the Representative makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum.

(d) *Officer's Certificate.* The Representative shall have received on and as of the Closing Date a certificate of an executive officer of the Company and of each Guarantor who has specific knowledge of the Company's or such Guarantor's financial matters and is satisfactory to the Representative (i) confirming that such officer has carefully reviewed the Time of Sale Information and the Offering Memorandum and, to the knowledge of such officer, the representations set forth in Sections 3(a), 3(b) and 3(d) hereof are true and correct, (ii) confirming that the other representations and warranties of the Issuers and the Guarantors in this Agreement are true and correct and that the Issuers and the Guarantors have complied in all material respects with all agreements and satisfied all conditions on their part to be performed or satisfied hereunder at or prior to the Closing Date and (iii) to the effect set forth in paragraphs (b) and (c) above.

(e) *Comfort Letters.* On the date of this Agreement and on the Closing Date, KPMG shall have furnished to the Representative, at the request of Parent and the Partnership, letters, dated the respective dates of delivery thereof and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Representative, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum; provided that the letter

delivered on the Closing Date shall use a "cut-off" date no more than three business days prior to the Closing Date.

(f) *Opinion and 10b-5 Statement of Counsel for the Issuers and the Guarantors*. (i) Kirkland & Ellis LLP, U.S. counsel for the Issuers and the Guarantors, shall have furnished to the Representative, at the request of the Issuers, its written opinions and 10b-5 statement, dated the Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Initial Purchasers, (ii) Stikeman Elliott LLP, Canadian counsel for the Issuers and the Guarantors, shall have furnished to the Representative, at the request of the Issuers, its written opinions, dated the Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Initial Purchasers and (iii) Greenberg Traurig, P.A., Florida and Minnesota counsel for the Guarantors, shall have furnished to the Representative, at the request of the Issuers, its written opinion, dated the Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Initial Purchasers.

(g) *Opinion and 10b-5 Statement of Counsel for the Initial Purchasers*. The Representative shall have received on and as of the Closing Date (x) an opinion and 10b-5 statement of Cahill Gordon & Reindel llp, counsel for the Initial Purchasers, and (y) an opinion of Blake, Cassels & Graydon LLP, Canadian counsel for the Initial Purchasers, in each case with respect to such matters as the Representative may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(h) *No Legal Impediment to Issuance*. No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, provincial, state or foreign governmental or regulatory authority that would, as of the Closing Date, prevent the issuance or sale of the Securities or the issuance of the Guarantees; and no injunction or order of any federal, provincial, state or foreign court shall have been issued that would, as of the Closing Date, prevent the issuance or sale of the Securities or the issuance of the Guarantees.

(i) *Good Standing*. The Representative shall have received on and as of the Closing Date satisfactory evidence of the existence or good standing of each Issuer and each of the Guarantors in their respective jurisdictions of organization and their good standing in such other jurisdictions as the Representative may reasonably request, in each case in writing or any standard form of telecommunication, from the appropriate governmental authorities of such jurisdictions.

(j) *Indenture and Securities*. The Indenture shall have been duly executed and delivered by a duly authorized officer of each of the Issuers, each of the Guarantors, the Trustee and the Collateral Agent, and the Securities shall have been duly executed and delivered by a duly authorized officer of each Issuer and duly authenticated by the Trustee.

(k) *DTC*. The Securities shall be eligible for clearance and settlement through DTC.

(l) *Collateral Joinder Documents and Intercreditor Agreements*. On the Closing Date, the Initial Purchasers shall have received a counterpart of each Collateral Joinder Document and the THI Notes Intercreditor Agreement, that shall have been executed and delivered by the

applicable parties thereto and each of such documents shall be in full force and effect in accordance with their terms.

(m) *Refinancing*. The Issuers (or their direct or indirect parent) have delivered notice of partial redemption to the existing noteholders of the 2025 Second Lien Notes in accordance with the terms of the indenture governing the 2025 Second Lien Notes.

(n) *Additional Documents*. On or prior to the Closing Date, the Issuers and the Guarantors shall have furnished to the Representative such further certificates and documents as the Representative may reasonably request.

All opinions, letters, certificates and evidence mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Initial Purchasers.

7. Indemnification and Contribution. (a) *Indemnification of the Initial Purchasers*. Each of the Issuers and each of the Guarantors jointly and severally agrees to indemnify and hold harmless each Initial Purchaser, its affiliates, directors and officers and each person, if any, who controls such Initial Purchaser within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, reasonable legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, any Misrepresentation or alleged Misrepresentation contained in the Preliminary Offering Memorandum, any of the other Time of Sale Information, any Issuer Written Communication or the Offering Memorandum (or any amendment or supplement thereto) or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, a Misrepresentation or alleged Misrepresentation made in reliance upon and in conformity with any information relating to any Initial Purchaser furnished to the Issuers in writing by such Initial Purchaser through the Representative expressly for use therein.

(b) *Indemnification of the Issuers and the Guarantors*. Each Initial Purchaser agrees, severally and not jointly, to indemnify and hold harmless each Issuer, each of the Guarantors, their respective directors and officers and each person who controls each Issuer or any of the Guarantors within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Initial Purchaser furnished to the Issuers in writing by such Initial Purchaser through the Representative expressly for use in the Preliminary Offering Memorandum, any of the other Time of Sale Information, any Issuer Written Communication or the Offering Memorandum (or any amendment or supplement thereto), it being understood and agreed that the only such information consists of the following: the fourth paragraph, the third and fourth sentences of the seventh paragraph, and the ninth paragraph, in each case, found under the heading “Plan of distribution.”

(c) *Notice and Procedures*. If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to either paragraph (a) or (b) above, such person (the

"Indemnified Person") shall promptly notify the person against whom such indemnification may be sought (the "Indemnifying Person") in writing; provided that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under paragraph (a) or (b) above except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under paragraph (a) or (b) above. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person (who shall not, without the consent of the Indemnified Person, be counsel to the Indemnifying Person) to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 7 that the Indemnifying Person may designate in such proceeding and shall pay the reasonable fees and expenses of such proceeding and shall pay the fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and the Indemnified Person shall have reasonably concluded that representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be reimbursed as they are incurred. Any such separate firm for any Initial Purchaser, its affiliates, directors and officers and any control persons of such Initial Purchaser shall be designated in writing by Morgan Stanley & Co. LLC and any such separate firm for the Issuers, the Guarantors, their respective directors and officers and any control persons of the Issuers and the Guarantors shall be designated in writing by the Issuers. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) *Contribution.* If the indemnification provided for in paragraphs (a) and (b) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Issuers and the Guarantors on the one hand and the Initial Purchasers on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative

benefits referred to in clause (i) but also the relative fault of the Issuers and the Guarantors on the one hand and the Initial Purchasers on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Issuers and the Guarantors on the one hand and the Initial Purchasers on the other shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Issuers from the sale of the Securities and the total discounts and commissions received by the Initial Purchasers in connection therewith, as provided in this Agreement, bear to the aggregate offering price of the Securities. The relative fault of the Issuers and the Guarantors on the one hand and the Initial Purchasers on the other shall be determined by reference to, among other things, whether the Misrepresentation or alleged Misrepresentation relates to information supplied by any Issuer or any Guarantor or by the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. For the avoidance of doubt, until the Issuers, the Guarantors or their respective directors, officers and control persons are entitled to indemnification from the Initial Purchasers under Section 7(b) above, they are not entitled to contribution under this Section 7(d).

(e) *Limitation on Liability.* The Issuers, the Guarantors and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Initial Purchasers were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of this Section 7, in no event shall an Initial Purchaser be required to contribute any amount in excess of the amount by which the total discounts and commissions received by such Initial Purchaser with respect to the offering of the Securities exceeds the amount of any damages that such Initial Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Initial Purchasers' obligations to contribute pursuant to this Section 7 are several in proportion to their respective purchase obligations hereunder and not joint.

(f) *Non-Exclusive Remedies.* The remedies provided for in this Section 7 are not exclusive and shall not limit any rights or remedies that may otherwise be available to any Indemnified Person at law or in equity.

8. Termination. This Agreement may be terminated in the absolute discretion of the Representative, by notice to the Issuers, if after the execution and delivery of this Agreement and on or prior to the Closing Date (i) trading generally shall have been suspended or materially limited on the New York Stock Exchange or the over-the-counter market; (ii) trading of any securities issued or guaranteed by Parent, the Partnership, any Issuer or any of the Guarantors shall have been suspended on any exchange or in any over-the-counter market; (iii) a general moratorium on commercial banking activities shall have been declared by federal or New York State authorities; or (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or outside the United States, that, in the judgment of the Representative is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery, of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum.

9. Defaulting Initial Purchaser. (a) If, on the Closing Date, any Initial Purchaser defaults on its obligation to purchase the Securities that it has agreed to purchase hereunder, the non-defaulting Initial Purchasers may in their discretion arrange for the purchase of such Securities by other persons satisfactory to the Issuers on the terms contained in this Agreement. If, within 36 hours after any such default by any Initial Purchaser, the non-defaulting Initial Purchasers do not arrange for the purchase of such Securities, then the Issuers shall be entitled to a further period of 36 hours within which to procure other persons satisfactory to the non-defaulting Initial Purchasers to purchase such Securities on such terms. If other persons become obligated or agree to purchase the Securities of a defaulting Initial Purchaser, either the non-defaulting Initial Purchasers or the Issuers may postpone the Closing Date for up to five full business days in order to effect any changes that in the opinion of counsel for the Issuers or counsel for the Initial Purchasers may be necessary in the Time of Sale Information, the Offering Memorandum or in any other document or arrangement, and the Issuers agree to promptly prepare any amendment or supplement to the Time of Sale Information or the Offering Memorandum that effects any such changes. As used in this Agreement, the term "Initial Purchaser" includes, for all purposes of this Agreement unless the context otherwise requires, any person not listed in Schedule 1 hereto that, pursuant to this Section 9, purchases Securities that a defaulting Initial Purchaser agreed but failed to purchase.

(b) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Initial Purchaser or Initial Purchasers by the non-defaulting Initial Purchasers and the Issuers as provided in paragraph (a) above, the aggregate principal amount of such Securities that remains unpurchased does not exceed one-eleventh of the aggregate principal amount of all the Securities, then the Issuers shall have the right to require each non-defaulting Initial Purchaser to purchase the principal amount of Securities that such Initial Purchaser agreed to purchase hereunder plus such Initial Purchaser's pro rata share (based on the principal amount of Securities that such Initial Purchaser agreed to purchase hereunder) of the Securities of such defaulting Initial Purchaser or Initial Purchasers for which such arrangements have not been made.

(c) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Initial Purchaser or Initial Purchasers by the non-defaulting Initial Purchasers and the Issuers as provided in paragraph (a) above, the aggregate principal amount of such Securities that remains unpurchased exceeds one-eleventh of the aggregate principal amount of all the Securities, or if the Issuers shall not exercise the right described in paragraph (b) above, then this Agreement shall terminate without liability on the part of the non-defaulting Initial Purchasers. Any termination of this Agreement pursuant to this Section 9 shall be without liability on the part of the Issuers or the Guarantors, except that each Issuer and each of the Guarantors will continue to be jointly and severally liable for the payment of expenses as set forth in Section 10 hereof and except that the provisions of Section 7 hereof shall not terminate and shall remain in effect.

(d) Nothing contained herein shall relieve a defaulting Initial Purchaser of any liability it may have to the Issuers, the Guarantors or any non-defaulting Initial Purchaser for damages caused by its default.

10. Payment of Expenses. (a) Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, each Issuer and each of the Guarantors jointly and severally agrees to pay or cause to be paid all costs and expenses incident to the performance of their respective obligations hereunder (including any goods and services, harmonized sales, sales, transfer, stamp, excise and other similar taxes payable in connection therewith), including without limitation, (i) the costs incident to the authorization, issuance, sale, preparation and delivery of the Securities; (ii) the costs incident to the preparation and printing of the Preliminary Offering

Memorandum, any other Time of Sale Information, any Issuer Written Communication and the Offering Memorandum (including any amendment or supplement thereto) and the distribution thereof; (iii) the costs of reproducing and distributing each of the Transaction Documents; (iv) the fees and expenses of the Issuers' and the Guarantors' counsel and independent accountants; (v) the fees and expenses incurred in connection with the registration or qualification and determination of eligibility for investment of the Securities under the laws of such jurisdictions as the Representative may designate and the preparation, printing and distribution of a "blue sky" memorandum (including the related fees and expenses of counsel for the Initial Purchasers); (vi) any fees charged by rating agencies for rating the Securities; (vii) the fees and expenses of the Trustee, the Collateral Agent and any paying agent (including related fees and expenses of any counsel to such parties); (viii) all expenses and fees incurred in connection with the approval of the Securities for book-entry transfer by DTC; (ix) all expenses incurred by the Issuers in connection with any "road show" presentation to potential investors; and (x) the fees and expenses incurred in connection with creating, documenting, perfecting and maintaining the perfection of the security interests in the Collateral as contemplated by the Collateral Documents (including the reasonable related fees and expenses of counsel for the Initial Purchasers for all periods prior to and after the Closing Date).

(b) If (i) this Agreement is terminated pursuant to Section 8, (ii) the Issuers for any reason fail to tender the Securities for delivery to the Initial Purchasers or (iii) the Initial Purchasers decline to purchase the Securities for any reason permitted under this Agreement, each Issuer and each of the Guarantors jointly and severally agrees to reimburse the Initial Purchasers for all out-of-pocket costs and expenses (including the fees and expenses of their counsel) reasonably incurred by the Initial Purchasers in connection with this Agreement and the offering contemplated hereby.

11. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and any controlling persons referred to herein, and the affiliates, officers and directors of each Initial Purchaser referred to in Section 7 hereof. Nothing in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Securities from any Initial Purchaser shall be deemed to be a successor merely by reason of such purchase.

12. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of the Issuers, the Guarantors and the Initial Purchasers contained in this Agreement or made by or on behalf of the Issuers, the Guarantors or the Initial Purchasers pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Securities and shall remain in full force and effect, regardless of any subsequent disposition by the Initial Purchasers of the Securities, any termination of this Agreement or any investigation made by or on behalf of the Issuers, the Guarantors or the Initial Purchasers.

13. Certain Defined Terms. For purposes of this Agreement, (a) except where otherwise expressly provided, the term "affiliate" has the meaning set forth in Rule 405 under the Securities Act; (b) the term "business day" means any day other than a day on which banks are permitted or required to be closed in New York City; (c) the term "subsidiary" has the meaning set forth in Rule 405 under the Securities Act; (d) the term "Exchange Act" means the Securities Exchange Act of 1934, as amended; and (e) the term "written communication" has the meaning set forth in Rule 405 under the Securities Act.

14. Compliance with USA Patriot Act. In accordance with the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Initial Purchasers are

required to obtain, verify and record information that identifies their respective clients, including the Issuers and the Guarantors, which information may include the name and address of their respective clients, as well as other information that will allow the Initial Purchasers to properly identify their respective clients.

15. Recognition of the U.S. Special Resolution Regimes. (a) In the event that any Initial Purchaser that is a Covered Entity (as defined below) becomes subject to a proceeding under a U.S. Special Resolution Regime (as defined below), the transfer from such Initial Purchaser of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Initial Purchaser that is a Covered Entity or a BHC Act Affiliate (as defined below) of such Initial Purchaser becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights (as defined below) under this Agreement that may be exercised against such Initial Purchaser are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(c) For purposes of this Section 15, (i) the term "BHC Act Affiliate" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k); (ii) "Covered Entity" means any of the following: (x) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b), (y) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b), or a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b); (iii) "Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable; and (iv) "U.S. Special Resolution Regime" means each of (x) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (y) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

16. Miscellaneous. (a) *Authority of the Representative.* Any action by the Initial Purchasers hereunder may be taken by Morgan Stanley & Co. LLC on behalf of the Initial Purchasers, and any such action taken by Morgan Stanley & Co. LLC shall be binding upon the Initial Purchasers.

(b) *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted and confirmed by any standard form of telecommunication. Notices to the Initial Purchasers shall be given to the Representative c/o Morgan Stanley & Co. LLC, 1585 Broadway, New York, New York 10036 (Attention: High Yield Syndicate Desk). Notices to the Issuers and the Guarantors shall be given to them at 1011778 B.C. Unlimited Liability Company, c/o Restaurant Brands International, 130 King Street West, Suite 300, Toronto, Ontario, Canada M5X 1E1, Attention: Jill Granat. A copy of any notice sent to the Issuers shall also be sent to: Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022 (fax: (212) 446-4900), Attn: Joshua N. Korff and Michael Kim.

(c) *Governing Law*. This Agreement and any claim, controversy or dispute arising under or related to this Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(d) *Waiver of Jury Trial*. The Issuers, the Guarantors and each of the Initial Purchasers hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

(e) *Consent to Jurisdiction*. The Issuers and each of the Guarantors hereby submit to the non-exclusive jurisdiction of any U.S. federal or state court located in the Borough of Manhattan, the City and County of New York in any action, suit or proceeding arising out of or relating to or based upon this Agreement or any of the transactions contemplated hereby, and the Issuers and each of the Guarantors irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding in any such court arising out of or relating to this Agreement or the transactions contemplated hereby and irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding has been brought in an inconvenient forum. The Company and each Guarantor domiciled in Canada hereby appoints the Corporation Service Company, 1180 Avenue of the Americas, Suite 210, New York, NY 10036-8401, as its authorized agent (the "Authorized Agent") upon whom process may be served in any suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated herein that may be instituted in any state or U.S. federal court in The City of New York and County of New York, by any Initial Purchaser, the directors, officers, employees, affiliates and agents of any Initial Purchaser, or by any person who controls any Initial Purchaser, and expressly accepts the non-exclusive jurisdiction of any such court in respect of any such suit, action or proceeding. The Company and each Guarantor domiciled in Canada hereby represents and warrants that the Authorized Agent has accepted such appointment and has agreed to act as said agent for service of process, and the Company and each Guarantor domiciled in Canada agrees to take any and all action, including the filing of any and all documents that may be necessary to continue such appointment in full force and effect as aforesaid. Service of process upon the Authorized Agent shall be deemed, in every respect, effective service of process upon the Company and each Guarantor domiciled in Canada.

