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

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

X **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2024

OR

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

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Date of event requiring this shell company report
For the transition period from _____ to _____

Commission file number: 001-35129

Arcos Dorados Holdings Inc.

(Exact name of Registrant as specified in its charter)

British Virgin Islands
(Jurisdiction of incorporation or organization)

Río Negro 1338, First Floor
Montevideo, Uruguay, 11100
(Address of principal executive offices)

Juan David Bastidas
Chief Legal Officer
Arcos Dorados Holdings Inc.
Río Negro 1338, First Floor
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Telephone: +598 2626-3000
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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A shares, no par value	ARCO	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:
None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:
None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital stock or common stock as of the close of the period covered by the annual report.
Class A shares: 130,663,057
Class B shares: 80,000,000

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☒ No ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.
Yes ☐ No ☒

Note - Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

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, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

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

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, 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. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☒ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

ARCOS DORADOS HOLDINGS INC.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to "U.S. dollars," "dollars," "U.S.$" or "$" are to the U.S. dollar. All references to "Argentine *pesos*" or "ARS$" are to the Argentine *peso*. All references to "Brazilian *reais*" or "R$" are to the Brazilian *real*. All references to "Mexican *pesos*" or "Ps." are to the Mexican *peso*. All references to "Chilean *pesos"* or "CLPs." are to the Chilean *peso*. All references to "Venezuelan *bolívares*" or "Bs." are to the Venezuelan *bolívar*, the legal currency of Venezuela. See "Item 3. Key Information—A. Selected Financial Data—Exchange Rates and Exchange Controls" for information regarding exchange rates for the Argentine, Brazilian and Mexican currencies.

Definitions

In this annual report, unless the context otherwise requires, all references to "Arcos Dorados," the "Company," "we," "our," "ours," "us" or similar terms refer to Arcos Dorados Holdings Inc., together with its subsidiaries. All references to "systemwide" refer only to the system of McDonald's-branded restaurants operated by us or our sub-franchisees in 20 countries and territories in Latin America and the Caribbean, including Argentina, Aruba, Brazil, Chile, Colombia, Costa Rica, Curaçao, Ecuador, French Guiana, Guadeloupe, Martinique, Mexico, Panama, Peru, Puerto Rico, Trinidad and Tobago, Uruguay, the U.S. Virgin Islands of St. Croix and St. Thomas, and Venezuela, which we refer to as the "Territories," and do not refer to the system of McDonald's-branded restaurants operated by McDonald's Corporation, its affiliates or its franchisees (other than us).

We own our McDonald's franchise rights pursuant to a Second Amended and Restated Master Franchise Agreement for all of the Territories, except Brazil, which we refer to as the "MFA," and a separate, but substantially identical, Third Amended and Restated Master Franchise Agreement for Brazil, which we refer to as the "Brazilian MFA." We refer to the MFA and the Brazilian MFA, as amended or otherwise modified to date, collectively as the "MFAs." We commenced operations on August 3, 2007, as a result of our purchase of McDonald's operations and real estate in the Territories (except for Trinidad and Tobago), which we refer to collectively as the "McDonald's LatAm" business, and the acquisition of McDonald's franchise rights pursuant to the MFAs, which together with the purchase of the McDonald's LatAm business, we refer to as the "Acquisition."

Financial Statements

We prepare our financial statements in accordance with accounting principles and standards generally accepted in the United States, or U.S. GAAP, and elect to report in U.S. dollars.

The financial information contained in this annual report includes our consolidated financial statements at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022, which have been audited by Pistrelli, Henry Martin y Asociados S.A. (successor firm of Pistrelli, Henry Martin y Asociados S.R.L.), member Firm of Ernst & Young Global Limited, as stated in their report included elsewhere in this annual report.

Our fiscal year ends on December 31. References in this annual report to a fiscal year, such as "fiscal year 2024," relate to our fiscal year ended on December 31 of that calendar year.

Operating Data

Our operations are comprised of three geographic divisions, as follows: (i) Brazil, (ii) the North Latin American division, or "NOLAD," consisting of Costa Rica, Mexico, Panama, Puerto Rico, Martinique, Guadeloupe, French Guiana and the U.S. Virgin Islands of St. Croix and St. Thomas, and (iii) the South Latin American division, or "SLAD," consisting of Argentina, Chile, Ecuador, Peru, Uruguay, Colombia, Venezuela, Trinidad and Tobago, Aruba and Curaçao. For more information see "Item 5. Operating and Financial Review and Prospects—A. Operating Results—Segment Presentation."

