

## Risk Factors Comparison 2025-02-21 to 2024-02-22 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

Our ~~nearly fully~~ franchised business model presents a number of other drawbacks, such as limited influence over franchisee operations, limited ability to facilitate changes in restaurant ownership, limitations on enforcement of franchise obligations due to bankruptcy or insolvency proceedings, and reliance on franchisees to participate in our strategic initiatives. While we can mandate certain strategic initiatives through enforcement of our franchise agreements, we will need the active support of our franchisees if the implementation of these initiatives is to be successful. **In many areas, franchisees have discretion as to the prices they charge to consumers, which, if not well calibrated, could negatively impact consumer demand and decrease overall revenues.** The failure of franchisees to support our marketing programs and strategic initiatives could adversely affect our ability to implement our business strategy and could materially harm our business, results of operations and financial condition. On occasion we have encountered, and may in the future encounter, challenges in receiving specific financial and operational results from our franchisees in a consistent and timely manner. **Further, which can negatively impact the information we receive from franchisees, including regarding their profitability, may not be audited our or business subject to a similar level of internal controls as our processes. To the extent that we are not able to obtain transparency into our operations from these systems, it could impair the ability of our management to react quickly when appropriate and our operating results could be negatively impacted.** Our competitors that have a significantly higher percentage of company-operated restaurants than we do may have greater influence over their respective restaurant systems and greater ability to implement operational initiatives and business strategies, including their marketing and advertising programs. As part of our growth strategy, we may decide to increase or decrease the number of Company ~~restaurants~~ **owned stores, either by purchasing existing franchised stores or, by refranchising existing company Company-operated restaurants, or by developing additional** stores. Our failure to successfully execute these transactions could have an adverse effect on our operating results ~~and could cause our stock price to decline.~~ The ability of our franchisees and prospective franchisees to obtain financing for development of new restaurants or reinvestment in existing restaurants depends in part upon financial and economic conditions beyond their control **and may be subject to increased development costs.** If our franchisees are unable to obtain financing on acceptable terms or otherwise do not devote sufficient resources to develop new restaurants or reinvest in existing restaurants, our business and financial results could be adversely affected. Also, investments in restaurant remodels and upgrades by franchisees and us may not have the expected results with respect to consumer sentiment, increased traffic or return on investment. Our results are closely tied to the success of independent franchisees, and we have limited influence over their operations. We generate revenues in the form of royalties, fees and other amounts from our franchisees and our operating results are closely tied to their success. However, our franchisees are independent operators and we cannot control many factors that impact the profitability of their restaurants. At times, we have and may in the future provide cash flow support to franchisees by extending loans **or guarantees**, advancing cash payments and / or providing rent relief where we have property control. These actions have and may in the future adversely affect our cash flow and financial results. If sales trends or economic conditions ~~worsen decline~~ for franchisees, their financial results may deteriorate, which could result in, among other things, restaurant closures, delayed or reduced payments to us of royalties, advertising contributions, rents and, delayed or reduced payments for Tim Hortons products and supplies, and an inability for such franchisees to obtain financing to fund development, restaurant remodels or equipment initiatives on acceptable terms or at all. Also, franchisees may not be willing or able to renew their franchise agreements with us due to low sales volumes, high real estate costs, or the failure to secure lease renewals. If our franchisees fail to renew their franchise agreements our royalty revenues may decrease, which ~~in turn could materially and~~ adversely affect our business and operating results. Franchisees and sub-franchisees may not successfully operate restaurants in a manner consistent with our established procedures, standards and requirements or standards set by applicable law, including sanitation and pest control standards, or data processing, privacy and cybersecurity requirements. Any operational shortcoming of a franchise or sub-franchise restaurant is likely to be attributed by guests to the entire brand and may be shared widely through social media, thus damaging the brand's reputation and potentially affecting our revenues and profitability. We may not be able to identify problems and take effective action quickly enough and, as a result, our image and reputation may suffer, and our franchise revenues and results of operations could decline. Labor challenges for franchisees **and Company restaurants** or being liable as a joint employer could