(f) *Waiver of Immunity*. To the extent that the Issuers or any Guarantor has or hereafter may acquire any immunity (sovereign or otherwise) from jurisdiction of any court of (i) Canada, or any political subdivision thereof, (ii) the United States or the State of New York, (iii) any jurisdiction in which it owns or leases property or assets or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution, set-off or otherwise) with respect to themselves or their respective property and assets or this Agreement, the Issuers and each Guarantor hereby irrevocably waive such immunity in respect of its obligations under this Agreement to the fullest extent permitted by applicable law.

(g) *Judgment Currency*. Each of the Issuers and each Guarantor jointly and severally agrees to indemnify each Initial Purchaser, its directors, officers, affiliates and each person, if any, who controls such Initial Purchaser within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, against any loss incurred by such Initial Purchaser as a result of any judgment or order being given or made for any amount due hereunder and such judgment or order being expressed and paid in a currency (the "judgment currency") other than U.S. dollars and as a result of any variation as between (i) the rate of exchange at which the U.S. dollar amount is converted into the judgment currency for the purpose of such judgment or order, and (ii) the rate of exchange at which such indemnified person is able to purchase U.S. dollars with the amount of the judgment currency actually received by the indemnified person. The foregoing indemnity shall constitute a separate and independent obligation of each of the Issuers and each Guarantor and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of, or conversion into, the relevant currency.

(h) *Counterparts*. This Agreement may be signed in counterparts (which may include counterparts delivered by any standard form of telecommunication), each of which shall be an original and all of which together shall constitute one and the same instrument.

(i) *Amendments or Waivers*. No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

(j) *Headings*. The headings herein are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

[*Remainder of page intentionally left blank*]

If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

1011778 B.C. UNLIMITED LIABILITY COMPANY

By: /s/ Jill Granat
Name: Jill Granat
Title: Secretary

NEW RED FINANCE, INC.

By: /s/ Jill Granat
Name: Jill Granat
Title: Assistant Secretary

BK ACQUISITION, INC.
BK WHOPPER BAR, LLC
BURGER KING CAPITAL FINANCE, INC.
BURGER KING CORPORATION
BURGER KING HOLDINGS, INC.
BURGER KING INTERAMERICA, LLC
BURGER KING WORLDWIDE, INC.

By: /s/ Jill Granat
Name: Jill Granat
Title: Assistant Secretary

[Signature Page to Purchase Agreement]

1014369 B.C. UNLIMITED LIABILITY COMPANY
1019334 B.C. UNLIMITED LIABILITY COMPANY
1024670 B.C. UNLIMITED LIABILITY COMPANY
1028539 B.C. UNLIMITED LIABILITY COMPANY
1029261 B.C. UNLIMITED LIABILITY COMPANY
1057639 B.C. UNLIMITED LIABILITY COMPANY
1057772 B.C. UNLIMITED LIABILITY COMPANY
1057837 B.C. UNLIMITED LIABILITY COMPANY
BK CANADA SERVICE ULC
BLUE HOLDCO 1, LLC
BLUE HOLDCO 2, LLC
BLUE HOLDCO 3, LLC
BLUE HOLDCO 440, LLC
BURGER KING CANADA HOLDINGS INC./PLACEMENTS BURGER KING CANADA INC.
GPAIR LIMITED
GRANGE CASTLE HOLDINGS LIMITED
LLCXOX, LLC
ORANGE GROUP, INC.
ORANGE INTERMEDIATE, LLC
PLK ENTERPRISES OF CANADA, INC.
POPEYES LOUISIANA KITCHEN, INC.
RESTAURANT BRANDS HOLDINGS CORPORATION
RESTAURANT BRANDS INTERNATIONAL US SERVICES LLC
SBFD HOLDING CO.
TDLDD HOLDINGS ULC
TDLRR HOLDINGS ULC
THE TDL GROUP CORP./GROUPE TDL CORPORATION
TIM DONUT U.S. LIMITED, INC.
TIM HORTONS (NEW ENGLAND), INC.
TIM HORTONS CANADIAN IP HOLDINGS CORPORATION
TIM HORTONS USA INC.

By: /s/ Jill Granat
Name: Jill Granat
Title: Secretary

1112090 B.C. UNLIMITED LIABILITY COMPANY
1112097 B.C. UNLIMITED LIABILITY COMPANY
1112100 B.C. UNLIMITED LIABILITY COMPANY
1112104 B.C. UNLIMITED LIABILITY COMPANY
1112106 B.C. UNLIMITED LIABILITY COMPANY
BC12SUB- ORANGE HOLDINGS ULC
BCP-SUB, LLC
BLUE HOLDCO AKA7, LLC
BLUE HOLDCO AKA8, LLC
BLUE HOLDCO 300, LLC
LAX HOLDINGS ULC
LLC-QZ, LLC
ORANGE GROUP INTERNATIONAL, INC.
PBB HOLDINGS ULC
RB CRISPY CHICKEN HOLDINGS ULC
RB OCS HOLDINGS ULC
RB TIMBIT HOLDINGS ULC
SBFD BETA, LLC
SBFD SUBCO ULC
SBFD, LLC
ZN1 HOLDINGS ULC
ZN19TDL HOLDINGS ULC
ZN3 HOLDINGS ULC
ZN4 HOLDINGS ULC
ZN5 HOLDINGS ULC
ZN6 HOLDINGS ULC
ZN7 HOLDINGS ULC
ZN8 HOLDINGS ULC
ZN9 HOLDINGS ULC
SOCIÉTÉ EN COMMANDITE TARTE 3/ PIE 3 LIMITED PARTNERSHIP, by 1011778 B.C. UNLIMITED LIABILITY COMPANY, its general partner
SOCIÉTÉ EN COMMANDITE TARTE 4/ PIE 4 LIMITED PARTNERSHIP, by 12-2019 HOLDINGS ULC, its general partner
SOCIÉTÉ EN COMMANDITE P2019/P2019 LIMITED PARTNERSHIP, by 1011778 B.C. UNLIMITED LIABILITY COMPANY, its general partner

By: /s/ Jill Granat
Name: Jill Granat
Title: Secretary

12-2019 HOLDINGS ULC
12KR HOLDINGS ULC
12KRR HOLDINGS ULC
12ZZ HOLDINGS ULC
2097A HOLDINGS ULC
2097AA HOLDINGS ULC
2097B HOLDINGS ULC
BC3-A, LLC
BKC-IP, LLC
BKHS-A, LLC
KR1 HOLDINGS ULC
KR19TDL HOLDINGS ULC
KR2 HOLDINGS ULC
KR3 HOLDINGS ULC
KR4 HOLDINGS ULC
KR5 HOLDINGS ULC
KR6 HOLDINGS ULC
KR7 HOLDINGS ULC
KR8 HOLDINGS ULC
KR9 HOLDINGS ULC
IPCOA HOLDINGS ULC
IPCOAA HOLDINGS ULC
IPCOB HOLDINGS ULC
LDTA HOLDINGS ULC
LDTAA HOLDINGS ULC
LDTC HOLDINGS ULC
LLC440-A, LLC
LLC-K4, LLC
LLC-K5, LLC
LLC-QQ, LLC
RBHZZ HOLDINGS ULC
SOCIÉTÉ EN COMMANDITE BC12/ BC12 LIMITED PARTNERSHIP, by 12-2019 HOLDINGS ULC, its general partner

By: /s/ Jill Granat
Name: Jill Granat
Title: Secretary

SOCIÉTÉ EN COMMANDITE BC12P/ BC12P LIMITED PARTNERSHIP, by 12-2019 HOLDINGS ULC, its general partnerSOCIÉTÉ EN COMMANDITE 2097P / 2097P LIMITED PARTNERSHIP, by 1112097 B.C. UNLIMITED LIABILITY COMPANY and ZN3 HOLDINGS ULC, in their capacities as general partners
SOCIÉTÉ EN COMMANDITE LDTB / LDTB LIMITED PARTNERSHIP, by THE TDL GROUP CORP./GROUPE TDL CORPORATION, its general partner
SOCIÉTÉ EN COMMANDITE IPCO / IPCO LIMITED PARTNERSHIP, by KR2 HOLDINGS ULC, its general partner

By: /s/ Jill Granat
Name: Jill Granat
Title: Secretary

Accepted on the date first written above:

MORGAN STANLEY & CO. LLC

For itself and on behalf of the several
Initial Purchasers listed in Schedule 1 hereto.

By: /s/ Ethan Plater
Name: Ethan Plater
Title: Authorized Signatory

Schedule 1

Initial Purchaser		Principal Amount
Morgan Stanley & Co. LLC	$	166,102,000.00
J.P. Morgan Securities LLC		166,102,000.00
Wells Fargo Securities, LLC		118,644,000.00
BofA Securities, Inc.		118,644,000.00
Barclays Capital Inc.		118,644,000.00
RBC Capital Markets, LLC		118,644,000.00
Goldman Sachs & Co. LLC		59,322,000.00
Rabo Securities USA, Inc.		59,322,000.00
BMO Capital Markets Corp.		59,322,000.00
MUFG Securities Americas Inc.		59,322,000.00
Fifth Third Securities, Inc.		59,322,000.00
Citigroup Global Markets Inc.		59,322,000.00
Capital One Securities, Inc.		59,322,000.00
Scotia Capital (USA) Inc.		59,322,000.00
BNP Paribas Securities Corp.		59,322,000.00
Truist Securities, Inc.		59,322,000.00
Total	**$**	**1,400,000,000.00**

Schedule 1-1

Guarantors

1. BK Whopper Bar, LLC, a Florida limited liability company
2. BK Acquisition, Inc., a Delaware corporation
3. Orange Intermediate, LLC, a Delaware limited liability company
4. Orange Group, Inc., a Delaware corporation
5. LLCxox, LLC, a Delaware limited liability company
6. Blue Holdco 1, LLC, a Delaware limited liability company
7. Blue Holdco 2, LLC, a Delaware limited liability company
8. Blue Holdco 3, LLC, a Delaware limited liability company
9. SBFD Holding Co., a Delaware corporation
10. Tim Hortons USA Inc., a Florida corporation
11. Tim Hortons (New England), Inc., a Delaware corporation
12. Burger King Worldwide, Inc., a Delaware corporation
13. Burger King Capital Finance, Inc., a Delaware corporation
14. Burger King Holdings, Inc., a Delaware corporation
15. Blue Holdco 440, LLC, a Delaware limited liability company
16. Tim Donut U.S. Limited, Inc., a Florida corporation
17. Burger King Corporation, a Florida corporation
18. Burger King Interamerica, LLC, a Florida limited liability company
19. 1014369 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
20. 1019334 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
21. Grange Castle Holdings Limited, a Canada corporation
22. GPAir Limited, an Ontario corporation
23. The TDL Group Corp./Groupe TDL Corporation, a British Columbia limited company
24. Burger King Canada Holdings Inc./Placements Burger King Canada Inc., an Ontario corporation
25. 1024670 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
26. 1028539 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
27. 1029261 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
28. 1057837 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
29. 1057772 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
30. 1057639 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
31. TDLdd Holdings ULC, a British Columbia unlimited liability company
32. TDLrr Holdings ULC, a British Columbia unlimited liability company
33. BK Canada Service ULC, a British Columbia unlimited liability company
34. Restaurant Brands Holdings Corporation, an Ontario corporation
35. Tim Hortons Canadian IP Holdings Corporation, an Ontario corporation
36. Restaurant Brands International US Services LLC, a Florida limited liability company
37. PLK Enterprises of Canada, Inc., a British Columbia corporation
38. Popeyes Louisiana Kitchen, Inc., a Minnesota corporation
39. 1112097 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
40. 1112104 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
41. 1112106 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
42. 1112090 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
43. 1112100 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
44. BC12sub- Orange Holdings ULC, a British Columbia unlimited liability company
45. SBFD Subco ULC, a British Columbia unlimited liability company

46. LAX Holdings ULC, a British Columbia unlimited liability company
47. Orange Group International, Inc., an Ontario corporation
48. Blue Holdco aka8, llc, a Delaware limited liability company
49. Blue Holdco aka7, llc, a Delaware limited liability company
50. BCP-Sub, LLC, a Delaware limited liability company
51. SBFD, LLC, a Delaware limited liability company
52. SBFD Beta, LLC, a Delaware limited liability company
53. RB Timbit Holdings ULC, a British Columbia unlimited liability company
54. RB OCS Holdings ULC, a British Columbia unlimited liability company
55. RB Crispy Chicken Holdings ULC, a British Columbia unlimited liability company
56. PBB Holdings ULC, a British Columbia unlimited liability company
57. ZN1 Holdings ULC, a British Columbia unlimited liability company
58. ZN3 Holdings ULC, a British Columbia unlimited liability company
59. ZN4 Holdings ULC, a British Columbia unlimited liability company
60. ZN5 Holdings ULC, a British Columbia unlimited liability company
61. ZN6 Holdings ULC, a British Columbia unlimited liability company
62. ZN7 Holdings ULC, a British Columbia unlimited liability company
63. ZN8 Holdings ULC, a British Columbia unlimited liability company
64. ZN9 Holdings ULC, a British Columbia unlimited liability company
65. ZN19TDL Holdings ULC, a British Columbia unlimited liability company
66. LLC-QZ, LLC, a Delaware limited liability company
67. Société en commandite Tarte 3/ Pie 3 Limited Partnership, a Quebec limited partnership
68. Société en commandite Tarte 4/ Pie 4 Limited Partnership, a Quebec limited partnership
69. Société en commandite P2019/P2019 Limited Partnership, a Quebec limited partnership
70. LLC-K4, LLC, a Delaware limited liability company
71. LLC-QQ, LLC, a Delaware limited liability company
72. 12-2019 Holdings ULC, a British Columbia unlimited liability company
73. 12zz Holdings ULC, a British Columbia unlimited liability company
74. RBHzz Holdings ULC, a British Columbia unlimited liability company
75. Société en commandite BC12/ BC12 Limited Partnership, a Quebec limited partnership
76. 12Kr Holdings ULC, a British Columbia unlimited liability company
77. 12Krr Holdings ULC, a British Columbia unlimited liability company
78. KR1 Holdings ULC, a British Columbia unlimited liability company
79. KR2 Holdings ULC, a British Columbia unlimited liability company
80. KR3 Holdings ULC, a British Columbia unlimited liability company
81. KR4 Holdings ULC, a British Columbia unlimited liability company
82. KR5 Holdings ULC, a British Columbia unlimited liability company
83. KR6 Holdings ULC, a British Columbia unlimited liability company
84. KR7 Holdings ULC, a British Columbia unlimited liability company
85. KR8 Holdings ULC, a British Columbia unlimited liability company
86. KR9 Holdings ULC, a British Columbia unlimited liability company
87. KR19TDL Holdings ULC, a British Columbia unlimited liability company
88. Société en commandite BC12p/ BC12p Limited Partnership, a Quebec limited partnership
89. 2097A Holdings ULC, a British Columbia unlimited liability company
90. 2097AA Holdings ULC, a British Columbia unlimited liability company
91. LDTA Holdings ULC, a British Columbia unlimited liability company
92. LDTAA Holdings ULC, a British Columbia unlimited liability company
93. LDTC Holdings ULC, a British Columbia unlimited liability company
94. 2097B Holdings ULC, a British Columbia unlimited liability company

95. Société en commandite 2097P/ 2097P Limited Partnership, a Quebec limited partnership
96. Société en commandite LDTb/ LDTb Limited Partnership, a Quebec limited partnership
97. BC3-A, LLC, a Delaware limited liability company
98. LLC440-A, LLC, a Delaware limited liability company
99. BKHS-A, LLC, a Delaware limited liability company
100. BKC-IP, LLC, a Delaware limited liability company
101. LLC-K5, LLC, a Delaware limited liability company
102. Blue Holdco 300, LLC, a Delaware limited liability company
103. IPCOA Holdings ULC, a British Columbia unlimited liability company
104. IPCOAA Holdings ULC, a British Columbia unlimited liability company
105. IPCOB Holdings ULC, a British Columbia unlimited liability company
106. Société en commandite IPCO/ IPCO Limited Partnership, a Quebec limited partnership

Additional Time of Sale Information

1. Pricing term sheet containing the terms of the Securities, substantially in the form of Annex B.

Pricing Term Sheet

See attached

Restrictions on Offers and Sales Outside the United States

In connection with offers and sales of Securities outside the United States:

(a) Each Initial Purchaser acknowledges that the Securities have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act. Each Initial Purchaser acknowledges that the distribution of the Securities is being made in the Offering Provinces on a private placement basis, exempt from the prospectus requirements of applicable Canadian Securities Laws, and that the Securities have not been and will not be qualified for distribution (or distribution to the public, as applicable) by prospectus under applicable Canadian Securities Laws.

(b) Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) Such Initial Purchaser has offered and sold the Securities, and will offer and sell the Securities, (A) as part of their distribution at any time and (B) otherwise until 40 days after the later of the commencement of the offering of the Securities and the Closing Date, only in accordance with Regulation S or Rule 144A or any other available exemption from registration under the Securities Act.

(ii) None of such Initial Purchaser or any of its affiliates or any other person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Securities, and all such persons have complied and will comply with the offering restrictions requirement of Regulation S.