We operate McDonald's-branded restaurants under two different operating formats: those directly operated by us, or "Company-operated" restaurants, and those operated by sub-franchisees, or "franchised" restaurants. All references to "restaurants" are to our freestanding, food court, in-store and mall store restaurants and do not refer to our McCafé locations or Dessert Centers. Systemwide data represents measures for both our Company-operated restaurants and our franchised restaurants.

We are the majority stakeholder in two joint ventures with third parties that collectively own 16 restaurants in Argentina and Chile. We consider these restaurants to be Company-operated restaurants. We also have granted developmental licenses to 6 restaurants. Developmental licensees own or lease the land and buildings on which their restaurants are located and pay a franchise fee to us in addition to the royalties due to McDonald's. We consider these restaurants to be franchised restaurants and we refer to them as stand-alone restaurants. We are also a minority stakeholder in a joint venture formed with a Mexican sub-franchisee, which owns 44 restaurants. We consider these restaurants to be franchised restaurants. The Company's joint ventures in Argentina, Chile and Mexico operate as a joint venture under the traditional definition used within the McDonald's system for such business arrangements. For purposes of this annual report, a joint venture is an entity that operates certain restaurants in the Company's territory in which the Company is a stakeholder together with a third party. This third party is always a sub-franchisee of the Company. Although in most joint ventures the Company exercises control or significant influence over the entity's operating and financial policies, the third party is responsible for the day-to-day operation of the entity's restaurants. Restaurants operated by entities in which the Company has a majority stake are considered to be Company-operated; whereas, restaurants operated by entities in which the Company holds a minority stake are considered to be franchised restaurants.

Market Share and Other Information

Market data and certain industry forecast data used in this annual report were obtained from internal reports and studies, where appropriate, as well as estimates, market research, publicly available information (including information available from the United States Securities and Exchange Commission, or the "SEC," website) and industry publications, including the United Nations Economic Commission for Latin America and the Caribbean and the CIA World Factbook. Industry publications generally state that the information they include has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal reports and studies, estimates and market research, which we believe to be reliable and accurately extracted by us for use in this annual report, have not been independently verified. However, we believe such data is accurate and agree that we are responsible for the accurate extraction of such information from such sources and its correct reproduction in this annual report.

Basis of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with U.S. GAAP on the accrual basis of accounting and include the accounts of the Company and its subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Rounding

We have made rounding adjustments to some of the figures included in this annual report. Accordingly, numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that preceded them.

FORWARD-LOOKING STATEMENTS

This annual report contains statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Many of the forward-looking statements contained in this annual report can be identified by the use of forward-looking words such as "aim," "anticipate," "believe," "could," "expect," "should," "plan," "intend," "estimate" and "potential," among others.

Forward-looking statements appear in a number of places in this annual report and include, but are not limited to, statements regarding our intent, belief or current expectations. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to, those identified in "Item 3. Key Information—D. Risk Factors" in this annual report. These risks and uncertainties include factors relating to:

- general economic, political, social, demographic and business conditions in Latin America and the Caribbean;
- fluctuations in inflation, interest rates and exchange rates in Latin America and the Caribbean;
- our ability to implement our growth strategy;
- the success of operating initiatives, including advertising and promotional efforts and new product and concept development by us and our competitors;
- our ability to compete and conduct our business in the future;
- unforeseen events, such as disruptions, natural disasters, adverse weather conditions, wars, pandemics and other catastrophic events, such as hurricanes and earthquakes;
- changes in consumer tastes and preferences, including changes resulting from concerns over nutritional or safety aspects of beef, poultry, french fries or other foods or the effects of pandemics or food-borne illnesses, bovine spongiform encephalopathy disease and avian influenza or "bird flu," and changes in spending patterns and demographic trends, such as the extent to which consumers eat meals away from home;
- the availability, location and lease terms for restaurant development;
- our sub-franchisees, including their business and financial viability and the timely payment of our sub-franchisees' obligations due to us and to McDonald's;
- our ability to comply with the requirements of the MFAs, including McDonald's standards;
- our decision to own and operate restaurants or to operate under franchise agreements;
- the availability of qualified restaurant personnel for us and for our sub-franchisees, and the ability to retain such personnel;
- changes in commodity costs, labor, supply, fuel, utilities, distribution and other operating costs;
- changes in labor laws;
- our ability, if necessary, to secure alternative distribution of supplies of food, equipment and other products to our restaurants at competitive rates and in adequate amounts, and the potential financial impact of any interruptions in such distribution;
- material changes in government regulation;
- material changes in tax legislation;
- climate change manifesting as physical or transition risks;
- climate-related conditions, regulations, targets and weather events;

- changes in our liquidity or the availability of lines of credit and other sources of financing;
- other factors that may affect our financial condition, liquidity and results of operations; and
- other risk factors discussed under "Item 3. Key Information—D. Risk Factors."

Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

ENFORCEMENT OF JUDGMENTS

We are incorporated under the laws of the British Virgin Islands with limited liability. We are incorporated in the British Virgin Islands because of certain benefits associated with being a British Virgin Islands company, such as political and economic stability, an effective judicial system, a favorable tax system, the absence of exchange control or currency restrictions, and the availability of professional and support services. However, the British Virgin Islands has a less developed body of securities laws as compared to the United States and provides protections for investors to a significantly lesser extent. In addition, British Virgin Islands companies may not have standing to sue before the federal courts of the United States.

A majority of our directors and officers, as well as certain of the experts named herein, reside outside of the United States. A substantial portion of our assets and several of such directors, officers and experts are located principally in Argentina, Brazil and Uruguay. As a result, it may not be possible for investors to effect service of process outside Argentina, Brazil and Uruguay upon such directors or officers, or to enforce against us or such parties in courts outside Argentina, Brazil and Uruguay judgments predicated solely upon the civil liability provisions of the federal securities laws of the United States or other non-Argentine, Brazilian or Uruguayan regulations, as applicable. In addition, local counsel to the Company have advised that there is doubt as to whether the courts of Argentina, Brazil or Uruguay would enforce in all respects, to the same extent and in as timely a manner as a U.S. court or non-Argentine, Brazilian or Uruguayan court, an original action predicated solely upon the civil liability provisions of the U.S. federal securities laws or other non-Argentine, Brazilian or Uruguayan regulations, as applicable; and that the enforceability in Argentine, Brazilian or Uruguayan courts of judgments of U.S. courts or non-Argentine, Brazilian or Uruguayan courts predicated upon the civil liability provisions of the U.S. federal securities laws or other non-Argentine, Brazilian or Uruguayan regulations, as applicable, will be subject to compliance with certain requirements under Argentine, Brazilian or Uruguayan law, including the condition that any such judgment does not violate Argentine, Brazilian or Uruguayan public policy.

We have been advised by Maples and Calder, our counsel as to British Virgin Islands law, that the United States and the British Virgin Islands do not have a treaty providing for reciprocal recognition and enforcement of judgments of courts of the United States in civil and commercial matters and that a final judgment for the payment of money rendered by any general or state court in the United States based on civil liability, whether or not predicated solely upon the U.S. federal securities laws, would not be automatically enforceable in the British Virgin Islands. We have been advised by Maples and Calder that a final and conclusive judgment obtained in U.S. federal or state courts under which a sum of money is payable (i.e., not being a sum claimed by a revenue authority for taxes or other charges of a similar nature by a governmental authority, or in respect of a fine or penalty or multiple or punitive damages) may be the subject of an action on a debt in the court of the British Virgin Islands under British Virgin Islands common law.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

A. Directors and Senior Management

Not applicable.

B. Advisers

Not applicable.

C. Auditors

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

A. Offer Statistics

Not applicable.

B. Method and Expected Timetable

Not applicable.

ITEM 3. KEY INFORMATION

A. Selected Financial Data

The selected balance sheet data as of December 31, 2024 and 2023 and the income statement data for the years ended December 31, 2024, 2023 and 2022 of Arcos Dorados Holdings Inc. are derived from the consolidated financial statements included elsewhere in this annual report, which have been audited by Pistrelli, Henry Martin y Asociados S.A., member firm of Ernst & Young Global Limited.

We were incorporated on December 9, 2010 as a direct, wholly-owned subsidiary of Arcos Dorados Limited, the prior holding company for the Arcos Dorados business. On December 13, 2010, Arcos Dorados Limited effected a downstream merger into and with us, with us as the surviving entity. The merger was accounted for as a reorganization of entities under common control in a manner similar to a pooling of interest and the consolidated financial statements reflect the historical consolidated operations of Arcos Dorados Limited as if the reorganization structure had existed since Arcos Dorados Limited was incorporated in July 2006. We did not commence operations until the Acquisition on August 3, 2007.