adversely affect our business. Our franchisees **and Company restaurants** are dependent upon their ability to attract and retain qualified employees in an intensely competitive labor market. The inability of our franchisees **and Company restaurants** to recruit and retain qualified individuals or increased costs to do so, including due to labor market dynamics or increases in legally required wages, may delay openings of new restaurants ~~by our franchisees~~ and could adversely impact existing ~~franchised~~ restaurant operations and franchisee **and Company restaurant** profitability, which could slow our growth. Boycotts, protests, work stoppages or other campaigns by labor organizations at either franchisee or ~~company~~ **Company** restaurants could increase costs, decrease flexibility or otherwise disrupt the business ~~and, responses~~ **Responses** to labor organizing efforts by our franchisees or us could negatively impact brand perception and our business and financial results. ~~In September~~ **Effective April 2023-2024**, California ~~set~~ **passed** legislation setting the minimum wage for fast food restaurant employees at \$ 20 per hour ~~effective April 1, 2024~~ **and establishing established** a council to set future wage increases and to make recommendations to state agencies for other sector-wide workplace standards. This law and other labor related laws enacted or currently proposed at the federal, state, provincial or local level could increase our **and our** franchisees' labor costs and decrease profitability. Joint employer status is a developing area of franchise and labor and employment law that

has changed significantly in recent years and could be subject to additional changes in legislation, administrative agency interpretation or jurisprudential developments that may increase impact our liability as a franchisor liability. In October 2023, the National Labor Relations Board issued its final rule addressing the standard for determining joint-employer status under the National Labor Relations Act. Under this doctrine the new standard, effective February 26, 2024, a party may assert a joint-employment relationship to establish joint-employer status by using evidence of indirect and reserved forms of control bearing on an employee's essential terms and conditions of employment. The rule is facing legal challenges, but if it becomes effective in its current form, we could potentially be liable for unfair labor practices and other violations by franchisees, or we could be required to conduct collective bargaining negotiations regarding employees of franchisees, who are independent employers. In such the event of a finding of joint employment by the National Labor Relations Board or applicable state authorities, our operating costs may increase as a result of required modifications to business practices, increased litigation, governmental investigations or proceedings, administrative enforcement actions, fines and civil liability. Employee claims that are brought against us as a result of joint employer standards and status may also, in addition to legal and financial liability, create negative publicity that could adversely affect our brands and divert financial and management resources. A significant material increase in the number of these claims, or an increase in the number of successful claims, could adversely impact our brands' reputation, which may cause significant harm. Our future growth and profitability will depend on our ability to successfully accelerate international development with strategic partners and joint ventures. We believe that the future growth and profitability of each of our brands will depend on our ability to successfully accelerate international development with master franchisee and joint venture partners in new and existing international markets. New markets may have different competitive conditions, consumer tastes and discretionary spending patterns than our existing markets. As a result, new restaurants in those markets may have lower average restaurant sales than restaurants in existing markets and may take longer than expected to reach target sales and profit levels or may never do so. We will need to build brand awareness in those new markets we enter through advertising and promotional activity, and those activities may not promote our brands as effectively as intended, if at all. We have adopted a master franchise development model for all of our brands, which in markets with strong growth potential may include participating in joint ventures, to accelerate international growth. These arrangements may give our joint venture partners and / or master franchisees the exclusive right to develop and manage our restaurants in a specific country or countries, including, in some cases, the right to sub- franchise. A joint venture involves special risks, including the following: our joint venture partners may have economic, business or legal interests or goals that are inconsistent with those of the joint venture or us, or our joint venture partners may be unable to meet their economic or other obligations and we may be required to fulfill those obligations alone. Our master franchise arrangements present similar risks and uncertainties. We cannot control the actions of our joint venture partners or master franchisees, including any nonperformance, default or bankruptcy of joint venture partners or master franchisees. While sub- franchisees are required to operate their restaurants in accordance with specified operations, safety and health standards, we are not party to the agreements with the sub- franchisees and are