(iii) At or prior to the confirmation of sale of any Securities sold in reliance on Regulation S, such Initial Purchaser will have sent to each distributor, dealer or other person receiving a selling concession, fee or other remuneration that purchases Securities from it during the distribution compliance period a confirmation or notice to substantially the following effect:

> "The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Securities and the date of original issuance of the Securities, except in accordance with Regulation S or Rule 144A or any other available exemption from registration under the Securities Act. Terms used above have the meanings given to them by Regulation S."

(iv) Such Initial Purchaser has not and will not enter into any contractual arrangement with any distributor with respect to the distribution of the Securities, except with its affiliates or with the prior written consent of the Issuers.

Terms used in paragraph (a) and this paragraph (b) and not otherwise defined in this Agreement have the meanings given to them by Regulation S.

(c) Each Initial Purchaser acknowledges that no action has been or will be taken by the Issuers that would permit a public offering of the Securities, or possession or distribution of any of the Time of Sale Information, the Offering Memorandum, any Issuer Written Communication or any other offering or publicity material relating to the Securities, in any country or jurisdiction where action for that purpose is required.

(d) Each Initial Purchaser and its respective affiliates severally agrees that it will offer and sell the Securities to Subsequent Purchasers in Canada in compliance with the requirements of applicable Canadian Securities Laws and only make offers and sales of the Securities in Canada in the Offering Provinces and in such a manner that the sale of the Securities will be exempt from the prospectus requirements of applicable Canadian Securities Laws. For greater certainty, each Initial Purchaser severally agrees that it has not made and will not make an offer of the Securities to any person or company in Canada other than a person or company that is both:

(i) an "accredited investor" within the meaning of NI 45-106 or, in Ontario, as defined in Section 73.3(1) of the *Securities Act* (Ontario) (except, in each case, for the criteria set out in paragraph (j), (k) or (l) of such definition in NI 45-106) that is either purchasing the Securities as principal for its own account, or is deemed to be purchasing the Securities as principal for its own account in accordance with Canadian Securities Laws, and that is entitled under Canadian Securities Laws to purchase such Securities without the benefit of a prospectus qualified under such laws; and

(ii) a "permitted client" as defined in section 1.1 of NI 31-103.

(e) Each Initial Purchaser, severally and not jointly, covenants and agrees that it will provide to the Issuers forthwith upon request all such information regarding each purchaser of Securities from it in Canada, including the paragraph number in the definition of "accredited investor" in Section 1.1 of NI 45-106 that applies to each purchaser, as the Issuers may reasonably request in good faith for the purpose of preparing and filing Schedule 1 to a report of exempt distribution on Form 45-106F1 ("Form 45-106F1") and filed with all applicable Canadian securities regulators in connection with the issuance and sale of the Securities, provided it is acknowledged and agreed that the Initial Purchasers need not provide any information to the Issuers regarding whether any Canadian purchaser is an insider of the Issuers.

(f) Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the United Kingdom Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuers or the Guarantors; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

(g) Each Initial Purchaser severally agrees that it has not offered, sold or otherwise made available to and will not offer, sell or otherwise make available the Securities to any retail investor in the European Economic Area or the United Kingdom. For these purposes, a retail investor means a person

who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of (E)U) Directive 2016/97 (as amended or superseded, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended or superseded, the "Prospectus Regulation").

(Back To Top)

Section 3: EX-10.75 (EX-10.75)

Execution Version
EXHIBIT 10.75

1011778 B.C. Unlimited Liability Company
NEW RED FINANCE, INC.

$1,500,000,000

4.000% Second Lien Senior Secured Notes due 2030

Purchase Agreement

October 14, 2020

Morgan Stanley & Co. LLC
as Representative of the
several Initial Purchasers listed
in Schedule 1 hereto

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

Ladies and Gentlemen:

1011778 B.C. Unlimited Liability Company, an unlimited liability company organized under the laws of British Columbia (the "Company"), and New Red Finance, Inc., a Delaware corporation and a direct wholly owned subsidiary of the Company (the "Co-Issuer" and, together with the Company, the "Issuers" and each, individually, an "Issuer"), propose, subject to the terms and conditions stated herein, to issue and sell to the several initial purchasers listed in Schedule 1 hereto (the "Initial Purchasers"), for whom you are acting as representative (the "Representative"), $1,500,000,000 aggregate principal amount of their 4.000% Second Lien Senior Secured Notes due 2030 (the "Securities"). The Securities will be issued pursuant to the Indenture dated as of October 5, 2020 (the "Base Indenture") among the Issuers, certain subsidiaries of the Issuers listed on Schedule 2 hereto (the "Guarantors") and Wilmington Trust, National Association, as trustee (in such capacity, the "Trustee") and as collateral agent (in such capacity, the "Collateral Agent"), as supplemented by a supplemental indenture to be dated as of the Closing Date (as defined in Section 2 hereof) (the "Supplemental Indenture" and, together with the Base Indenture, the "Indenture") among the Issuers, the Guarantors, the Trustee and the Collateral Agent. The Securities will be guaranteed on a senior secured second priority basis by each of the Guarantors (the "Guarantees").

The Issuers previously issued $1,400,000,000 in aggregate principal amount of 4.000% Second Lien Senior Secured Notes due 2030 (the "Existing 2030 Second Lien Notes") under the Base Indenture. The Securities that will be issued and sold by the Issuers pursuant to this Purchase Agreement (this "Agreement") will constitute "Additional Notes" under and as defined in the Indenture. The Securities issued pursuant to Regulation S ("Regulation S") under the U.S. Securities Act of 1933, as amended (the "Securities Act"), will initially be issued bearing a temporary CUSIP number that differs from the CUSIP number under which the Existing 2030 Second Lien Notes issued pursuant to Regulation S currently trade. As promptly as practicable following the 40th day after the issue date, the Issuers intend to cause the Securities issued pursuant to Regulation S to be consolidated with and share the

same CUSIP number as the Existing 2030 Second Lien Notes issued pursuant to Regulation S. Following such consolidation, the Issuers expect that the Securities will be fungible with the Existing 2030 Second Lien Notes for trading purposes. Except as otherwise disclosed in the Time of Sale Information and the Offering Memorandum (each as defined below), the Securities shall have terms identical to the Existing 2030

Second Lien Notes and will be treated as a single class of debt securities with the Existing 2030 Second Lien Notes for all purposes under the Indenture.

The Securities and the Guarantees will be secured by a second-priority lien (which will be *pari passu* in right of payment and security with the liens securing the Issuers' outstanding Existing Second Lien Notes (as defined below)), subject to certain Permitted Liens (as defined below), on substantially all of the tangible and intangible assets of the Issuers and the Guarantors, now owned or hereafter acquired by either of the Issuers or any Guarantor, that secure borrowings under the Credit Agreement (as defined below) on a first-priority basis, subject to certain exceptions described in the Time of Sale Information and the Offering Memorandum (the "Collateral"). The Collateral shall be described in (a) with respect to fee-owned real property that constitutes Collateral, the mortgages, debentures, hypothecs, deeds of trust or deeds to secure debt for the Existing Second Lien Notes (collectively, the "Mortgages"), (b) with respect to personal property that constitutes Collateral, (i) that certain U.S. security agreement, dated as of December 12, 2014 (as amended, supplemented or otherwise modified from time to time, the "U.S. Security Agreement"), by and among the Co-Issuer, the Guarantors party thereto and the Collateral Agent in its capacity as collateral agent for the holders of the Existing Second Lien Notes, as supplemented by a joinder agreement to be dated as of the Closing Date executed by the Trustee and the Collateral Agent in its capacity as collateral agent for the holders of the Existing Second Lien Notes (the "U.S. Security Agreement Joinder"), (ii) that certain Canadian security agreement, dated as of December 12, 2014 (as amended, supplemented or otherwise modified from time to time, the "Canadian Security Agreement"), by and among the Company, the Guarantors party thereto and the Collateral Agent, as supplemented by a joinder agreement to be dated as of the Closing Date executed by the Trustee and the Collateral Agent in its capacity as collateral agent for the holders of the Existing Second Lien Notes (the "Canadian Security Agreement Joinder"), and (iii) those certain deeds of hypothec (Quebec) dated 25 August 2017, 30 April 2019, 9 August 2019, 5 November 2019 and on or about 21 August 2020 (as amended, supplemented or otherwise modified from time to time, the "Deeds of Hypothec" and, together with the Canadian Security Agreement, the U.S. Security Agreement and the Security Agreement Joinders (as defined below), the "Security Agreements") among the Guarantors party thereto and Wilmington Trust, National Association, in its capacity, inter alia, as collateral agent and hypothecary representative for the secured parties described therein, as supplemented by additional pari passu joinder agreements (deed of hypothec) executed from time to time, and as further supplemented by additional pari passu joinder agreements (deed of hypothec) to be dated as of the Closing Date executed by the Trustee, in its capacity as Additional Pari Passu Agent (as defined in said Deeds of Hypothec) for, inter alios, the holders of the Securities, and Wilmington Trust, National Association, in its capacity as hypothecary representative for the secured parties described in the Deeds of Hypothec (the "Deeds of Hypothec Joinders", and, together with the Canadian Security Agreement Joinder and the U.S. Security Agreement Joinder, the "Security Agreement Joinders"), and (c) with respect to the grants of security interest in registrations and/or applications for trademarks, patents and copyrights (and exclusive licenses in any of the foregoing), in the Intellectual Property Security Agreements (as defined below), granting a second-priority security interest in the Collateral, subject to Permitted Liens, for the benefit of the Collateral Agent, the Trustee and each holder of the Securities and the successors and assigns of the foregoing (collectively, the "Secured Parties"). The term "Collateral Documents" as used herein shall mean the Mortgages, the Security Agreements, the Intellectual Property Security Agreements and the Intercreditor Agreements (as defined below) and the term "Collateral Joinder Documents" shall mean the Security Agreement Joinders, the First Lien-Second Lien Intercreditor Agreement Joinder No. 8 (as defined below).

The rights of the holders of the Securities with respect to the Collateral shall be further governed by:

(i) that certain Intercreditor Agreement, dated as of December 12, 2014, between Wilmington Trust, National Association, as collateral agent for the holders of the Issuers' (redeemed) $2,250,000,000 6.00% Second Lien Senior Secured Notes due 2022, and the Credit Facilities Agent (as defined below), as supplemented by (r) that certain Joinder No. 1, dated as of May 22, 2015, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as trustee and collateral agent for the holders of the Issuers' (redeemed) $1,250,000,000 4.625% First Lien Senior Secured Notes due 2022, (s) that certain Joinder No. 2, dated as of May 17, 2017, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as collateral agent for the holders of the Issuers' $1,500,000,000 aggregate principal amount of 4.250% First Lien Senior Secured Notes due 2024 (the "2024 First Lien Notes"), (t) that certain Joinder No. 3, dated as of August 28, 2017, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as collateral agent for the holders of the Issuers' $1,300,000,000 aggregate principal amount of 5.000% Second Lien Senior Secured Notes due 2025 (the "2025 Second Lien Notes"), (u) that certain Joinder No. 4, dated as of October 4, 2017, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as collateral agent for the holders of the Issuers' $1,500,000,000 aggregate principal amount of 5.000% Second Lien Senior Secured Notes due 2025 (the "Additional 2025 Second Lien Notes"), (v) that certain Joinder No. 5, dated as of September 24, 2019, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as collateral agent for the holders of the Issuers' $750,000,000 aggregate principal amount of 3.875% First Lien Senior Secured Notes due 2028 (the "2028 First Lien Notes"), (w) that certain Joinder No. 6, dated as of November 19, 2019, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as collateral agent for the holders of the Issuers' $750,000,000 aggregate principal amount of 4.375% Second Lien Senior Secured Notes due 2028 (the "2028 Second Lien Notes" and, together with the 2025 Second Lien Notes, the Additional 2025 Second Lien Notes and the Existing 2030 Second Lien Notes, the "Existing Second Lien Notes"), (x) that certain Joinder No. 7, dated as of April 7, 2020, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as collateral agent for the holders of the Issuers' $500,000,000 aggregate principal amount of 5.750% First Lien Senior Secured Notes due 2025 (the "2025 First Lien Notes" and, together with the 2024 First Lien Notes and the 2028 First Lien Notes, the "First Lien Notes"), (y) that certain Joinder No. 8, dated as of October 5, 2020, between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and Wilmington Trust, National Association, as collateral agent for the holders of the Existing 2030 Second Lien Notes and (z) that certain Joinder No. 9, to be dated as of the Closing Date (the "First Lien-Second Lien Intercreditor Agreement Joinder No. 9"), between the Credit Facilities Agent, as First Priority Designated Agent (as defined therein), and the Collateral Agent (collectively, the "First Lien-Second Lien Intercreditor Agreement"); and

(ii) that certain Third Amended and Restated Intercreditor Agreement dated as of October 5, 2020, among Wilmington Trust, National Association, in its capacity as collateral agent for the holders of the Notes and the Existing Second Lien Notes, The TDL Group Corp. (as successor in interest to Tim Hortons Inc.) ("TDL") and BNY Trust Company of Canada, in its capacity as collateral agent (the "Existing THI Notes Agent") for the holders under that certain Trust Indenture, dated as of June 1, 2010 (as amended, modified or supplemented to the date hereof, the "Existing THI Notes Indenture"), governing the 4.52% Senior Unsecured Notes, Series 2, due December 1, 2023 (the "Existing THI Notes") of TDL (the "THI Notes Intercreditor

Agreement" and, together with the First Lien-Second Lien Intercreditor Agreement, the "Intercreditor Agreements").

As described in the Time of Sale Information and the Offering Memorandum under the caption "Use of proceeds," the Issuers expect to use the proceeds of the offering of the Securities to redeem all of the 2025 Second Lien Notes outstanding on the Closing Date (the "Refinancing") and pay related premium, fees and expenses. The issuance and sale of the Securities and the use of proceeds therefrom as described above and the execution and delivery of this Agreement, the Supplemental Indenture, the Securities and the Collateral Joinder Documents (such documents, collectively, the "Transaction Documents"), in each case including the transactions contemplated thereby, are herein collectively referred to as the "Transactions."

The Securities will be sold to the Initial Purchasers who may resell all or a portion of the Securities to purchasers ("Subsequent Purchasers") without being registered under the Securities Act in reliance upon an exemption therefrom and without the filing of a prospectus with any securities commission or other securities regulatory authority in any province or territory of Canada under the applicable securities laws of each of the provinces and territories of Canada and the respective regulations and rules made thereunder together with all applicable published policy statements, notices, blanket orders and rulings of each such jurisdiction's securities regulatory authorities (collectively, the "Canadian Securities Laws"). A portion of the Securities may be offered and sold in the provinces of British Columbia, Alberta, Ontario and Quebec (collectively, the "Offering Provinces") on a private placement basis to "accredited investors", as defined in National Instrument 45-106 – *Prospectus Exemptions* ("NI 45-106") or, in Ontario, as defined in Section 73.3(1) of the Securities Act (Ontario) (except, in each case, for the criteria set out in paragraph (j), (k) or (l) of such definition in NI 45-106) that are also "permitted clients", as defined in Section 1.1 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103"), in reliance upon the "accredited investor" exemption from the prospectus requirements of the applicable Canadian Securities Laws provided for in section 2.3 of NI 45-106 or, in Ontario, subsection 73.3(2) of the Securities Act (Ontario) (such offer and sale, the "Canadian Private Placement"). The Issuers and the Guarantors have prepared a preliminary offering memorandum dated October 14, 2020 (the "Preliminary Offering Memorandum") and will prepare an offering memorandum dated the date hereof (the "Offering Memorandum") setting forth information concerning the Issuers, the Guarantors (including each of their respective subsidiaries), the Securities and the Guarantees. Copies of the Preliminary Offering Memorandum have been, and copies of the Offering Memorandum will be, delivered by the Issuers to the Initial Purchasers pursuant to the terms of this Agreement. The Issuers hereby jointly and severally represent that they have authorized the use of the Preliminary Offering Memorandum, the other Time of Sale Information (as defined below) and the Offering Memorandum in connection with the offering and resale of the Securities by the Initial Purchasers in the manner contemplated by this Agreement. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Time of Sale Information. References herein to the Preliminary Offering Memorandum, the Time of Sale Information and the Offering Memorandum shall be deemed to refer to and include any document incorporated by reference therein and any reference to "amend," "amendment" or "supplement" with respect to the Preliminary Offering Memorandum or the Offering Memorandum shall be deemed to refer to and include any documents filed after such date and incorporated by reference therein.

At or prior to the time when sales of the Securities were first made (the "Time of Sale"), the Issuers shall have prepared the following information (collectively, the "Time of Sale Information"): the Preliminary Offering Memorandum, as supplemented and amended by the written communications listed on Annex A hereto.

Each of the Issuers and the Guarantors hereby jointly and severally agrees with the several Initial Purchasers concerning the purchase and resale of the Securities, as follows:

1. Purchase and Resale of the Securities. (a) On the basis of the representations, warranties and agreements set forth herein, the Issuers jointly agree to issue and sell the Securities to the several Initial Purchasers as provided in this Agreement, and each Initial Purchaser, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, agrees, severally and not jointly, to purchase from the Issuers the respective principal amount of the Securities set forth opposite such Initial Purchaser's name in Schedule 1 hereto at a price equal to 99.385% of the principal amount thereof plus accrued and unpaid interest from October 5, 2020 to the Closing Date. The Issuers will not be obligated to deliver any of the Securities except upon payment for all the Securities to be purchased as provided herein.