We prepare our financial statements in accordance with accounting principles and standards generally accepted in the United States, or U.S. GAAP, and elect to report in U.S. dollars. This financial information should be read in conjunction with "Presentation of Financial and Other Information," "Item 5. Operating and Financial Review and Prospects" and our consolidated financial statements, including the notes thereto, included elsewhere in this annual report.

	For the Years Ended December 31,		
	2024	2023	2022
	(in thousands of U.S. dollars, except for per share data)		
Income Statement Data:			
Sales by Company-operated restaurants	$ 4,266,748	$ 4,137,675	$ 3,457,491
Revenues from franchised restaurants	203,414	194,203	161,411
Total revenues	**4,470,162**	**4,331,878**	**3,618,902**
Company-operated restaurant expenses:			
Food and paper	(1,498,853)	(1,457,720)	(1,227,293)
Payroll and employee benefits	(797,620)	(790,042)	(668,764)
Occupancy and other operating expenses	(1,238,220)	(1,154,334)	(967,690)
Royalty fees	(265,382)	(249,278)	(194,522)
Franchised restaurants—occupancy expenses	(83,665)	(83,359)	(68,028)
General and administrative expenses	(279,859)	(285,000)	(239,263)
Other operating income, net	17,952	1,894	11,080
Total operating costs and expenses	**(4,145,647)**	**(4,017,839)**	**(3,354,480)**
Operating income	**324,515**	**314,039**	**264,422**
Net interest expense and other financing results	(47,238)	(32,275)	(43,750)
Gain (loss) from derivative instruments	941	(13,183)	(10,490)
Foreign currency exchange results	(15,063)	10,774	16,501
Other non-operating expenses, net	(3,873)	(1,238)	(287)
Income before income taxes	**259,282**	**278,117**	**226,396**
Income tax expense, net	(109,903)	(95,702)	(85,476)
Net income	**149,379**	**182,415**	**140,920**
Less: Net income attributable to non-controlling interests	(620)	(1,141)	(577)
Net income attributable to Arcos Dorados Holdings Inc.	**$ 148,759**	**$ 181,274**	**$ 140,343**
Earnings per share:			
Basic net income per common share attributable to Arcos Dorados	$ 0.71	$ 0.86	$ 0.67
Diluted net income per common share attributable to Arcos Dorados	$ 0.71	$ 0.86	$ 0.67

	As of December 31,		
	2024	2023	2022
	(in thousands of U.S. dollars, except for share data)		
Balance Sheet Data:			
Cash and cash equivalent	$ 135,064	$ 196,661	$ 266,937
Total current assets	**468,403**	**605,278**	**684,363**
Property and equipment, net	1,127,042	1,119,885	856,085
Total non-current assets	**2,424,251**	**2,413,960**	**1,952,267**
Total assets	**2,892,654**	**3,019,238**	**2,636,630**
Accounts payable	347,895	374,986	353,468
Short-term debt and current portion of long-term debt	62,875	31,336	19,351
Total current liabilities	**765,924**	**841,670**	**759,412**
Long-term debt, excluding current portion	715,974	713,038	711,671
Total non-current liabilities	**1,617,301**	**1,660,729**	**1,552,791**
Total liabilities	**2,383,225**	**2,502,399**	**2,312,203**
Total common stock	522,882	522,822	522,308
Total equity	**509,429**	**516,839**	**324,427**
Total liabilities and equity	**2,892,654**	**3,019,238**	**2,636,630**
Shares outstanding	210,663,057	210,654,969	210,594,545