dependent upon our master franchisees to enforce these standards with respect to sub- franchised restaurants. As a result, the ultimate success and quality of any sub- franchised restaurant rests with the master franchisee and the sub- franchisee. In addition, the termination of an arrangement with a master franchisee or a lack of expansion by certain master franchisees has and may in the future result in the delay or discontinuation of the development of franchised restaurants, or an interruption in the operation of our brand in a particular market or markets. We may not be able to find another operator to resume operations and development activities in such market or markets. Any such delay, discontinuation or interruption could materially and adversely affect our business and operating results. Risks related Related to Information Technology If we are unable to protect the personal information that we gather or fail to comply with privacy and data protection laws and regulations, we could be subject to civil and criminal penalties, suffer reputational harm and incur substantial costs. We In the ordinary course of our business, we collect, use process, transmit, disclose, and retain personal and financial information regarding our employees and their families, our franchisees and their employees, vendors, contractors, and guests (which can include social security numbers, social insurance numbers, banking and tax identification information, health care information for employees, and credit card information) and our franchisees collect similar information. As In recent years we continue to expanded -- expand our development and management of our brands' digital mobile apps, online ordering platforms, and in- restaurant kiosks and home market loyalty programs. While our deployment of such technology in home markets and certain international markets, to facilitates facilitate our primary goals of generating incremental sales and, improving operations at our franchisees' restaurants as well as, and increasing guest awareness in our brands, we collect larger volumes and additional categories of customer awareness and interest in our brands, such deployment also means that we are collecting and entrusted with additional personal information, in some cases including geo- location tracking information, about our customers guests. In connection with the handling collection and retention of this information, we are subject to numerous legal and compliance risks and associated liability related to privacy and data protection laws and regulations requirements. These types of legislation, which include including the Canadian Consumer Privacy Protection Act, the California Privacy Rights Act of 2020, Quebec's Law 25, the European Union's General Data Protection Regulation (the "GDPR") and, the U. K. General Data Protection Regulation, can impose stringent data protection requirements, provide for costly penalties for noncompliance (eg. up to 4 % of annual worldwide revenue for a breach of the GDPR), and confer the right upon data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations. In China, the Personal Information Protection Law ("PIPL"), and other laws governing has established personal information processing rules, data protection subject rights, and obligations for personal information processors, among other -- the use of biometrics things. In addition to the PIPL, China's Data Security Law regulates data processing activities associated with personal and artificial intelligence non- personal data. Existing privacy laws and Due to enhanced scrutiny from the general public, these regulations as well as their interpretation and enforcement criteria are for enforcement continue to be subject to

frequent change, and there are likely to be other jurisdictions that propose or enact new or emerging data privacy requirements in the future **laws continue to emerge**. The complexity of these **These** privacy and **laws impose stringent** data protection **requirements** laws may result in significant costs arising from compliance and from any **costly penalties for** non-compliance, whether **and allow individuals to bring complaints with supervisory authorities and seek damages**. **Due to the complex and evolving nature of these laws, the scope of** or our not due to our negligence, and could affect our brand reputation and our results of operations, **,-** We have and are expected to continue to have **the increased sophistication of cyber threats, we may incur** significant investments arising from **expenses relating to compliance and non-** compliance with **privacy** these regulatory regimes due to changes in the scope of our operations and **data protection legislation** the ever-changing techniques and sophistication used to conduct cyber-attacks and breaches. **If** In addition, to the extent that we **fail to comply** are not in compliance with these laws, or experience a major breach, theft, or loss of personal information that **is we held hold** by us, or **that** third parties **hold** on our behalf (whether or not due to our failure to comply with data security rules and standards), we could be subject to **regulatory investigations and actions**, substantial fines, **legal proceedings, and civil and criminal** penalties, indemnification claims, and potential litigation which could negatively impact our results of operations and financial condition. For example, in Canada, we have been the subject of government investigation and purported class action lawsuits based on the use of certain geolocation data for Tim Hortons mobile app users. **Non-compliance with** As a result of