(b) The Issuers understand that the Initial Purchasers intend to offer the Securities for resale on the terms set forth in the Time of Sale Information. Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) it is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act (a "QIB") and an accredited investor within the meaning of Rule 501(a) of Regulation D under the Securities Act ("Regulation D");

(ii) neither it nor any person engaged by it has solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(a)(2) of the Securities Act; and

(iii) neither it nor any person engaged by it has solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Securities as part of their initial offering except:

(1) to persons whom it reasonably believes to be QIBs in transactions pursuant to Rule 144A under the Securities Act ("Rule 144A") and in connection with each such sale, it has taken or will take reasonable steps to ensure that the purchaser of the Securities is aware that such sale is being made in reliance on Rule 144A; or

(2) in accordance with the restrictions set forth in Annex C hereto.

(c) Each Initial Purchaser acknowledges and agrees that the Issuers and, for purposes of the "no registration" opinions (and equivalent exempt distribution opinions in respect of the Canadian Private Placement) to be delivered to the Initial Purchasers pursuant to Section 6(f)(i) and Section 6(f)(ii) and Section 6(g), counsel for the Issuers and counsel for the Initial Purchasers, respectively, may rely upon the accuracy of the representations and warranties of the Initial Purchasers, and compliance by the Initial Purchasers with their agreements, contained in paragraph (b) above (including Annex C hereto) and Section 5, and each Initial Purchaser hereby consents to such reliance.

(d) Each Issuer and each of the Guarantors acknowledge and agree that the Initial Purchasers may offer and sell Securities to or through any affiliate of an Initial Purchaser and that any such affiliate may offer and sell Securities purchased by it to or through any Initial Purchaser; provided that such offers and sales shall be made in accordance with the provisions of this Agreement (including Annex C hereto).

(e) The Issuers and the Guarantors acknowledge and agree that each Initial Purchaser is acting solely in the capacity of an arm's-length contractual counterparty to the Issuers and the Guarantors with respect to the offering of Securities contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or fiduciary to, or agent of, the Issuers, the Guarantors or any other person. Additionally, neither the Representative nor any other Initial Purchaser is advising the Issuers, the Guarantors or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Issuers and the Guarantors shall consult with their own advisors concerning such matters and shall be responsible for making their own independent investigation and appraisal of the transactions contemplated hereby, and neither the Representative nor any other Initial Purchaser shall have any responsibility or liability to the Issuers or the Guarantors with respect thereto. Any review by the Representative or any Initial Purchaser of the Issuers, the Guarantors, any other person and the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Representative or such Initial Purchaser, as the case may be, and shall not be on behalf of the Issuers, the Guarantors or any other person. The Issuers and the Guarantors agree that they will not claim that the Initial Purchasers, or any of them, have rendered services of any nature, or owe a fiduciary or similar duty to the Issuers or the Guarantors, in connection with the purchase and sale of the Securities pursuant to this Agreement or the process leading thereto.

2. Payment and Delivery. (a) Payment for and delivery of the Securities will be made at the offices of Cahill Gordon & Reindel llp at 10:00 a.m., New York City time, on November 2, 2020, or at such other time or place on the same or such other date as the Representative and the Issuers may agree upon in writing not later than the fifth business day thereafter. The time and date of such payment and delivery is referred to herein as the "Closing Date."

(b) Payment for the Securities shall be made by wire transfer in immediately available funds to the account(s) specified by the Issuers to the Representative against delivery to the nominee of The Depository Trust Company ("DTC"), for the account of the Initial Purchasers, of one or more global notes representing the Securities (collectively, the "Global Note"), with any transfer and other stamp, excise or similar taxes payable in connection with the sale of the Securities duly paid by the Issuers. The Global Note will be made available for inspection by the Representative not later than 1:00 p.m., New York City time, on the business day prior to the Closing Date.

3. Representations and Warranties of the Issuers and the Guarantors. Each of the Issuers and the Guarantors hereby jointly and severally represents and warrants to each Initial Purchaser that:

(a) *Preliminary Offering Memorandum, Time of Sale Information and Offering Memorandum.* The Preliminary Offering Memorandum, as of its date, did not, the Time of Sale Information, at the Time of Sale, did not, and at the Closing Date, will not, and the Offering Memorandum, at the time first used by the Initial Purchasers to confirm sales of the Securities and as of the Closing Date, will not, contain any Misrepresentation; provided that the Issuers and the Guarantors make no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Initial Purchaser furnished to the Issuers or the Guarantors in writing by or on behalf of such Initial Purchaser through the Representative expressly for use in the Preliminary Offering Memorandum, the Time of Sale Information or the Offering Memorandum. For the purposes of this Agreement, "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(b) *Additional Written Communications*. Neither the Issuers nor the Guarantors (including their respective agents and representatives, other than the Initial Purchasers in their capacity as such) have prepared, used, authorized or approved, nor will they prepare, use, authorize or approve, any written communication that constitutes an offer to sell or solicitation of an offer to buy the Securities (each such communication by an Issuer, the Guarantors or their respective agents and representatives (other than a communication referred to in clauses (i), (ii) and (iii) below), an "Issuer Written Communication") other than (i) the Preliminary Offering Memorandum, (ii) the Offering Memorandum, (iii) the documents listed on Annex A hereto, including a term sheet substantially in the form of Annex B hereto, which constitute part of the Time of Sale Information, and (iv) any electronic road show or other written communications, in each case used in accordance with Section 4(c) hereof. Each such Issuer Written Communication, when taken together with the Time of Sale Information at the Time of Sale, did not, and at the Closing Date will not, contain any Misrepresentation; provided that the Issuers and the Guarantors make no representation and warranty with respect to any statements or omissions made in each such Issuer Written Communication in reliance upon and in conformity with information relating to any Initial Purchaser furnished to the Issuers or the Guarantors in writing by or on behalf of such Initial Purchaser through the Representative expressly for use in any Issuer Written Communication.

(c) *Incorporated Documents*. The documents incorporated by reference in each of the Time of Sale Information and the Offering Memorandum, when filed with the Securities and Exchange Commission (the "Commission"), conformed or will conform, as the case may be, in all material respects to the requirements of the Exchange Act, and the rules and regulations of the Commission thereunder, and did not and will not contain any Misrepresentation.

(d) *Financial Statements*. The consolidated financial statements and the related notes thereto of Restaurant Brands International Inc. ("Parent") and its subsidiaries and Restaurant Brands International Limited Partnership (the "Partnership") and its subsidiaries included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum present fairly in all material respects the consolidated financial position of Parent and its subsidiaries and the Partnership and its subsidiaries, respectively, as of the dates indicated and the results of their operations and the changes in their cash flows for the periods specified; and such financial statements have been prepared in conformity with U.S. generally accepted accounting principles, applied on a consistent basis throughout the periods covered thereby (except with respect to FASB Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers and ASC Topic 842, Leases); the other financial information included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum has been derived from the accounting records of Parent and its subsidiaries and the Partnership and its subsidiaries, as applicable, and present fairly in all material respects the information shown thereby. The interactive data in eXtensible Business Reporting Language incorporated by reference in each of the Time of Sale Information and the Offering Memorandum fairly presents the information called for in all material respects and is prepared in accordance with the Commission's rules and guidelines applicable thereto.

(e) *No Material Adverse Change*. Since the date of the most recent financial statements of Parent and its subsidiaries included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum except as disclosed in such financial statements, (i) other than as described in the Time of Sale Information and the Offering Memorandum, there has not been any change in the capital stock or long-term debt of the

Company, the Co-Issuer or any of their respective subsidiaries, or any dividend or distribution of any kind, other than internal cash distributions, declared, set aside for payment, paid or made by either Issuer, Parent or the Partnership on any class of capital stock, or any material adverse change, or any development involving a prospective material adverse change, in or affecting the business, assets, management, financial position or results of operations of the Issuers and their respective subsidiaries taken as a whole; (ii) none of the Company, the Co-Issuer nor any of their respective subsidiaries has entered into any transaction or agreement that is material to the Issuers and their respective subsidiaries taken as a whole or incurred any liability or obligation, direct or contingent, that is material to the Issuers and their respective subsidiaries taken as a whole; and (iii) none of the Company, the Co-Issuer nor any of their respective subsidiaries has sustained any loss or interference with its business that is material to the Company, the Co-Issuer or any of their respective subsidiaries taken as a whole and that is either from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, except in respect of clauses (i), (ii) and (iii) above as otherwise disclosed in each of the Time of Sale Information and the Offering Memorandum.

(f) *Organization and Good Standing.* The Issuers and each of their respective subsidiaries have been duly organized or formed and are validly existing and in good standing (if such designation exists in the jurisdiction of organization or formation for such entity) under the laws of their respective jurisdictions of organization, are duly qualified to do business and are in good standing (if such designation exists in the jurisdiction of organization or formation for such entity) in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the failure to be so qualified, in good standing (if such designation exists in the jurisdiction of organization or formation for such entity) or have such power or authority would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the business, assets, properties, financial position or results of operations of the Issuers and their respective subsidiaries, taken as a whole, or on the performance by the Issuers and the Guarantors of their respective obligations under this Agreement, the Securities and the Guarantees (a "Material Adverse Effect").

(g) *Capitalization.* At June 30, 2020, on a consolidated basis, after giving pro forma effect to the issuance and sale of the Existing 2030 Second Lien Notes, the Transactions and, in each case, the use of proceeds therefrom, Parent would have had the capitalization as set forth in each of the Time of Sale Information and the Offering Memorandum under the heading "Capitalization" and all the outstanding shares of capital stock or other equity interests of Parent and each subsidiary of Parent, have been duly and validly authorized and issued, are fully paid and non-assessable (except, in the case of any foreign subsidiary, for directors' qualifying shares) and, with respect to the subsidiaries, are owned directly or indirectly by Parent free and clear of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other claim of any third party, except in each case pursuant to (i) the Credit Agreement, dated as of October 27, 2014, as amended on May 22, 2015, February 17, 2017, March 27, 2017, May 17, 2017, October 13, 2017, October 2, 2018, September 6, 2019, November 19, 2019 and April 2, 2020, by and among 1013421 B.C. Unlimited Liability Company, an unlimited liability company organized under the laws of British Columbia, the Issuers, as the borrowers thereunder, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent (the "Credit Facilities Agent"), and each other party from time to time party thereto (the "Credit Agreement" and, together with

any other documents, agreements or instruments delivered in connection therewith, collectively, the "Credit Facilities Documentation"), (ii) the documentation governing the First Lien Notes, (iii) the documentation governing the Existing Second Lien Notes, (iv) the documentation governing the Existing THI Notes or (v) as disclosed in the Time of Sale Information and the Offering Memorandum.

(h) *Due Authorization.* Each of the Issuers and the Guarantors has, had or will have (as of the date on which it executed and delivered such document or will execute and deliver such document) full right, power and authority to execute and deliver, in each case, to the extent a party thereto, this Agreement and each of the other Transaction Documents, and to perform their respective obligations hereunder and thereunder; and all action required to be taken for the due and proper authorization, execution and delivery of each of the Transaction Documents and the consummation of the transactions contemplated thereby has been or will be duly and validly taken on or prior to the Closing Date.

(i) *The Indenture*. The Base Indenture has been duly authorized, executed and delivered by the Issuers and each of the Guarantors and constitutes a valid and legally binding agreement of the Issuers and each of the Guarantors enforceable against the Issuers and each of the Guarantors in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, fraudulent conveyance, reorganization, moratorium, insolvency or similar laws affecting the enforcement of creditors' rights generally or by equitable principles (whether considered in a proceeding in equity or law) relating to enforceability (collectively, the "Enforceability Exceptions"). The Supplemental Indenture has been or prior to the Closing Date will be duly authorized by the Issuers and each of the Guarantors and, when duly executed and delivered in accordance with its terms by each of the parties thereto, will constitute a valid and legally binding agreement of the Issuers and each of the Guarantors enforceable against the Issuers and each of the Guarantors in accordance with its terms, except as enforceability may be limited by the Enforceability Exceptions.

(j) *The Securities and the Guarantees*. The Securities have been or prior to the Closing Date will be duly authorized by each Issuer and, when duly executed, authenticated, issued and delivered as provided in the Indenture and paid for as provided herein, the Securities will be duly and validly issued and outstanding and will constitute valid and legally binding obligations of each Issuer enforceable against each Issuer in accordance with their terms, subject to the Enforceability Exceptions, and will be entitled to the benefits of the Indenture. The Guarantees have been duly authorized by each of the Guarantors and, when the Securities have been duly executed, authenticated, issued and delivered by the Issuers as provided in the Indenture and paid for as provided herein, the Guarantees will be valid and legally binding obligations of each of the Guarantors, enforceable against each of the Guarantors in accordance with their terms, subject to the Enforceability Exceptions, and will be entitled to the benefits of the Indenture.

(k) *Purchase Agreement.* This Agreement has been duly authorized, executed and delivered by the Issuers and each of the Guarantors.

(l) *Collateral Documents*. Each of the Collateral Documents and the Intercreditor Agreements has been or prior to the Closing Date will be duly authorized by each Issuer and each of the Guarantors, to the extent a party thereto, and on the Closing Date upon execution and delivery of the Collateral Joinder Documents by each of the parties thereto, each of the Collateral

Documents will constitute a valid and legally binding agreement of each Issuer and each of the Guarantors, to the extent a party thereto, enforceable against each Issuer and each of the Guarantors, to the extent a party thereto, in accordance with its terms, subject to the Enforceability Exceptions.

(m) *Collateral Documents, Financing Statements and Collateral*.

The Mortgages are sufficient to grant a legal, valid and enforceable mortgage lien, charge and security interest on all of the mortgagor's right, title and interest in the real property (including fixtures) that constitutes Collateral (each, a "Mortgaged Property" and, collectively, the "Mortgaged Properties"). To the extent the Mortgages are duly recorded or registered in the proper recording or Land Registry offices or appropriate public records and the mortgage recording fees and taxes in respect thereof are paid and compliance is otherwise had with the formal requirements of state, provincial or local law, applicable to the recording or registration of real estate mortgages generally, each such Mortgage shall constitute a validly perfected and enforceable second-priority lien, charge and security interest in the related Mortgaged Property constituting Collateral for the benefit of the Collateral Agent, the Trustee and the holders of the Securities, subject only to Permitted Liens (as defined below) or liens and encumbrances expressly set forth as an exception to the policies of title insurance, if any, obtained to insure the lien of each Mortgage with respect to each of the Mortgaged Properties (such encumbrances and exceptions, the "Permitted Exceptions"), and to the Enforceability Exceptions;

Upon execution and delivery of the Collateral Joinder Documents, the Security Agreements will be effective to grant a legal, valid and enforceable lien and security interest in all of the grantor's right, title and interest in the Collateral (other than the Mortgaged Properties) (the "Personal Property Collateral") to the Collateral Agent for the benefit of the Secured Parties to secure the obligations under the Indenture and the Securities;

Upon execution and delivery of the Collateral Joinder Documents, the financing statements and the short form intellectual property security agreements (the "Intellectual Property Security Agreements"), as applicable, previously filed in connection with the Security Agreements are sufficient to cause the security interests granted by the Security Agreements to constitute valid, perfected second-priority liens and security interests in the Personal Property Collateral, to the extent such liens and security interests can be perfected by the filing and/or recording, as applicable, of financing statements and the Intellectual Property Security Agreements in favor of the Collateral Agent for the benefit of the Secured Parties, and such security interests will be enforceable in accordance with the terms contained therein against all creditors of any grantor and subject only to liens expressly permitted to be incurred or exist on the Collateral under the Indenture (which, for the avoidance of doubt, includes, without limitation, liens granted under the TH Facility (as defined below)) or Permitted Exceptions, and to the Enforceability Exceptions ("Permitted Liens"); and

The Issuers and their respective subsidiaries collectively own, have rights in or have the power and authority to collaterally assign rights in the Collateral, free and clear of any liens other than the Permitted Exceptions and the Permitted Liens.

(n) *Descriptions of the Transaction Documents.* Each of the Transaction Documents conforms in all material respects to the description thereof contained in each of the Time of Sale Information and the Offering Memorandum (to the extent described therein).

(o) *No Violation or Default.* None of the Issuers nor any of their respective subsidiaries is (i) in violation of its articles, charter or by-laws or similar organizational documents; (ii) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Issuers or any of their respective subsidiaries is a party or by which the Issuers or any of their respective subsidiaries is bound or to which any of the property or assets of the Issuers or any of their respective subsidiaries is subject; or (iii) in violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (ii) and (iii) above, for any such default or violation that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(p) *No Conflicts.* The execution, delivery and performance by each Issuer and each of the Guarantors of each of the Transaction Documents to which each is a party (including but not limited to, the issuance and sale of the Securities (including the Guarantees)), and compliance by each Issuer and each of the Guarantors with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Issuers or any of their respective subsidiaries pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Issuers or any of their respective subsidiaries is a party or by which the Issuers or any of their respective subsidiaries is bound or to which any of the property or assets of the Issuers or any of their respective subsidiaries is subject (other than any lien, charge or encumbrance created or imposed pursuant to the Transaction Documents), (ii) result in any violation of the provisions of the articles, charter or by-laws or similar organizational documents of the Issuers or any of their respective subsidiaries or (iii) result in the violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (i) and (iii) above, for any such conflict, breach, violation, default, lien, charge or encumbrance that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(q) *No Consents Required*. No consent, approval, authorization, order, registration or qualification of or with any court or arbitrator or governmental or regulatory authority is required for the execution, delivery and performance by each Issuer and each of the Guarantors of each of the Transaction Documents to which each is a party, the issuance and sale of the Securities (including the Guarantees) and compliance by each Issuer and each of the Guarantors with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents, except for such consents, approvals, authorizations, orders and registrations or qualifications (A) as may be required (i) under applicable state securities laws and Canadian Securities Laws in connection with the purchase and resale of the Securities by the Initial Purchasers, (ii) with respect to perfection of security interests on the Collateral as required under the Transaction Documents and (iii) that if not obtained or made would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or (B) as have been obtained or made prior to the Closing Date.