any breach, we may incur additional expenditures arising from additional security technologies, personnel, experts, and credit monitoring services for those whose data has been **protection laws, data** breached **breaches**. These costs could adversely impact our **or** results **misuse** of **data by us** operations during the period in which they are incurred. In addition, negative publicity regarding a breach or potential security vulnerabilities in our systems or those of our franchisees or vendors, has and in the future could adversely affect the reputation of our brands and **guest** acceptance of digital engagement by our customers which **in turn** could adversely affect our future results of operations. Information technology system failures or interruptions or breaches of our network security may interrupt our operations, cause reputational harm, subject us to increased operating costs and expose us to litigation. We rely heavily on information technology systems and infrastructure, including **systems of** third-party vendors **systems** to whom we outsource certain functions across **our** operations including, **such as** but not limited to, point-of-sale processing at our restaurants, **web** and **in our mobile apps applications and payment services**. Despite implementation of **controls and** security measures, **disruptions and** security incidents or breaches may occur involving our systems, **and** the systems of the parties with whom we communicate or **our** collaborate (including franchisees) or the systems of third-party providers **and franchisees have occurred and may occur in the future**. These may include damage, disruption or failures due to physical damage **to systems**, power loss, telecommunications failure, or other catastrophic events, as well as **from** problems with transitioning systems, **internal and external** security breaches, **malicious Malicious** cyber-attacks including the introduction of malware or ransomware, **phishing, denial of service attacks**, or other disruptive behavior by hackers, **which may be exacerbated by** **continue to increase and become more sophisticated**. The use of artificial intelligence **may heighten**. Such damage, disruption or **our cybersecurity risks** failures could adversely impact our results of operations and our reputation. From time to time, we have been notified by **making cyber- attacks more difficult to detect and mitigate**. Our cybersecurity program and measures may not be fully implemented or effective to protect our systems and information. If we are unable to protect our systems, or those provided by our **third - party vendors and franchisees**, from damage, disruption, fraud or cyber-attacks, our results, operations and reputation could be adversely affected. Such incidents could also result in litigation, government investigations and actions, significant costs and penalties and have a material effect on our financial results. We also could suffer loss of data, an inability to access data and the **unauthorized use of confidential information about our business and operations**. We also may incur significant costs to investigate and remedy cybersecurity incidents, recover lost data, enhance security **technology**, incidents or breaches that affect their systems and their ability to provide **engage additional personnel and services**, including cybersecurity experts and credit monitoring to us at expected service levels. If any of our or **for individuals whose data may be affected** our vendors' systems were to fail or become subject to ransomware and we were unable to recover in a timely way, we could experience material and adverse impacts to our results of operations. To the extent that some of our worldwide reporting systems require or rely on manual processes, it could increase the risk of a breach due to human error. Further, the standards for systems **and technology** currently used for transmission and approval of electronic payment transactions, **and the technology** utilized in electronic payment themselves, all of which can put electronic payment data at risk, are determined and controlled by the payment card industry ("PCI"). If someone can **we or our franchisees fail to comply with these standards or if a third party circumvent circumvents** our data security measures or those of third parties, including our franchisees **or vendors**, **we and they could destroy or our franchisees** steal valuable information received as part of electronic payments. Such destruction or loss could **be expose exposed** us to litigation or, **liability**, **reputational harm, fines from the payment card companies** and **increased costs, which** could impact our results of operations. Any resulting negative publicity could significantly harm our or our brands' reputations. Finally, we may need to continue to expend substantial resources to enhance our existing restaurant management systems, financial and management controls, information systems and personnel to accurately capture and reflect the financial and operational activities at our franchised restaurants. On occasion we have encountered, and may in the future encounter, challenges in receiving these results from our franchisees in a consistent and timely manner as a number of our systems relating to tracking the financial and operational activities and processes at our franchised restaurants are not fully integrated worldwide. Further, the information we receive from franchisees, including regarding their profitability, may not be audited or subject to a similar level of internal controls as our processes. To the extent that we are not able to obtain transparency into our operations from these systems, it could impair the ability of our management to react quickly when appropriate and our operating results could be negatively impacted. Risks Related to our Indebtedness Our leverage and obligations to service our debt could adversely affect our business. As of December 31, 2023-2024, we had aggregate

outstanding indebtedness of \$ 13, 043-759 million, including senior secured term loan facilities in an aggregate principal amount of \$ 6, 450-001 million, senior secured first lien notes in an aggregate principal amount of \$ 2-4, 800-000 million and senior secured second lien notes in an aggregate principal amount of \$ 3, 650 million. Subject to restrictions set forth in these instruments, we may also incur significant additional indebtedness in the future, some of which may be secured debt. This may have the effect of increasing our total leverage. Our ~~substantial~~ leverage could have important potential consequences, including, but not limited to: • increasing our vulnerability to, and reducing our flexibility to respond to, changes in our business and general adverse economic and industry conditions; • requiring the dedication of a substantial portion of our cash flow from operations to our debt service, thereby reducing the availability of such cash flow to fund working capital, capital expenditures, acquisitions, joint ventures, product research, dividends, share repurchases or other corporate purposes; • increasing our vulnerability to a downgrade of our credit rating, which could adversely affect our cost of funds, liquidity and access to capital markets; • placing us at a competitive disadvantage compared to ~~those~~ competitors who are not as highly leveraged; • restricting us from making strategic acquisitions or causing us to make non-strategic divestitures; • exposing us to the risk of increased interest rates for variable interest rate borrowings under our credit facilities; • making it more difficult for us to repay, refinance or satisfy our obligations with respect to our debt; • limiting our ability to borrow additional funds in the future and increasing the cost of any such borrowing; • imposing restrictive covenants that may hinder our ability to finance future operations and capital needs or to pursue certain business opportunities and activities, and which, in the event of non-compliance without a cure or waiver, could result in an event of default and the acceleration of the applicable debt and any debt subject to cross-acceleration; • requiring repayment or an offer to repurchase in the event of a change of control that may delay or prevent such change of control; and • exposing us to risks related to fluctuations in foreign currency **to the extent not appropriately hedged**, as we earn profits in a variety of currencies around the world and substantially all of our debt is denominated in U. S. dollars. If we are unable to generate sufficient cash flow to pay indebtedness and other funding needs or refinance our indebtedness on favorable terms, or at all, our financial condition may be materially adversely affected. Following the occurrence of either an event of default or change of control, we may not have sufficient resources to repurchase, repay or redeem our obligations, as applicable, and we may not be able to obtain additional financing to satisfy these obligations on terms favorable to us or at all. Also, if we were unable to repay the amounts due under our secured indebtedness, the holders of such indebtedness could proceed against the collateral that secures such indebtedness. In the event our creditors accelerate the repayment of our secured indebtedness, we and our subsidiaries may not have sufficient assets to repay that indebtedness. Risks Related to Taxation Unanticipated tax liabilities could adversely affect the taxes we pay and our profitability. We are subject to income and other taxes in Canada, the United States, and numerous foreign jurisdictions. A taxation authority may disagree with certain of our views, including, for example, the allocation of profits by tax jurisdiction, and the deductibility of our interest expense, and may take the position that material income tax liabilities, interest, penalties, or other amounts are payable by us, in which case, we expect to contest such assessment. Contesting such an assessment may be lengthy and costly and, if we were unsuccessful, the implications could be materially adverse to us and affect our effective income tax rate and / or operating income. From time to time, we are subject to additional state and local income tax audits, international income tax audits and sales, franchise and value-added tax audits. Although we believe our tax estimates are reasonable, the final determination of tax audits and any related litigation could be materially different from our historical income tax provisions and accruals. The Canada Revenue Agency (the “ CRA ”), the U. S. Internal Revenue Service (the “ IRS ”) and / or foreign tax authorities may not agree with our interpretation of the tax aspects of reorganizations, initiatives, transactions, or any related matters associated therewith that we have undertaken. The ~~results~~ **outcome** of a tax audit or related litigation could result in us not being in a position to take advantage of the effective income tax rates and the level of benefits that we anticipated to achieve as a result of corporate reorganizations, initiatives and transactions, and the implications could have a material adverse effect on our effective income tax rate, income tax provision, net income (loss) or