(r) *Legal Proceedings*. Except as described in each of the Time of Sale Information and the Offering Memorandum, there are no legal, governmental or regulatory investigations, actions, suits or proceedings pending to which the Issuers or any of their respective subsidiaries is or may be a party or to which any property of the Issuers or any of their respective subsidiaries is or may be the subject that, individually or in the aggregate, if determined adversely to the Issuers or any of their respective subsidiaries, could reasonably be expected to have a Material Adverse Effect, and no order, ruling or determination having the effect of suspending the sale or ceasing the trading of any securities of either Issuer or any of the Guarantors has been issued or made by any court, securities regulatory authority or stock exchange or any other regulatory authority and is continuing in effect; and no such investigations, actions, suits or proceedings are, to the knowledge of each Issuer and each of the Guarantors, threatened or contemplated by any governmental or regulatory authority or by others.

(s) *Independent Auditors*. KPMG LLP ("KPMG"), who has certified certain financial statements of Parent and its subsidiaries and the Partnership and its subsidiaries, is an independent registered public accounting firm with respect to Parent and its subsidiaries and the Partnership and its subsidiaries within the applicable rules and regulations adopted by the Commission and the Public Company Accounting Oversight Board (United States) and as required by the Securities Act.

(t) *Title to Real and Personal Property*. The Issuers and their respective subsidiaries have good and marketable title (in the case of real property, in fee simple) to, or have valid rights to lease or otherwise use, all items of real and personal property that are material to the respective businesses of the Issuers and their respective subsidiaries, in each case free and clear of all liens, encumbrances, claims and defects and imperfections of title except for those that (i) would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, (ii) are created pursuant to the Transaction Documents or the Credit Facilities Documentation or (iii) are created pursuant to the documentation governing the Existing Second Lien Notes, the First Lien Notes, the Existing THI Notes or the Amended and Restated Credit Agreement, dated as of May 24, 2019 (the "TH Facility"), among The TDL Group Corp./Groupe TDL Corporation, Bank of Montreal, as Administrative Agent, and the lenders referred to therein, as amended, modified, supplemented or replaced from time to time.

(u) *Intellectual Property*. Except as otherwise disclosed in the Time of Sale Information and the Offering Memorandum, the Issuers and their respective subsidiaries own or possess adequate rights to use all material patents, trademarks, service marks, trade names, trademark registrations, service mark registrations and other indicia of origin, copyrights, works of authorship, all applications and registrations for the foregoing, domain names and know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) necessary for the conduct of their respective businesses as currently conducted, free of liens (other than liens created pursuant to the Transaction Documents, the Credit Facilities Documentation and the documentation governing the Existing Second Lien Notes, the First Lien Notes or the Existing THI Notes); to the knowledge of the Issuers and the Guarantors, the conduct of their respective businesses does not infringe or otherwise violate any such rights of others (except for such infringements or other violations as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect); to the knowledge of each Issuer and each of the Guarantors, no third party violates or infringes the intellectual property owned by the Issuers or any of their respective subsidiaries except as would not, individually or in the aggregate, reasonably be expected to have

a Material Adverse Effect; and none of the Issuers or their respective subsidiaries have received any written notice of any claim of infringement or other violation of any such rights of others that, if determined in a manner adverse to the Issuers or their respective subsidiaries, would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(v) *No Undisclosed Relationships.* No relationship, direct or indirect, exists between or among the Issuers and any of their respective subsidiaries, on the one hand, and the directors, officers, stockholders or other affiliates of the Issuers or any of their respective subsidiaries, on the other, that is required by the Securities Act to be described in a registration statement to be filed with the Commission and that is not so described in each of the Time of Sale Information and the Offering Memorandum.

(w) *Investment Company Act.* None of the Issuers nor any of the Guarantors is, and after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in each of the Time of Sale Information and the Offering Memorandum, none of them will be required to be registered as an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(x) *Taxes.*

(1) The Issuers and each of their respective subsidiaries have paid all federal, provincial, state, local and foreign taxes (including any related interest, penalties and additions to tax) due and payable by them (including in their capacity as withholding agent) and have filed all tax returns required to be filed (taking into account any validly-obtained extension of the time within which to file) except for (i) items being contested in good faith and by appropriate proceedings for which adequate reserves for taxes have been established in accordance with generally accepted accounting principles or (ii) where failure to pay or file, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; and except as otherwise disclosed in each of the Time of Sale Information and the Offering Memorandum, there is no tax audit, assessment, deficiency or other claim that has been, or could reasonably be expected to be, asserted against either Issuer or any of their respective subsidiaries or any of their respective properties or assets, except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(2) Except to the extent that any such payments are made in respect of services physically performed in Canada, no withholding tax imposed under the *Income Tax Act* (Canada) (the "Canadian Tax Act") will be payable in respect of any payments under this Agreement to an Initial Purchaser other than withholding tax imposed as a result of the Initial Purchaser (i) carrying on business in Canada for the purposes of the Canadian Tax Act; (ii) not dealing at arm's-length with each of the Issuers for the purposes of the Canadian Tax Act and (iii) being a "specified shareholder" of the Company or not dealing at arm's length with a "specified shareholder" of the Company (as defined in the Canadian Tax Act).

(y) *Licenses and Permits.* The Issuers and their respective subsidiaries possess all licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate federal, provincial, state, local or foreign governmental or regulatory authorities that are necessary for the ownership or lease of their respective properties

or the conduct of their respective businesses as described in each of the Time of Sale Information and the Offering Memorandum, except where the failure to possess or make the same would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and none of the Issuers nor any of their respective subsidiaries has received notice of any revocation or modification of any such license, certificate, permit or authorization or has any reason to believe that any such license, certificate, permit or authorization will not be renewed in the ordinary course, except where such modification or failure to renew, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(z) *No Labor Disputes*. No labor disturbance by or dispute with employees of either Issuer or any of their respective subsidiaries exists or, to the knowledge of the Issuers and each of the Guarantors, is contemplated or threatened, and none of the Issuers nor any Guarantor is aware of any existing or imminent labor disturbance by, or dispute with, the employees of any of the Issuers' or any of their respective subsidiaries' principal suppliers, contractors or customers, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(aa) *Compliance with Environmental Laws*. (i) The Issuers and their respective subsidiaries (x) are, and were during the applicable statute of limitations, in compliance with any and all applicable federal, provincial, state, local and foreign laws, rules, regulations, requirements, decisions and orders relating to the protection of human health or safety, the environment, natural resources, hazardous or toxic substances or wastes, pollutants or contaminants (collectively, "Environmental Laws"), (y) have received and are in compliance with all permits, licenses, certificates or other authorizations or approvals required of them under applicable Environmental Laws to conduct their respective businesses as currently conducted, and (z) have not received written notice of any actual or potential liability under or relating to any Environmental Laws, including for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, and have no knowledge of any event or condition that would reasonably be expected to result in any such notice, that would with respect to subclause (x), (y) or (z) of this clause (i), individually or in the aggregate, be reasonably expected to have a Material Adverse Effect, and (ii) there are no costs or liabilities associated with Environmental Laws of or relating to the Issuers or their respective subsidiaries, except in the case of each of (i) and (ii) above, for any such failure to comply, or failure to receive required permits, licenses or approvals, written notice, or cost or liability, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and (iii) (x) there are no proceedings that are pending, or that are to the Issuers' or the Guarantors' knowledge contemplated, against the Issuers or any of their respective subsidiaries under any Environmental Laws in which a governmental entity is also a party, other than such proceedings regarding which it is reasonably believed no monetary sanctions of $100,000 or more will be imposed, (y) none of the Issuers nor any of the Guarantors has knowledge of any issues regarding compliance with Environmental Laws, or liabilities or other obligations under Environmental Laws or concerning hazardous or toxic substances or wastes, pollutants or contaminants, that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and (z) none of the Issuers and their respective subsidiaries anticipates material capital expenditures relating to any Environmental Laws that would, individually or in the aggregate reasonably be expected to have a Material Adverse Effect.

(ab) *Compliance with ERISA*. (i) Each employee benefit plan, within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"),

for which the Issuers or any member of their respective "Controlled Group" (defined as any organization which is a member of a controlled group of corporations within the meaning of Section 414 of the Internal Revenue Code of 1986, as amended (the "Code")) would have any liability (each, a "Plan") has been maintained in compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, including but not limited to ERISA and the Code; (ii) no prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Plan excluding transactions effected pursuant to a statutory or administrative exemption; (iii) for each Plan that is subject to the funding rules of Section 412 of the Code or Section 302 of ERISA, no failure to satisfy the minimum funding standard under Section 412 of the Code or Section 302 of ERISA, whether or not waived, has occurred or is reasonably expected to occur; (iv) except as otherwise disclosed in the Time of Sale Information and the Offering Memorandum, the fair market value of the assets of each Plan exceeds the present value of all benefits accrued under such Plan (determined based on those assumptions used to fund such Plan); (v) except as otherwise disclosed in the Time of Sale Information and the Offering Memorandum, each pension plan within the meaning of Section 3(2) of ERISA that is maintained outside the jurisdiction of the United States satisfies the minimum funding requirements to the extent required by applicable law; (vi) no "reportable event" (within the meaning of Section 4043(c) of ERISA) has occurred or is reasonably expected to occur; and (vii) none of the Issuers nor any member of their respective Controlled Group has incurred, nor reasonably expects to incur, any liability under Title IV of ERISA (other than contributions to the Plan or premiums to the PBGC, in the ordinary course and without default) in respect of a Plan (including a "multiemployer plan," within the meaning of Section 4001(a)(3) of ERISA), and except for where failure to comply with any of the clauses (i) through (vii) of this paragraph would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(ac) *Disclosure Controls*. Each of Parent and its subsidiaries and the Partnership and its subsidiaries maintains a system of "disclosure controls and procedures" (as defined in Rule 13a-15(e) of the Exchange Act) that is designed to ensure that information required to be disclosed by Parent or the Partnership, as the case may be, in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to Parent's or the Partnership's, as the case may be, management as appropriate to allow timely decisions regarding required disclosure. Each of Parent and its subsidiaries and the Partnership and its subsidiaries has carried out evaluations of the effectiveness of their disclosure controls and procedures as required by Rule 13a-15 of the Exchange Act.

(ad) *Accounting Controls*. Each of Parent and its subsidiaries and the Partnership and its subsidiaries maintains systems of "internal control over financial reporting" (as defined in Rule 13a-15(f) of the Exchange Act and in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings) that comply with the requirements of the Exchange Act and Canadian Securities Laws and have been designed by, or under the supervision of, their respective principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Each of Parent and its subsidiaries and the Partnership and its subsidiaries maintains internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations;

(ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and (v) interactive data in eXtensible Business Reporting Language incorporated by reference in each of the Preliminary Offering Memorandum, the Time of Sale Information and the Offering Memorandum is prepared in accordance with the Commission's rules and guidelines applicable thereto. There are no material weaknesses in each of Parent's and its subsidiaries' and the Partnership's and its subsidiaries' internal controls.

(ae) *Insurance.* The Issuers and their respective subsidiaries have insurance covering their respective properties, operations, personnel and businesses, including business interruption insurance, which insurance is in amounts and insures against such losses and risks as the Issuers and their respective subsidiaries believe are adequate to protect their respective businesses; and none of the Issuers or any of their respective subsidiaries has (i) received notice from any insurer or agent of such insurer that capital improvements or other expenditures are required or necessary to be made in order to continue such insurance or (ii) any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage at reasonable cost from similar insurers, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(af) *No Unlawful Payments.* None of either Issuer or any of their respective subsidiaries, nor any director, officer or employee of either Issuer or any of their respective subsidiaries nor, to the knowledge of either Issuer or any of the Guarantors, any agent, affiliate or other person associated with or acting on behalf of either Issuer or any of their respective subsidiaries has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made or taken an act in furtherance of an offer, promise or authorization of any direct or indirect unlawful payment or benefit to any foreign or domestic government official or employee, including of any government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended, the *Corruption of Foreign Public Officials Act* (Canada) or any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or committed an offence under the Bribery Act 2010 of the United Kingdom, or any other applicable anti-bribery or anti-corruption law of any other relevant jurisdiction; or (iv) made, offered, agreed, requested or taken an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation, any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit. The Issuers and their respective subsidiaries have instituted, maintain and enforce policies and procedures designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws.

(ag) *Compliance with Money Laundering Laws*. The operations of the Issuers and their respective subsidiaries are and have been conducted at all times in compliance in all material respects with applicable financial recordkeeping and reporting requirements including those of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the money laundering statutes

of all jurisdictions where each Issuer or any of their respective subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "Money Laundering Laws"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving either Issuer or any of their respective subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of either Issuer or any of the Guarantors, threatened.

(ah) *Compliance with Sanctions Laws*. None of the Issuers nor any of their respective subsidiaries, directors, officers or employees, nor, to the knowledge of the Issuers or any of the Guarantors, any agent, affiliate or other person associated with or acting on behalf of the Issuers or any of their respective subsidiaries is currently the subject or the target of any comprehensive sanctions administered or enforced by the U.S. government (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State and including, without limitation, the designation as a "specially designated national" or "blocked person"), the Government of Canada, the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority (collectively, "Sanctions"), nor is any Issuer or any of their respective subsidiaries located, organized or resident in a country or territory that is the subject or target of comprehensive Sanctions, including, without limitation, Crimea, Cuba, Iran, North Korea and Syria (each, a "Sanctioned Country"); and the Issuers will not, to the extent required to comply with the Sanctions, directly or knowingly, indirectly use the proceeds of the offering of the Securities hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject or target of comprehensive Sanctions, (ii) to fund or facilitate any activities of or business in any Sanctioned Country unless otherwise authorized by law or (iii) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, initial purchaser, advisor, investor or otherwise) of comprehensive Sanctions.

(ai) *Solvency*. On and immediately after the consummation of the Transactions, the Issuers and the Guarantors on a consolidated basis (after giving effect to the issuance of the Securities, the Transactions and the other transactions related thereto as described in each of the Time of Sale Information and the Offering Memorandum) will be Solvent. As used in this paragraph, the term "Solvent" means, with respect to a particular date, that on such date (i) the present fair market value (or present fair saleable value) of the assets of the Issuers and the Guarantors is not less than the total amount required to pay the liabilities of the Issuers and the Guarantors on their combined total existing debts and liabilities (including contingent liabilities) as they become absolute and matured; (ii) the Issuers and the Guarantors are able to realize upon their assets and pay their debts and other liabilities, contingent obligations and commitments as they mature and become due in the normal course of business; (iii) assuming consummation of the issuance of the Securities as contemplated by this Agreement and the use of proceeds therefrom as described in the Time of Sale Information and the Offering Memorandum, the Issuers and the Guarantors are not incurring debts or liabilities beyond their ability to pay as such debts and liabilities mature; (iv) the Issuers and the Guarantors are not engaged in any business or transaction, and do not propose to engage in any business or transaction, for which their property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which the Issuers and their respective subsidiaries are engaged; and (v)

the Issuers and the Guarantors are not defendants in any civil action that would result in a judgment that the Issuers and the Guarantors are or would become unable to satisfy.

(aj) *No Restrictions on Subsidiaries*. On the Closing Date and assuming consummation of the Transactions, no subsidiary of the Issuers will be prohibited, directly or indirectly, under any agreement or other instrument to which it is as of the Closing Date (assuming consummation of the Transactions) a party or will be subject, from paying any dividends to the Issuers, from making any other distribution on such subsidiary's capital stock or similar ownership interests, from repaying to the Issuers any loans or advances to such subsidiary from the Issuers or such other subsidiary or from transferring any of such subsidiary's properties or assets to the Issuers or any other subsidiary of the Issuers, except (i) to the extent such restriction or prohibition would constitute a Permitted Lien under and as defined in the Indenture, the other Transaction Documents, the Credit Facilities Documentation or the documentation governing the Existing Second Lien Notes, the First Lien Notes, the Existing THI Notes or the TH Facility or (ii) as disclosed in the Time of Sale Information and the Offering Memorandum or as created under the Transaction Documents, the Credit Facilities Documentation or the documentation governing the Existing Second Lien Notes, the First Lien Notes, the Existing THI Notes or the TH Facility.

(ak) *No Broker's Fees*. None of either Issuer nor any of their respective subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against any of them or any Initial Purchaser for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Securities.

(al) *Rule 144A Eligibility*. On the Closing Date, the Securities will not be of the same class as securities listed on a national securities exchange registered under Section 6 of the Exchange Act or quoted in an automated inter-dealer quotation system; and each of the Preliminary Offering Memorandum and the Offering Memorandum, as of its respective date, contains or will contain all the information that, if requested by a prospective purchaser of the Securities, would be required to be provided to such prospective purchaser pursuant to Rule 144A(d)(4) under the Securities Act.

(am) *No Integration*. None of the Issuers, the Guarantors nor any of their respective affiliates (as defined in Rule 501(b) of Regulation D) has, directly or through any agent, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act), that is or will be integrated with the sale of the Securities in a manner that would require registration of the Securities under the Securities Act.

(an) *No General Solicitation or Directed Selling Efforts*. None of the Issuers, the Guarantors nor any of their respective affiliates or any other person acting on its or their behalf (other than the Initial Purchasers, as to which no representation is made) has (i) solicited offers for, or offered or sold, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(a)(2) of the Securities Act or (ii) engaged in any directed selling efforts within the meaning of Regulation S under the Securities Act, and all such persons have complied with the offering restrictions requirement of Regulation S.

(ao) *Securities Law Exemptions.* Assuming the accuracy of the representations and warranties of the Initial Purchasers contained in Section 1(b) (including Annex C hereto) and Section 5 and their compliance with their agreements set forth therein, it is not necessary, in connection with the issuance and sale of the Securities to the Initial Purchasers and the offer, resale and delivery of the Securities by the Initial Purchasers to Subsequent Purchasers in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum, to register the Securities under the Securities Act nor to file a prospectus under Canadian Securities Laws to qualify the distribution of the Securities or to qualify the Indenture under the Trust Indenture Act of 1939, as amended.