cash flows in the period or periods for which that determination is made. RBI and Partnership may be treated as U. S. corporations for U. S. federal income tax purposes, which could subject us and Partnership to substantial additional U. S. taxes. Because RBI and Partnership are organized under the laws of Canada, we are classified as foreign entities (and, therefore, non-U. S. tax residents) under general rules of U. S. federal income taxation that an entity is considered a tax resident in the jurisdiction of its organization or incorporation. Even so, the IRS may assert that we should be treated as a U. S. corporation (and, therefore, a U. S. tax resident) for U. S. federal income tax purposes pursuant to complex rules under Section 7874 of the U. S. Internal Revenue Code of 1986, as amended. In addition, a retroactive or prospective change to U. S. tax laws in this area could adversely impact this classification. If we were to be treated as a U. S. corporation for federal tax purposes, we could be subject to ~~substantially~~ greater U. S. tax liability than currently contemplated as a non-U. S. corporation. Future changes to Canadian, U. S. and other foreign tax laws, including future regulations and other interpretive guidance of such tax laws, could materially affect RBI and / or Partnership, and adversely affect their anticipated financial positions and results. Our effective tax rate, cash taxes and financial results could be adversely impacted by changes in applicable tax laws (including regulatory, administrative, and judicial interpretations and guidance relating to such laws) in the jurisdictions in which we operate. ~~The~~ **On June 20, 2021-2024, Canadian -- Canada Federal Budget proposed various enacted Bill C- 59 which included significant** tax law changes, including ~~a~~ **the** new limitation on the deductibility of interest and similar expenses ; ~~revised draft legislation (“ EIFEL ”) was~~ **as released well as the 2 % tax** on November 21, 2023, with a ~~proposed~~ **certain share buy backs. The EIFEL rules are** effective date for taxation years beginning on or after October 1, 2023 . ~~The proposed rules have not yet been enacted. In general,~~ **while** the draft legislation proposes to limit the deductibility of interest and other ~~the financing-related expenses to the extent that such expenses, net of interest and financing-related income, exceed a fixed ratio of the entity’s tax~~ **on share buy** EBITDA, with a specified carry-back **backs applies to certain** limit and an indefinite carry-forward limit. The proposed rules and their application are **share** complex and could materially increase our future income taxes if enacted, adversely impacting our effective tax rate and financial results. On November 21,

2023, Canada released revised, proposed legislation that would impose a 2% equity buyback tax for net equity repurchase repurchases transactions that occur on or after January 1, 2024. The EIFEL rules have, however, this legislation has not yet been enacted implemented and as a result, we have restricted interest and financing deductions which can be carried forward indefinitely. The Organization for Economic Cooperation and Development (“OECD”) and many countries in has developed model rules which address we operate have committed to enacting substantial changes to numerous long-standing tax principles impacting how large multinational enterprises are taxed in an effort to limit perceived base erosion and profit shifting incentives, including a 15% global minimum tax applied on a country-by-country basis, likely applicable to periods. Global Minimum Tax Act addressing the OECD “Pillar Two” model rules were enacted by both Canada and Switzerland and are effective for taxation years beginning on or after December 31-January 1, 2023-2024. The OECD has issued model rules with respect to various aspects of such proposed changes and ongoing public consultation with additional guidance expected. On November 21, 2023, Canada released initial draft enabling legislation with respect to aspects of such OECD model rules. The enactment, timing and many details regarding such potential tax law changes remain uncertain as Canada and other individual countries evaluate and pursue their respective approaches to enacting the principles underlying such model rules. Certain countries in which we operate have enacted legislation (with subsequent guidance and details expected to follow) to adopt adoption of the “Pillar Two” framework by countries in effective for periods beginning on or after January 1, 2024, including Switzerland, which will we operate may increase our future cash taxes, adversely impacting our effective tax rate and financial results. We will continue to evaluate the potential impact on future periods of the “Pillar Two” framework as additional guidance is released and other individual countries adopt such enabling legislation. Additionally, on January 15, 2025, the OECD released Administrative Guidance (the “Guidance”) on Article 9.1 of the Global Anti-Base Erosion Model Rules (the “Model Rules”) which amends the Pillar Two Framework. Jurisdictions that have adopted the Framework may implement and administer their domestic laws consistent with the Model Rules and such guidance. The Guidance may eliminate the tax basis in certain deferred tax assets and tax credit carryforwards for purposes of global minimum tax established under the Framework. This Guidance may lead to an adjustment to our deferred tax assets. We are continuing to analyze the impacts of the Guidance and will recognize any resulting provisions in the first quarter of 2025.

Risks Related to our Common Shares 3G RBH owns approximately 28-26% of the combined voting power in RBI, and its interests may conflict with or differ from the interests of the other shareholders. 3G Restaurant Brands Holdings LP (“3G RBH”) currently owns approximately 28-26% of the combined voting power in RBI. So long as 3G RBH continues to directly or indirectly own a significant amount of the voting power, it will continue to be able to strongly influence or effectively control business decisions of RBI. 3G RBH and its principals may have interests that are different from those of other shareholders, and 3G RBH may exercise its voting and other rights in a manner that may be adverse to the interests of such shareholders. In addition, this concentration of ownership could have the effect of delaying or preventing a change in control or otherwise discouraging a potential acquirer from attempting to obtain control of RBI, which could cause the market price of our common shares to decline or prevent our shareholders from realizing a premium over the market price for their common shares or Partnership exchangeable units. Canadian laws may have the effect of delaying or preventing a change in control. We are a Canadian entity. The Investment Canada Act requires that a “non-Canadian,” as defined therein, file an application for review with the Minister responsible for the Investment Canada Act and obtain approval of the Minister prior to acquiring control of a Canadian business, where prescribed financial thresholds are exceeded. This may discourage a potential acquirer from proposing or completing a transaction that may otherwise present a premium to shareholders.

General Risks The loss of key management personnel or our inability to attract and retain new qualified personnel could hurt our business. We are dependent on the efforts and abilities of our senior management, including the executives managing each of our brands, and our success will also depend on our ability to attract and retain additional qualified employees. Failure to attract personnel sufficiently qualified to execute our strategy, or to retain existing key personnel, could have a material adverse effect on our business. Also, integration of strategic transactions such as the acquisition of Firehouse Subs and pending acquisition of Carrols, may divert management’s attention from other initiatives, and effectively executing our growth strategy. We have been, and in the future may be, subject to litigation that could have an adverse effect on our business. We are regularly involved in litigation including related to disputes with franchisees, suppliers, employees, team members, and customers-guests, as well as disputes over our advertising claims about our food and over our intellectual property. See the discussion of Legal Proceedings in Note 46-17, “Commitments and Contingencies,” to the Consolidated Financial Statements included in Item 8 of this Form 10-K. Active and potential disputes with franchisees could damage our brand reputation and our relationships with our broader franchise base. Such litigation may be expensive to defend, harm our reputation and divert resources away from our operations and negatively impact our reported earnings. Also, legal proceedings against a franchisee or its affiliates by third parties, whether in the ordinary course of business or otherwise, may include claims against us by virtue of our relationship with the franchisee. We, or our business partners, may become subject to claims for infringement of intellectual property rights and we may be required to indemnify or defend our business partners from such claims. Should management’s evaluation of our current exposure to legal matters pending against us prove incorrect, and if such claims are successful, our exposure could exceed expectations and have a material adverse effect on our business, financial condition and results of operations. Although some losses may be covered by insurance, if there are significant losses that are not covered, or there is a delay in receiving insurance proceeds, or the proceeds are insufficient to offset our losses fully, our financial condition or results of operations may be adversely affected.