(ap) *No Stabilization.* None of the Issuers nor any of the Guarantors has taken, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Securities.

(aq) *Margin Rules*. Neither the issuance, sale and delivery of the Securities, nor the consummation of the Transactions or the application of the proceeds thereof by the Issuers as described in each of the Time of Sale Information and the Offering Memorandum will violate Regulation T, U or X of the Board of Governors of the Federal Reserve System or any other regulation of such Board of Governors.

(ar) *Forward-Looking Statements*. No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained or incorporated by reference in any of the Time of Sale Information or the Offering Memorandum has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(as) *Statistical and Market Data*. Nothing has come to the attention of either Issuer or any Guarantor that has caused such entity to believe that the statistical and market-related data included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum is not based on or derived from sources that are reliable and accurate in all material respects.

(at) *Sarbanes-Oxley Act*. To the extent applicable, there is and has been no failure on the part of Parent or any of its subsidiaries or the Partnership or any of its subsidiaries or any of their respective directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith (the "Sarbanes-Oxley Act"), including Section 402 related to loans and Sections 302 and 906 related to certifications.

(au) *Cybersecurity*. Except as disclosed in the Time of Sale Information and the Offering Memorandum, to the knowledge of the Issuers, the Issuers' and their respective subsidiaries' information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases (collectively, "IT Systems") are reasonably believed by the Issuers to be adequate for, and operate and perform in all material respects as required in connection with the operation of the business of the Issuers and their respective subsidiaries as currently conducted, and, to the Issuers' knowledge, are free and clear of all material bugs, errors, defects, Trojan horses, time bombs, malware and other corruptants. Except as disclosed in the Time of Sale Information and the Offering Memorandum, to the knowledge of the Issuers, the Issuers and their respective subsidiaries have used reasonable

efforts to establish, implement and maintain commercially reasonable controls, policies, procedures, and safeguards to maintain and protect their material confidential information and the integrity, continuous operation, redundancy and security of all material IT Systems and data (including all personal, personally identifiable, sensitive, confidential or regulated data ("Personal Data")) used in connection with their businesses, and except as disclosed in the Time of Sale Information and the Offering Memorandum, to the knowledge of the Issuers, there have been no breaches, violations, outages or unauthorized uses of or accesses to same, except for those that have been remedied without material cost or liability or the duty to notify any other person, nor are there any known incidents under internal review or investigation relating to the same. Except as disclosed in the Time of Sale Information and the Offering Memorandum, to the knowledge of the Issuers, the Issuers and their respective subsidiaries are presently in compliance in all material respects with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, internal policies and contractual obligations relating to the privacy and security of IT Systems and Personal Data and to the protection of such IT Systems and Personal Data from unauthorized use, access, misappropriation or modification.

4. Further Agreements of the Issuers and the Guarantors. Each of the Issuers and each Guarantor hereby jointly and severally, covenants and agrees with each Initial Purchaser that:

(a) *Delivery of Copies.* The Issuers will deliver, without charge, to the Initial Purchasers as many copies of the Preliminary Offering Memorandum, any other Time of Sale Information, any Issuer Written Communication and the Offering Memorandum (including all amendments and supplements thereto) as the Representative may reasonably request.

(b) *Offering Memorandum, Amendments or Supplements.* Before finalizing the Offering Memorandum or making or distributing any amendment or supplement to any of the Time of Sale Information or the Offering Memorandum or filing with the Commission any document that will be incorporated by reference therein, the Issuers will furnish to the Representative and counsel for the Initial Purchasers a copy of the proposed Offering Memorandum or such amendment or supplement or document to be incorporated by reference therein for review, and will not distribute any such proposed Offering Memorandum, amendment or supplement or file any such document with the Commission to which the Representative reasonably objects.

(c) *Additional Written Communications.* Before using, authorizing, approving or referring to any Issuer Written Communication (other than those listed on Annex A), the Issuers will furnish to the Representative and counsel for the Initial Purchasers a copy of such written communication for review and will not use, authorize, approve or refer to any such written communication to which the Representative reasonably objects.

(d) *Notice to the Representative.* The Issuers will advise the Representative promptly, and confirm such advice in writing, (i) of the issuance by any governmental or regulatory authority of any order preventing or suspending the use of any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum or the initiation or threatening of any proceeding for that purpose; (ii) of the occurrence of any event at any time prior to the completion of the initial offering of the Securities by the Initial Purchasers as a result of which any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum as then amended or supplemented would include any Misrepresentation when such

Time of Sale Information, Issuer Written Communication or the Offering Memorandum is delivered to a purchaser; and (iii) of the receipt by any Issuer of any notice with respect to any suspension of the qualification of the Securities for offer and sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and each of the Issuers will use its reasonable best efforts to prevent the issuance of any such order preventing or suspending the use of any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum or suspending any such qualification of the Securities and, if any such order is issued, will use reasonable best efforts to obtain as soon as possible the withdrawal thereof.

(e) *Time of Sale Information.* If at any time prior to the Closing Date (i) any event shall occur or condition shall exist as a result of which any of the Time of Sale Information as then amended or supplemented would include any Misrepresentation or (ii) it is necessary to amend or supplement any of the Time of Sale Information to comply with law, the Issuers will promptly notify the Initial Purchasers thereof and forthwith prepare and, subject to paragraph (b) above, furnish to the Initial Purchasers such amendments or supplements to any of the Time of Sale Information (or any document to be filed with the Commission and incorporated by reference therein) as may be necessary so that the statements in any of the Time of Sale Information as so amended or supplemented (including such documents to be incorporated by reference therein) will not contain any Misrepresentation or so that any of the Time of Sale Information will comply with law.

(f) *Ongoing Compliance of the Offering Memorandum.* If at any time prior to the completion of the initial offering of the Securities (i) any event shall occur or condition shall exist as a result of which the Offering Memorandum as then amended or supplemented would include any Misrepresentation when the Offering Memorandum is delivered to a purchaser or (ii) it is necessary to amend or supplement the Offering Memorandum to comply with law, the Issuers will promptly notify the Initial Purchasers thereof and forthwith prepare and, subject to paragraph (b) above, furnish to the Initial Purchasers such amendments or supplements to the Offering Memorandum as may be necessary so that the statements in the Offering Memorandum (or any document to be filed with the Commission and incorporated by reference therein) as so amended or supplemented (including such document to be incorporated by reference therein) will not contain any Misrepresentation when the Offering Memorandum is delivered to a purchaser or so that the Offering Memorandum will comply with law.

(g) *Blue Sky Compliance.* The Issuers will qualify the Securities for offer and sale under the securities or "blue sky" laws of such jurisdictions as the Representative shall reasonably request (or, in the case of any offer and sale of the Securities in the Offering Provinces, rely on applicable exemptions from the prospectus requirements of applicable Canadian Securities Laws for purposes of the Canadian Private Placement) and will continue such qualifications in effect so long as required for the offering and resale to Subsequent Purchasers of the Securities; provided that none of the Issuers or any of the Guarantors shall be required to (i) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be required to so qualify, (ii) file any general consent to service of process in any such jurisdiction, (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject or (iv) file, or obtain a receipt for, a prospectus with and from any Canadian securities regulator to qualify such offer, sale or delivery of the Securities under any Canadian Securities Laws.

(h) *Clear Market.* During the period from the date hereof through and including the date that is 60 days after the Closing Date, each Issuer and each of the Guarantors will not,

without the prior written consent of the Representative, offer, sell, contract to sell, pledge or otherwise dispose of any debt securities issued or guaranteed by either Issuer or any of the Guarantors and having a term of more than one year (other than the Securities).

(i) *Use of Proceeds.* The Issuers will apply the net proceeds from the sale of the Securities in the manner described in each of the Time of Sale Information and the Offering Memorandum under the heading "Use of proceeds."

(j) *Supplying Information.* While the Securities remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, each Issuer and each of the Guarantors will, during any period in which the Issuers are not subject to and in compliance with Section 13 or 15(d) of the Exchange Act, furnish to holders of the Securities and prospective purchasers of the Securities designated by such holders, upon the request of such holders or such prospective purchasers, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

(k) *DTC.* The Issuers will assist the Initial Purchasers in arranging for the Securities to be eligible for clearance and settlement through DTC.

(l) *No Resales by the Issuers, Parent and the Partnership*. Until the first anniversary of the Closing Date, each of the Issuers will not, and will not permit Parent, the Partnership or any of the Issuers' respective controlled affiliates (as defined in Rule 144 under the Securities Act) to, resell any of the Securities that have been acquired by any of them, except for Securities purchased by an Issuer or any of their respective affiliates and (i) resold in a transaction registered under the Securities Act or (ii) resold in a transaction exempt from registration under the Securities Act, provided that any Securities transferred under this clause (ii) must bear the restrictive legend set forth in the Offering Memorandum for at least one year following such resale.

(m) *No Integration.* None of the Issuers nor any of their respective affiliates (as defined in Rule 501(b) of Regulation D) will, directly or through any agent, sell, offer for sale, solicit offers to buy or otherwise negotiate in respect of, any security (as defined in the Securities Act), that is or will be integrated with the sale of the Securities in a manner that would require registration of the Securities under the Securities Act.

(n) *No General Solicitation or Directed Selling Efforts.* None of the Issuers nor any of their respective affiliates or any other person acting on its or their behalf (other than the Initial Purchasers, as to which no covenant is given) will (i) solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(a)(2) of the Securities Act or (ii) engage in any directed selling efforts within the meaning of Regulation S, and all such persons will comply with the offering restrictions requirement of Regulation S.

(o) *No Stabilization.* None of the Issuers nor any of the Guarantors will take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Securities.

(p) *Perfection of Security Interests*. The Issuers and each Guarantor (i) to the extent not already completed, shall complete on or prior to the Closing Date all filings and other similar

actions required in connection with the perfection of second-priority security interests in the Collateral as and to the extent contemplated by the Indenture and the Collateral Documents and (ii) shall take all actions necessary to maintain such security interests and to perfect security interests in any Collateral acquired after the Closing Date, in each case as and to the extent contemplated by the Indenture and the Collateral Documents.

(q) *CUSIPs*. If permitted by the policies and procedures of the Depositary (as defined in the Indenture) and the CUSIP Bureau and by applicable law, the Issuers will cause the CUSIP number for the Securities issued pursuant to Regulation S to be merged with the CUSIP number for the Existing 2030 Second Lien Notes issued pursuant to Regulation S as promptly as practicable following the 40th day after the Closing Date.

5. Certain Agreements of the Initial Purchasers. Each Initial Purchaser hereby severally and not jointly represents and agrees that it has not and will not use, authorize use of, refer to, or participate in the planning for use of, any written communication that constitutes an offer to sell or the solicitation of an offer to buy the Securities other than (i) the Preliminary Offering Memorandum and the Offering Memorandum, (ii) a written communication that contains either (a) no "issuer information" (as defined in Rule 433 (h)(2) under the Securities Act) or (b) "issuer information" that was included (including through incorporation by reference) in the Time of Sale Information or the Offering Memorandum, (iii) any written communication listed on Annex A or prepared by the Issuers pursuant to Section 4(c) above (including any electronic road show), (iv) any written communication prepared by such Initial Purchaser and approved by the Issuers in advance in writing or (v) any written communication that only contains the terms of the Securities and/or other information that was included (including through incorporation by reference) or will be included in the Time of Sale Information or the Offering Memorandum.

6. Conditions of Initial Purchasers' Obligations. The obligation of each Initial Purchaser to purchase Securities on the Closing Date as provided herein is subject to the performance by each Issuer and each of the Guarantors of their respective covenants and other obligations hereunder and to the following additional conditions:

(a) *Representations and Warranties*. The representations and warranties of the Issuers and the Guarantors contained herein shall be true and correct on the date hereof and on and as of the Closing Date; and the statements of the Issuers, the Guarantors and their respective officers made in any certificates delivered pursuant to this Agreement shall be true and correct on and as of the Closing Date.

(b) *No Downgrade*. Subsequent to the earlier of (A) the Time of Sale and (B) the execution and delivery of this Agreement, (i) no downgrading shall have occurred in the rating accorded the Securities or any other debt securities or preferred stock issued or guaranteed by any Issuer, Parent, the Partnership or any of their respective subsidiaries by any "nationally recognized statistical rating organization," as such term is defined by the Commission for purposes of Section 3(a)(62) of the Exchange Act; and (ii) no such organization shall have publicly announced that it has under surveillance or review, or has changed its outlook with respect to, its rating of the Securities or of any other debt securities or preferred stock issued or guaranteed by any Issuer, Parent, the Partnership or any of their respective subsidiaries (other than an announcement with positive implications of a possible upgrading).

(c) *No Material Adverse Change*. No event or condition described in Section 3(e) hereof shall have occurred or shall exist, which event or condition is not described in each of the

Time of Sale Information (excluding any amendment or supplement thereto) and the Offering Memorandum (excluding any amendment or supplement thereto) and the effect of which in the judgment of the Representative makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum.

(d) *Officer's Certificate.* The Representative shall have received on and as of the Closing Date a certificate of an executive officer of the Company and of each Guarantor who has specific knowledge of the Company's or such Guarantor's financial matters and is satisfactory to the Representative (i) confirming that such officer has carefully reviewed the Time of Sale Information and the Offering Memorandum and, to the knowledge of such officer, the representations set forth in Sections 3(a), 3(b) and 3(d) hereof are true and correct, (ii) confirming that the other representations and warranties of the Issuers and the Guarantors in this Agreement are true and correct and that the Issuers and the Guarantors have complied in all material respects with all agreements and satisfied all conditions on their part to be performed or satisfied hereunder at or prior to the Closing Date and (iii) to the effect set forth in paragraphs (b) and (c) above.

(e) *Comfort Letters.* On the date of this Agreement and on the Closing Date, KPMG shall have furnished to the Representative, at the request of Parent and the Partnership, letters, dated the respective dates of delivery thereof and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Representative, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum; provided that the letter delivered on the Closing Date shall use a "cut-off" date no more than three business days prior to the Closing Date.

(f) *Opinion and 10b-5 Statement of Counsel for the Issuers and the Guarantors.* (i) Kirkland & Ellis LLP, U.S. counsel for the Issuers and the Guarantors, shall have furnished to the Representative, at the request of the Issuers, its written opinions and 10b-5 statement, dated the Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Initial Purchasers, (ii) Stikeman Elliott LLP, Canadian counsel for the Issuers and the Guarantors, shall have furnished to the Representative, at the request of the Issuers, its written opinions, dated the Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Initial Purchasers and (iii) Greenberg Traurig, P.A., Florida and Minnesota counsel for the Guarantors, shall have furnished to the Representative, at the request of the Issuers, its written opinion, dated the Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Initial Purchasers.

(g) *Opinion and 10b-5 Statement of Counsel for the Initial Purchasers.* The Representative shall have received on and as of the Closing Date (x) an opinion and 10b-5 statement of Cahill Gordon & Reindel llp, counsel for the Initial Purchasers, and (y) an opinion of Blake, Cassels & Graydon LLP, Canadian counsel for the Initial Purchasers, in each case with respect to such matters as the Representative may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(h) *No Legal Impediment to Issuance.* No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, provincial, state or foreign governmental or regulatory authority that would, as of the Closing Date, prevent the issuance or sale of the Securities or the issuance of the Guarantees; and no injunction or order of any federal, provincial, state or foreign court shall have been issued that would, as of the Closing Date, prevent the issuance or sale of the Securities or the issuance of the Guarantees.

(i) *Good Standing*. The Representative shall have received on and as of the Closing Date satisfactory evidence of the existence or good standing of each Issuer and each of the Guarantors in their respective jurisdictions of organization and their good standing in such other jurisdictions as the Representative may reasonably request, in each case in writing or any standard form of telecommunication, from the appropriate governmental authorities of such jurisdictions.

(j) *Supplemental Indenture and Securities*. The Supplemental Indenture shall have been duly executed and delivered by a duly authorized officer of each of the Issuers, each of the Guarantors, the Trustee and the Collateral Agent, and the Securities shall have been duly executed and delivered by a duly authorized officer of each Issuer and duly authenticated by the Trustee.

(k) *DTC.* The Securities shall be eligible for clearance and settlement through DTC.

(l) *Collateral Joinder Documents.* On the Closing Date, the Initial Purchasers shall have received a counterpart of each Collateral Joinder Document that shall have been executed and delivered by the applicable parties thereto and each of such documents shall be in full force and effect in accordance with their terms.

(m) *Refinancing*. The Issuers (or their direct or indirect parent) have delivered notice of redemption to the existing noteholders of the 2025 Second Lien Notes in accordance with the terms of the indenture governing the 2025 Second Lien Notes.

(n) *Chief Financial Officer's Certificate*. On the date hereof and the Closing Date, the Initial Purchasers shall have received a certificate of Parent's Chief Financial Officer or similar officer in form and substance satisfactory to the Initial Purchasers relating to certain financial information included in the Time of Sale Information and the Offering Memorandum under the heading "Summary—Recent Developments—Preliminary Estimated Financial Information."

(o) *Additional Documents.* On or prior to the Closing Date, the Issuers and the Guarantors shall have furnished to the Representative such further certificates and documents as the Representative may reasonably request.

All opinions, letters, certificates and evidence mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Initial Purchasers.

7. Indemnification and Contribution. (a) *Indemnification of the Initial Purchasers.* Each of the Issuers and each of the Guarantors jointly and severally agrees to indemnify and hold harmless each Initial Purchaser, its affiliates, directors and officers and each person, if any, who controls such Initial

Purchaser within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, reasonable legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, any Misrepresentation or alleged Misrepresentation contained in the Preliminary Offering Memorandum, any of the other Time of Sale Information, any Issuer Written Communication or the Offering Memorandum (or any amendment or supplement thereto) or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, a Misrepresentation or alleged Misrepresentation made in reliance upon and in conformity with any information relating to any Initial Purchaser furnished to the Issuers in writing by such Initial Purchaser through the Representative expressly for use therein.

(b) *Indemnification of the Issuers and the Guarantors.* Each Initial Purchaser agrees, severally and not jointly, to indemnify and hold harmless each Issuer, each of the Guarantors, their respective directors and officers and each person who controls each Issuer or any of the Guarantors within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Initial Purchaser furnished to the Issuers in writing by such Initial Purchaser through the Representative expressly for use in the Preliminary Offering Memorandum, any of the other Time of Sale Information, any Issuer Written Communication or the Offering Memorandum (or any amendment or supplement thereto), it being understood and agreed that the only such information consists of the following: the fifth paragraph, the third and fourth sentences of the eighth paragraph, and the tenth paragraph, in each case, found under the heading "Plan of distribution."

(c) *Notice and Procedures.* If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to either paragraph (a) or (b) above, such person (the "Indemnified Person") shall promptly notify the person against whom such indemnification may be sought (the "Indemnifying Person") in writing; provided that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under paragraph (a) or (b) above except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under paragraph (a) or (b) above. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person (who shall not, without the consent of the Indemnified Person, be counsel to the Indemnifying Person) to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 7 that the Indemnifying Person may designate in such proceeding and shall pay the reasonable fees and expenses of such proceeding and shall pay the fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including

any impleaded parties) include both the Indemnifying Person and the Indemnified Person and the Indemnified Person shall have reasonably concluded that representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be reimbursed as they are incurred. Any such separate firm for any Initial Purchaser, its affiliates, directors and officers and any control persons of such Initial Purchaser shall be designated in writing by Morgan Stanley & Co. LLC and any such separate firm for the Issuers, the Guarantors, their respective directors and officers and any control persons of the Issuers and the Guarantors shall be designated in writing by the Issuers. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) *Contribution.* If the indemnification provided for in paragraphs (a) and (b) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Issuers and the Guarantors on the one hand and the Initial Purchasers on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Issuers and the Guarantors on the one hand and the Initial Purchasers on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Issuers and the Guarantors on the one hand and the Initial Purchasers on the other shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Issuers from the sale of the Securities and the total discounts and commissions received by the Initial Purchasers in connection therewith, as provided in this Agreement, bear to the aggregate offering price of the Securities. The relative fault of the Issuers and the Guarantors on the one hand and the Initial Purchasers on the other shall be determined by reference to, among other things, whether the Misrepresentation or alleged Misrepresentation relates to information supplied by any Issuer or any Guarantor or by the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. For the avoidance of doubt, until the Issuers, the Guarantors or their respective directors, officers and control persons are entitled to indemnification from the Initial Purchasers under Section 7(b) above, they are not entitled to contribution under this Section 7(d).

(e) *Limitation on Liability.* The Issuers, the Guarantors and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Initial Purchasers were treated as one entity for such purpose) or by any other

method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of this Section 7, in no event shall an Initial Purchaser be required to contribute any amount in excess of the amount by which the total discounts and commissions received by such Initial Purchaser with respect to the offering of the Securities exceeds the amount of any damages that such Initial Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Initial Purchasers' obligations to contribute pursuant to this Section 7 are several in proportion to their respective purchase obligations hereunder and not joint.

(f) *Non-Exclusive Remedies.* The remedies provided for in this Section 7 are not exclusive and shall not limit any rights or remedies that may otherwise be available to any Indemnified Person at law or in equity.

8. Termination. This Agreement may be terminated in the absolute discretion of the Representative, by notice to the Issuers, if after the execution and delivery of this Agreement and on or prior to the Closing Date (i) trading generally shall have been suspended or materially limited on the New York Stock Exchange or the over-the-counter market; (ii) trading of any securities issued or guaranteed by Parent, the Partnership, any Issuer or any of the Guarantors shall have been suspended on any exchange or in any over-the-counter market; (iii) a general moratorium on commercial banking activities shall have been declared by federal or New York State authorities; or (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or outside the United States, that, in the judgment of the Representative is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery, of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum.

9. Defaulting Initial Purchaser. (a) If, on the Closing Date, any Initial Purchaser defaults on its obligation to purchase the Securities that it has agreed to purchase hereunder, the non-defaulting Initial Purchasers may in their discretion arrange for the purchase of such Securities by other persons satisfactory to the Issuers on the terms contained in this Agreement. If, within 36 hours after any such default by any Initial Purchaser, the non-defaulting Initial Purchasers do not arrange for the purchase of such Securities, then the Issuers shall be entitled to a further period of 36 hours within which to procure other persons satisfactory to the non-defaulting Initial Purchasers to purchase such Securities on such terms. If other persons become obligated or agree to purchase the Securities of a defaulting Initial Purchaser, either the non-defaulting Initial Purchasers or the Issuers may postpone the Closing Date for up to five full business days in order to effect any changes that in the opinion of counsel for the Issuers or counsel for the Initial Purchasers may be necessary in the Time of Sale Information, the Offering Memorandum or in any other document or arrangement, and the Issuers agree to promptly prepare any amendment or supplement to the Time of Sale Information or the Offering Memorandum that effects any such changes. As used in this Agreement, the term "Initial Purchaser" includes, for all purposes of this Agreement unless the context otherwise requires, any person not listed in Schedule 1 hereto that, pursuant to this Section 9, purchases Securities that a defaulting Initial Purchaser agreed but failed to purchase.

(b) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Initial Purchaser or Initial Purchasers by the non-defaulting Initial Purchasers and the Issuers as provided in paragraph (a) above, the aggregate principal amount of such Securities that remains unpurchased does not exceed one-eleventh of the aggregate principal amount of all the Securities, then the Issuers shall have the right to require each non-defaulting Initial Purchaser to purchase the principal amount of Securities that such Initial Purchaser agreed to purchase hereunder plus such Initial Purchaser's pro rata share (based on the principal amount of Securities that such Initial Purchaser agreed to purchase hereunder) of the Securities of such defaulting Initial Purchaser or Initial Purchasers for which such arrangements have not been made.

(c) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Initial Purchaser or Initial Purchasers by the non-defaulting Initial Purchasers and the Issuers as provided in paragraph (a) above, the aggregate principal amount of such Securities that remains unpurchased exceeds one-eleventh of the aggregate principal amount of all the Securities, or if the Issuers shall not exercise the right described in paragraph (b) above, then this Agreement shall terminate without liability on the part of the non-defaulting Initial Purchasers. Any termination of this Agreement pursuant to this Section 9 shall be without liability on the part of the Issuers or the Guarantors, except that each Issuer and each of the Guarantors will continue to be jointly and severally liable for the payment of expenses as set forth in Section 10 hereof and except that the provisions of Section 7 hereof shall not terminate and shall remain in effect.

(d) Nothing contained herein shall relieve a defaulting Initial Purchaser of any liability it may have to the Issuers, the Guarantors or any non-defaulting Initial Purchaser for damages caused by its default.

10. Payment of Expenses. (a) Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, each Issuer and each of the Guarantors jointly and severally agrees to pay or cause to be paid all costs and expenses incident to the performance of their respective obligations hereunder (including any goods and services, harmonized sales, sales, transfer, stamp, excise and other similar taxes payable in connection therewith), including without limitation, (i) the costs incident to the authorization, issuance, sale, preparation and delivery of the Securities; (ii) the costs incident to the preparation and printing of the Preliminary Offering Memorandum, any other Time of Sale Information, any Issuer Written Communication and the Offering Memorandum (including any amendment or supplement thereto) and the distribution thereof; (iii) the costs of reproducing and distributing each of the Transaction Documents; (iv) the fees and expenses of the Issuers' and the Guarantors' counsel and independent accountants; (v) the fees and expenses incurred in connection with the registration or qualification and determination of eligibility for investment of the Securities under the laws of such jurisdictions as the Representative may designate and the preparation, printing and distribution of a "blue sky" memorandum (including the related fees and expenses of counsel for the Initial Purchasers); (vi) any fees charged by rating agencies for rating the Securities; (vii) the fees and expenses of the Trustee, the Collateral Agent and any paying agent (including related fees and expenses of any counsel to such parties); (viii) all expenses and fees incurred in connection with the approval of the Securities for book-entry transfer by DTC; (ix) all expenses incurred by the Issuers in connection with any "road show" presentation to potential investors; and (x) the fees and expenses incurred in connection with creating, documenting, perfecting and maintaining the perfection of the security interests in the Collateral as contemplated by the Collateral Documents (including the reasonable related fees and expenses of counsel for the Initial Purchasers for all periods prior to and after the Closing Date).

(b) If (i) this Agreement is terminated pursuant to Section 8, (ii) the Issuers for any reason fail to tender the Securities for delivery to the Initial Purchasers or (iii) the Initial Purchasers decline to purchase the Securities for any reason permitted under this Agreement, each Issuer and each of the Guarantors jointly and severally agrees to reimburse the Initial Purchasers for all out-of-pocket costs and expenses (including the fees and expenses of their counsel) reasonably incurred by the Initial Purchasers in connection with this Agreement and the offering contemplated hereby.

11. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and any controlling persons referred to herein, and the affiliates, officers and directors of each Initial Purchaser referred to in Section 7 hereof. Nothing in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Securities from any Initial Purchaser shall be deemed to be a successor merely by reason of such purchase.

12. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of the Issuers, the Guarantors and the Initial Purchasers contained in this Agreement or made by or on behalf of the Issuers, the Guarantors or the Initial Purchasers pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Securities and shall remain in full force and effect, regardless of any subsequent disposition by the Initial Purchasers of the Securities, any termination of this Agreement or any investigation made by or on behalf of the Issuers, the Guarantors or the Initial Purchasers.

13. Certain Defined Terms. For purposes of this Agreement, (a) except where otherwise expressly provided, the term "affiliate" has the meaning set forth in Rule 405 under the Securities Act; (b) the term "business day" means any day other than a day on which banks are permitted or required to be closed in New York City; (c) the term "subsidiary" has the meaning set forth in Rule 405 under the Securities Act; (d) the term "Exchange Act" means the Securities Exchange Act of 1934, as amended; and (e) the term "written communication" has the meaning set forth in Rule 405 under the Securities Act.

14. Compliance with USA Patriot Act. In accordance with the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Initial Purchasers are required to obtain, verify and record information that identifies their respective clients, including the Issuers and the Guarantors, which information may include the name and address of their respective clients, as well as other information that will allow the Initial Purchasers to properly identify their respective clients.

15. Recognition of the U.S. Special Resolution Regimes. (a) In the event that any Initial Purchaser that is a Covered Entity (as defined below) becomes subject to a proceeding under a U.S. Special Resolution Regime (as defined below), the transfer from such Initial Purchaser of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Initial Purchaser that is a Covered Entity or a BHC Act Affiliate (as defined below) of such Initial Purchaser becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights (as defined below) under this Agreement that may be exercised against such Initial Purchaser are permitted to be exercised to no greater extent than such Default Rights could be

exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(c) For purposes of this Section 15, (i) the term "BHC Act Affiliate" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k); (ii) "Covered Entity" means any of the following: (x) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b), (y) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b), or a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b); (iii) "Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable; and (iv) "U.S. Special Resolution Regime" means each of (x) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (y) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

16. Miscellaneous. (a) *Authority of the Representative.* Any action by the Initial Purchasers hereunder may be taken by Morgan Stanley & Co. LLC on behalf of the Initial Purchasers, and any such action taken by Morgan Stanley & Co. LLC shall be binding upon the Initial Purchasers.

(b) *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted and confirmed by any standard form of telecommunication. Notices to the Initial Purchasers shall be given to the Representative c/o Morgan Stanley & Co. LLC, 1585 Broadway, New York, New York 10036 (Attention: High Yield Syndicate Desk). Notices to the Issuers and the Guarantors shall be given to them at 1011778 B.C. Unlimited Liability Company, c/o Restaurant Brands International, 130 King Street West, Suite 300, Toronto, Ontario, Canada M5X 1E1, Attention: Jill Granat. A copy of any notice sent to the Issuers shall also be sent to: Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022 (fax: (212) 446-4900), Attn: Joshua N. Korff and Michael Kim.

(c) *Governing Law*. This Agreement and any claim, controversy or dispute arising under or related to this Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(d) *Waiver of Jury Trial*. The Issuers, the Guarantors and each of the Initial Purchasers hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

(e) *Consent to Jurisdiction*. The Issuers and each of the Guarantors hereby submit to the non-exclusive jurisdiction of any U.S. federal or state court located in the Borough of Manhattan, the City and County of New York in any action, suit or proceeding arising out of or relating to or based upon this Agreement or any of the transactions contemplated hereby, and the Issuers and each of the Guarantors irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding in any such court arising out of or relating to this Agreement or the transactions contemplated hereby and irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding has been brought in an inconvenient forum. The Company and each Guarantor domiciled in Canada hereby appoints the Corporation Service Company, 1180 Avenue of the Americas, Suite 210, New York, NY 10036-8401, as its authorized agent (the "Authorized Agent") upon whom process may be served in any suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated herein that may be instituted in any state or U.S. federal court

in The City of New York and County of New York, by any Initial Purchaser, the directors, officers, employees, affiliates and agents of any Initial Purchaser, or by any person who controls any Initial Purchaser, and expressly accepts the non-exclusive jurisdiction of any such court in respect of any such suit, action or proceeding. The Company and each Guarantor domiciled in Canada hereby represents and warrants that the Authorized Agent has accepted such appointment and has agreed to act as said agent for service of process, and the Company and each Guarantor domiciled in Canada agrees to take any and all action, including the filing of any and all documents that may be necessary to continue such appointment in full force and effect as aforesaid. Service of process upon the Authorized Agent shall be deemed, in every respect, effective service of process upon the Company and each Guarantor domiciled in Canada.

(f) *Waiver of Immunity*. To the extent that the Issuers or any Guarantor has or hereafter may acquire any immunity (sovereign or otherwise) from jurisdiction of any court of (i) Canada, or any political subdivision thereof, (ii) the United States or the State of New York, (iii) any jurisdiction in which it owns or leases property or assets or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution, set-off or otherwise) with respect to themselves or their respective property and assets or this Agreement, the Issuers and each Guarantor hereby irrevocably waive such immunity in respect of its obligations under this Agreement to the fullest extent permitted by applicable law.

(g) *Judgment Currency*. Each of the Issuers and each Guarantor jointly and severally agrees to indemnify each Initial Purchaser, its directors, officers, affiliates and each person, if any, who controls such Initial Purchaser within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, against any loss incurred by such Initial Purchaser as a result of any judgment or order being given or made for any amount due hereunder and such judgment or order being expressed and paid in a currency (the "judgment currency") other than U.S. dollars and as a result of any variation as between (i) the rate of exchange at which the U.S. dollar amount is converted into the judgment currency for the purpose of such judgment or order, and (ii) the rate of exchange at which such indemnified person is able to purchase U.S. dollars with the amount of the judgment currency actually received by the indemnified person. The foregoing indemnity shall constitute a separate and independent obligation of each of the Issuers and each Guarantor and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of, or conversion into, the relevant currency.

(h) *Counterparts*. This Agreement may be signed in counterparts (which may include counterparts delivered by any standard form of telecommunication, including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g. www.docusign.com), each of which shall be an original and all of which together shall constitute one and the same instrument.

(i) *Amendments or Waivers.* No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

(j) *Headings*. The headings herein are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

[*Remainder of page intentionally left blank*]

If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

1011778 B.C. UNLIMITED LIABILITY COMPANY

By: /s/ Jill Granat
Name: Jill Granat
Title: Secretary

NEW RED FINANCE, INC.

By: /s/ Jill Granat
Name: Jill Granat
Title: Assistant Secretary

BK ACQUISITION, INC.
BK WHOPPER BAR, LLC
BURGER KING CAPITAL FINANCE, INC.
BURGER KING CORPORATION
BURGER KING HOLDINGS, INC.
BURGER KING INTERAMERICA, LLC
BURGER KING WORLDWIDE, INC.

By: /s/ Jill Granat
Name: Jill Granat
Title: Assistant Secretary

[Signature Page to Purchase Agreement]

1014369 B.C. UNLIMITED LIABILITY COMPANY
1019334 B.C. UNLIMITED LIABILITY COMPANY
1024670 B.C. UNLIMITED LIABILITY COMPANY
1028539 B.C. UNLIMITED LIABILITY COMPANY
1029261 B.C. UNLIMITED LIABILITY COMPANY
1057639 B.C. UNLIMITED LIABILITY COMPANY
1057772 B.C. UNLIMITED LIABILITY COMPANY
1057837 B.C. UNLIMITED LIABILITY COMPANY
BK CANADA SERVICE ULC
BLUE HOLDCO 1, LLC
BLUE HOLDCO 2, LLC
BLUE HOLDCO 3, LLC
BLUE HOLDCO 440, LLC
BURGER KING CANADA HOLDINGS INC./PLACEMENTS BURGER KING CANADA INC.
GPAIR LIMITED
GRANGE CASTLE HOLDINGS LIMITED
LLCXOX, LLC
ORANGE GROUP, INC.
ORANGE INTERMEDIATE, LLC
PLK ENTERPRISES OF CANADA, INC.
POPEYES LOUISIANA KITCHEN, INC.
RESTAURANT BRANDS HOLDINGS CORPORATION
RESTAURANT BRANDS INTERNATIONAL US SERVICES LLC
SBFD HOLDING CO.
TDLDD HOLDINGS ULC
TDLRR HOLDINGS ULC
THE TDL GROUP CORP./GROUPE TDL CORPORATION
TIM DONUT U.S. LIMITED, INC.
TIM HORTONS (NEW ENGLAND), INC.
TIM HORTONS CANADIAN IP HOLDINGS CORPORATION
TIM HORTONS USA INC.

By: /s/ Jill Granat
Name: Jill Granat
Title: Secretary

1112090 B.C. UNLIMITED LIABILITY COMPANY
1112097 B.C. UNLIMITED LIABILITY COMPANY
1112100 B.C. UNLIMITED LIABILITY COMPANY
1112104 B.C. UNLIMITED LIABILITY COMPANY
1112106 B.C. UNLIMITED LIABILITY COMPANY
BC12SUB- ORANGE HOLDINGS ULC
BCP-SUB, LLC
BLUE HOLDCO AKA7, LLC
BLUE HOLDCO AKA8, LLC
BLUE HOLDCO 300, LLC
LAX HOLDINGS ULC
LLC-QZ, LLC
ORANGE GROUP INTERNATIONAL, INC.
PBB HOLDINGS ULC
RB CRISPY CHICKEN HOLDINGS ULC
RB OCS HOLDINGS ULC
RB TIMBIT HOLDINGS ULC
SBFD BETA, LLC
SBFD SUBCO ULC
SBFD, LLC
ZN1 HOLDINGS ULC
ZN19TDL HOLDINGS ULC
ZN3 HOLDINGS ULC
ZN4 HOLDINGS ULC
ZN5 HOLDINGS ULC
ZN6 HOLDINGS ULC
ZN7 HOLDINGS ULC
ZN8 HOLDINGS ULC
ZN9 HOLDINGS ULC
SOCIÉTÉ EN COMMANDITE TARTE 3/ PIE 3 LIMITED PARTNERSHIP, by 1011778 B.C. UNLIMITED LIABILITY COMPANY, its general partner
SOCIÉTÉ EN COMMANDITE TARTE 4/ PIE 4 LIMITED PARTNERSHIP, by 12-2019 HOLDINGS ULC, its general partner
SOCIÉTÉ EN COMMANDITE P2019/P2019 LIMITED PARTNERSHIP, by 1011778 B.C. UNLIMITED LIABILITY COMPANY, its general partner

By: /s/ Jill Granat
Name: Jill Granat
Title: Secretary

12-2019 HOLDINGS ULC
12KR HOLDINGS ULC
12KRR HOLDINGS ULC
12ZZ HOLDINGS ULC
2097A HOLDINGS ULC
2097AA HOLDINGS ULC
2097B HOLDINGS ULC
BC3-A, LLC
BKC-IP, LLC
BKHS-A, LLC
KR1 HOLDINGS ULC
KR19TDL HOLDINGS ULC
KR2 HOLDINGS ULC
KR3 HOLDINGS ULC
KR4 HOLDINGS ULC
KR5 HOLDINGS ULC
KR6 HOLDINGS ULC
KR7 HOLDINGS ULC
KR8 HOLDINGS ULC
KR9 HOLDINGS ULC
IPCOA HOLDINGS ULC
IPCOAA HOLDINGS ULC
IPCOB HOLDINGS ULC
LDTA HOLDINGS ULC
LDTAA HOLDINGS ULC
LDTC HOLDINGS ULC
LLC440-A, LLC
LLC-K4, LLC
LLC-K5, LLC
LLC-QQ, LLC
RBHZZ HOLDINGS ULC
SOCIÉTÉ EN COMMANDITE BC12/ BC12 LIMITED PARTNERSHIP, by 12-2019 HOLDINGS ULC, its general partner

By: /s/ Jill Granat
Name: Jill Granat
Title: Secretary

SOCIÉTÉ EN COMMANDITE BC12P/ BC12P LIMITED PARTNERSHIP, by 12-2019 HOLDINGS ULC, its general partnerSOCIÉTÉ EN COMMANDITE 2097P / 2097P LIMITED PARTNERSHIP, by 1112097 B.C. UNLIMITED LIABILITY COMPANY and ZN3 HOLDINGS ULC, in their capacities as general partners
SOCIÉTÉ EN COMMANDITE LDTB / LDTB LIMITED PARTNERSHIP, by THE TDL GROUP CORP./GROUPE TDL CORPORATION, its general partner
SOCIÉTÉ EN COMMANDITE IPCO / IPCO LIMITED PARTNERSHIP, by KR2 HOLDINGS ULC, its general partner

By: /s/ Jill Granat
Name: Jill Granat
Title: Secretary

Accepted on the date first written above:

MORGAN STANLEY & CO. LLC

For itself and on behalf of the several
Initial Purchasers listed in Schedule 1 hereto.

By: /s/ Ethan Plater
Name: Ethan Plater
Title: Authorized Signatory

Schedule 1

Initial Purchaser		Principal Amount
Morgan Stanley & Co. LLC	$	170,732,000
J.P. Morgan Securities LLC		170,732,000
BofA Securities, Inc.		170,732,000
Wells Fargo Securities, LLC		121,951,000
Barclays Capital Inc.		121,951,000
RBC Capital Markets, LLC		121,951,000
Capital One Securities, Inc.		73,171,000
Goldman Sachs & Co. LLC		60,976,000
BMO Capital Markets Corp.		60,976,000
MUFG Securities Americas Inc.		60,976,000
Fifth Third Securities, Inc.		60,976,000
Citigroup Global Markets Inc.		60,976,000
Scotia Capital (USA) Inc.		60,975,000
BNP Paribas Securities Corp.		60,975,000
Truist Securities, Inc.		60,975,000
Rabo Securities USA, Inc.		60,975,000
Total	**$**	**1,500,000,000**

Schedule 1-1

Guarantors

1. BK Whopper Bar, LLC, a Florida limited liability company
2. BK Acquisition, Inc., a Delaware corporation
3. Orange Intermediate, LLC, a Delaware limited liability company
4. Orange Group, Inc., a Delaware corporation
5. LLCxox, LLC, a Delaware limited liability company
6. Blue Holdco 1, LLC, a Delaware limited liability company
7. Blue Holdco 2, LLC, a Delaware limited liability company
8. Blue Holdco 3, LLC, a Delaware limited liability company
9. SBFD Holding Co., a Delaware corporation
10. Tim Hortons USA Inc., a Florida corporation
11. Tim Hortons (New England), Inc., a Delaware corporation
12. Burger King Worldwide, Inc., a Delaware corporation
13. Burger King Capital Finance, Inc., a Delaware corporation
14. Burger King Holdings, Inc., a Delaware corporation
15. Blue Holdco 440, LLC, a Delaware limited liability company
16. Tim Donut U.S. Limited, Inc., a Florida corporation
17. Burger King Corporation, a Florida corporation
18. Burger King Interamerica, LLC, a Florida limited liability company
19. 1014369 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
20. 1019334 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
21. Grange Castle Holdings Limited, a Canada corporation
22. GPAir Limited, an Ontario corporation
23. The TDL Group Corp./Groupe TDL Corporation, a British Columbia limited company
24. Burger King Canada Holdings Inc./Placements Burger King Canada Inc., an Ontario corporation
25. 1024670 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
26. 1028539 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
27. 1029261 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
28. 1057837 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
29. 1057772 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
30. 1057639 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
31. TDLdd Holdings ULC, a British Columbia unlimited liability company
32. TDLrr Holdings ULC, a British Columbia unlimited liability company
33. BK Canada Service ULC, a British Columbia unlimited liability company
34. Restaurant Brands Holdings Corporation, an Ontario corporation
35. Tim Hortons Canadian IP Holdings Corporation, an Ontario corporation
36. Restaurant Brands International US Services LLC, a Florida limited liability company
37. PLK Enterprises of Canada, Inc., a British Columbia corporation
38. Popeyes Louisiana Kitchen, Inc., a Minnesota corporation
39. 1112097 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
40. 1112104 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
41. 1112106 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
42. 1112090 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
43. 1112100 B.C. Unlimited Liability Company, a British Columbia unlimited liability company
44. BC12sub- Orange Holdings ULC, a British Columbia unlimited liability company
45. SBFD Subco ULC, a British Columbia unlimited liability company

46. LAX Holdings ULC, a British Columbia unlimited liability company
47. Orange Group International, Inc., an Ontario corporation
48. Blue Holdco aka8, llc, a Delaware limited liability company
49. Blue Holdco aka7, llc, a Delaware limited liability company
50. BCP-Sub, LLC, a Delaware limited liability company
51. SBFD, LLC, a Delaware limited liability company
52. SBFD Beta, LLC, a Delaware limited liability company
53. RB Timbit Holdings ULC, a British Columbia unlimited liability company
54. RB OCS Holdings ULC, a British Columbia unlimited liability company
55. RB Crispy Chicken Holdings ULC, a British Columbia unlimited liability company
56. PBB Holdings ULC, a British Columbia unlimited liability company
57. ZN1 Holdings ULC, a British Columbia unlimited liability company
58. ZN3 Holdings ULC, a British Columbia unlimited liability company
59. ZN4 Holdings ULC, a British Columbia unlimited liability company
60. ZN5 Holdings ULC, a British Columbia unlimited liability company
61. ZN6 Holdings ULC, a British Columbia unlimited liability company
62. ZN7 Holdings ULC, a British Columbia unlimited liability company
63. ZN8 Holdings ULC, a British Columbia unlimited liability company
64. ZN9 Holdings ULC, a British Columbia unlimited liability company
65. ZN19TDL Holdings ULC, a British Columbia unlimited liability company
66. LLC-QZ, LLC, a Delaware limited liability company
67. Société en commandite Tarte 3/ Pie 3 Limited Partnership, a Quebec limited partnership
68. Société en commandite Tarte 4/ Pie 4 Limited Partnership, a Quebec limited partnership
69. Société en commandite P2019/P2019 Limited Partnership, a Quebec limited partnership
70. LLC-K4, LLC, a Delaware limited liability company
71. LLC-QQ, LLC, a Delaware limited liability company
72. 12-2019 Holdings ULC, a British Columbia unlimited liability company
73. 12zz Holdings ULC, a British Columbia unlimited liability company
74. RBHzz Holdings ULC, a British Columbia unlimited liability company
75. Société en commandite BC12/ BC12 Limited Partnership, a Quebec limited partnership
76. 12Kr Holdings ULC, a British Columbia unlimited liability company
77. 12Krr Holdings ULC, a British Columbia unlimited liability company
78. KR1 Holdings ULC, a British Columbia unlimited liability company
79. KR2 Holdings ULC, a British Columbia unlimited liability company
80. KR3 Holdings ULC, a British Columbia unlimited liability company
81. KR4 Holdings ULC, a British Columbia unlimited liability company
82. KR5 Holdings ULC, a British Columbia unlimited liability company
83. KR6 Holdings ULC, a British Columbia unlimited liability company
84. KR7 Holdings ULC, a British Columbia unlimited liability company
85. KR8 Holdings ULC, a British Columbia unlimited liability company
86. KR9 Holdings ULC, a British Columbia unlimited liability company
87. KR19TDL Holdings ULC, a British Columbia unlimited liability company
88. Société en commandite BC12p/ BC12p Limited Partnership, a Quebec limited partnership
89. 2097A Holdings ULC, a British Columbia unlimited liability company
90. 2097AA Holdings ULC, a British Columbia unlimited liability company
91. LDTA Holdings ULC, a British Columbia unlimited liability company
92. LDTAA Holdings ULC, a British Columbia unlimited liability company
93. LDTC Holdings ULC, a British Columbia unlimited liability company
94. 2097B Holdings ULC, a British Columbia unlimited liability company

95. Société en commandite 2097P/ 2097P Limited Partnership, a Quebec limited partnership
96. Société en commandite LDTb/ LDTb Limited Partnership, a Quebec limited partnership
97. BC3-A, LLC, a Delaware limited liability company
98. LLC440-A, LLC, a Delaware limited liability company
99. BKHS-A, LLC, a Delaware limited liability company
100. BKC-IP, LLC, a Delaware limited liability company
101. LLC-K5, LLC, a Delaware limited liability company
102. Blue Holdco 300, LLC, a Delaware limited liability company
103. IPCOA Holdings ULC, a British Columbia unlimited liability company
104. IPCOAA Holdings ULC, a British Columbia unlimited liability company
105. IPCOB Holdings ULC, a British Columbia unlimited liability company
106. Société en commandite IPCO/ IPCO Limited Partnership, a Quebec limited partnership

Additional Time of Sale Information

1. Pricing term sheet containing the terms of the Securities, substantially in the form of Annex B.

Pricing Term Sheet

See attached

Restrictions on Offers and Sales Outside the United States

In connection with offers and sales of Securities outside the United States:

(a) Each Initial Purchaser acknowledges that the Securities have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act. Each Initial Purchaser acknowledges that the distribution of the Securities is being made in the Offering Provinces on a private placement basis, exempt from the prospectus requirements of applicable Canadian Securities Laws, and that the Securities have not been and will not be qualified for distribution (or distribution to the public, as applicable) by prospectus under applicable Canadian Securities Laws.

(b) Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) Such Initial Purchaser has offered and sold the Securities, and will offer and sell the Securities, (A) as part of their distribution at any time and (B) otherwise until 40 days after the later of the commencement of the offering of the Securities and the Closing Date, only in accordance with Regulation S or Rule 144A or any other available exemption from registration under the Securities Act.

(ii) None of such Initial Purchaser or any of its affiliates or any other person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Securities, and all such persons have complied and will comply with the offering restrictions requirement of Regulation S.

(iii) At or prior to the confirmation of sale of any Securities sold in reliance on Regulation S, such Initial Purchaser will have sent to each distributor, dealer or other person receiving a selling concession, fee or other remuneration that purchases Securities from it during the distribution compliance period a confirmation or notice to substantially the following effect:

> "The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Securities and the date of original issuance of the Securities, except in accordance with Regulation S or Rule 144A or any other available exemption from registration under the Securities Act. Terms used above have the meanings given to them by Regulation S."

(iv) Such Initial Purchaser has not and will not enter into any contractual arrangement with any distributor with respect to the distribution of the Securities, except with its affiliates or with the prior written consent of the Issuers.

Terms used in paragraph (a) and this paragraph (b) and not otherwise defined in this Agreement have the meanings given to them by Regulation S.

(c) Each Initial Purchaser acknowledges that no action has been or will be taken by the Issuers that would permit a public offering of the Securities, or possession or distribution of any of the Time of Sale Information, the Offering Memorandum, any Issuer Written Communication or any other offering or publicity material relating to the Securities, in any country or jurisdiction where action for that purpose is required.

(d) Each Initial Purchaser and its respective affiliates severally agrees that it will offer and sell the Securities to Subsequent Purchasers in Canada in compliance with the requirements of applicable Canadian Securities Laws and only make offers and sales of the Securities in Canada in the Offering Provinces and in such a manner that the sale of the Securities will be exempt from the prospectus requirements of applicable Canadian Securities Laws. For greater certainty, each Initial Purchaser severally agrees that it has not made and will not make an offer of the Securities to any person or company in Canada other than a person or company that is both:

(i) an "accredited investor" within the meaning of NI 45-106 or, in Ontario, as defined in Section 73.3(1) of the *Securities Act* (Ontario) (except, in each case, for the criteria set out in paragraph (j), (k) or (l) of such definition in NI 45-106) that is either purchasing the Securities as principal for its own account, or is deemed to be purchasing the Securities as principal for its own account in accordance with Canadian Securities Laws, and that is entitled under Canadian Securities Laws to purchase such Securities without the benefit of a prospectus qualified under such laws; and

(ii) a "permitted client" as defined in section 1.1 of NI 31-103.

(e) Each Initial Purchaser, severally and not jointly, covenants and agrees that it will provide to the Issuers forthwith upon request all such information regarding each purchaser of Securities from it in Canada, including the paragraph number in the definition of "accredited investor" in Section 1.1 of NI 45-106 that applies to each purchaser, as the Issuers may reasonably request in good faith for the purpose of preparing and filing Schedule 1 to a report of exempt distribution on Form 45-106F1 ("Form 45-106F1") and filed with all applicable Canadian securities regulators in connection with the issuance and sale of the Securities, provided it is acknowledged and agreed that the Initial Purchasers need not provide any information to the Issuers regarding whether any Canadian purchaser is an insider of the Issuers.

(f) Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the United Kingdom Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuers or the Guarantors; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

(g) Each Initial Purchaser severally agrees that it has not offered, sold or otherwise made available to and will not offer, sell or otherwise make available the Securities to any retail investor in the European Economic Area or the United Kingdom. For these purposes, a retail investor means a person

who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of EU Directive 2016/97 (as amended or superseded, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended or superseded, the "Prospectus Regulation").

Annex C-3

(Back To Top)

Section 4: EX-31.1 (EX-31.1)

Exhibit 31.1

CERTIFICATION

I, José E. Cil, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Restaurant Brands International Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ José E. Cil
José E. Cil
Chief Executive Officer

Dated: October 28, 2020

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Section 5: EX-31.2 (EX-31.2)

Exhibit 31.2

CERTIFICATION

I, Matthew Dunnigan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Restaurant Brands International Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Matthew Dunnigan
Matthew Dunnigan
Chief Financial Officer

Dated: October 28, 2020

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Section 6: EX-32.1 (EX-32.1)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Restaurant Brands International Inc. (the "Company") for the quarter ended September 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, José E. Cil, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ José E. Cil
José E. Cil
Chief Executive Officer

Dated: October 28, 2020

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Section 7: EX-32.2 (EX-32.2)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Restaurant Brands International Inc. (the "Company") for the quarter ended September 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matthew Dunnigan, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Matthew Dunnigan

Matthew Dunnigan
Chief Financial Officer

Date: October 28, 2020

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