	For the Years Ended December 31,		
	2024	2023	2022
	(in thousands of U.S. dollars, except percentages)		
Other Data:			
Total Revenues			
Brazil	$ 1,768,311	$ 1,701,547	$ 1,429,105
NOLAD	1,225,751	1,132,912	920,189
SLAD	1,476,100	1,497,419	1,269,608
Total	**$ 4,470,162**	**$ 4,331,878**	**$ 3,618,902**
Operating Income (Loss)			
Brazil	$ 269,019	$ 230,024	$ 186,862
NOLAD	67,412	73,237	61,832
SLAD	87,406	121,683	107,520
Corporate and others and purchase price allocation	(99,322)	(110,905)	(91,792)
Total	**$ 324,515**	**$ 314,039**	**$ 264,422**
Operating Margin(1)			
Brazil	15.2%	13.5%	13.1%
NOLAD	5.5	6.5	6.7
SLAD	5.9	8.1	8.5
Corporate and others and purchase price allocation	(2.2)	(2.6)	(2.5)
Total	**7.3%**	**7.2%**	**7.3%**
Adjusted EBITDA(2)			
Brazil	$ 340,002	$ 300,177	$ 242,346
NOLAD	116,256	115,364	95,290
SLAD	133,692	160,380	134,253
Corporate and others	(89,850)	(103,617)	(85,325)
Total	**$ 500,100**	**$ 472,304**	**$ 386,564**
Net Income attributable to Arcos Dorados Holdings Inc.	**$ 148,759**	**$ 181,274**	**$ 140,343**
Adjusted EBITDA Margin(3)			
Brazil	19.2%	17.6%	17.0%
NOLAD	9.5	10.2	10.4
SLAD	9.1	10.7	10.6
Corporate and others	(2.0)	(2.4)	(2.4)
Total	**11.2%**	**10.9%**	**10.7%**
Other Financial Data:			
Net Income attributable to Arcos Dorados Holdings Inc. Margin (4)	**3.3%**	**4.2%**	**3.9%**
Working capital(5)	(297,521)	(236,392)	(75,049)
Capital expenditures(6)	333,719	362,178	221,915
Cash Dividends declared per common share	$ 0.24	$ 0.19	$ 0.15

	As of December 31,		
	2024	2023	2022
Number of systemwide restaurants(7)	**2,428**	**2,361**	**2,312**
Brazil	1,173	1,130	1,084
NOLAD	654	647	638
SLAD	601	584	590
Number of Company-operated restaurants	**1,725**	**1,678**	**1,633**
Brazil	723	689	656
NOLAD	497	494	473
SLAD	505	495	504
Number of franchised restaurants	**703**	**683**	**679**
Brazil	450	441	428
NOLAD	157	153	165
SLAD	96	89	86

(1) Operating margin is operating income divided by revenues for each division, except for Corporate and others and purchase price allocation which is calculated as Operating loss divided by Total Revenues, since there are no revenues assigned to this segment, expressed as a percentage. Total Operating margin is calculated as Total Operating Income divided by Total Revenues, expressed as a percentage.

(2) Adjusted EBITDA is a measure of our performance that is reviewed by our management. Adjusted EBITDA does not have a standardized meaning and, accordingly, our definition of Adjusted EBITDA may not be comparable to Adjusted EBITDA as used by other companies. Total Adjusted EBITDA is a non-GAAP measure. For our definition of Adjusted EBITDA, see "Item 5. Operating and Financial Review and Prospects—A. Operating Results—Key Business Measures."

(3) Adjusted EBITDA margin is Adjusted EBITDA divided by revenues for each division, except for Corporate and others which is calculated as Adjusted EBITDA divided by Total Revenues, since there are no revenues assigned to this segment, expressed as a percentage. Total Adjusted EBITDA margin is calculated as Total Adjusted EBITDA divided by Total Revenues, expressed as a percentage.

(4) Net Income attributable to Arcos Dorados Holdings Inc. margin is Net Income attributable to Arcos Dorados Holdings Inc. divided by Total Revenues, expressed as a percentage.

(5) Working capital equals current assets minus current liabilities.

(6) Includes property and equipment expenditures and purchase of restaurant businesses paid at the acquisition date.

(7) Includes both traditional restaurants and satellite non-traditional restaurants. We define non-traditional satellite restaurants as those points of distribution that have one or more of the following characteristics: (i) depend on another of our restaurants, (ii) offer a limited menu of products, (iii) have approximately 30% of the size of our average restaurants (other than McCafe or other satellites), (iv) generate approximately 50% of the gross sales of our average restaurants (other than McCafe or other satellites), or (v) are located inside a Wal-Mart.

Presented below is the reconciliation between net income and Adjusted EBITDA on a consolidated basis:

Consolidated Adjusted EBITDA Reconciliation	For the Years Ended December 31,		
	2024	2023	2022
	(in thousands of U.S. dollars)		
Net income attributable to Arcos Dorados Holdings Inc.	**$ 148,759**	**$ 181,274**	**$ 140,343**
Plus (Less):			
Net interest expense and other financing results	47,238	32,275	43,750
(Gain) loss from derivative instruments	(941)	13,183	10,490
Foreign currency exchange results	15,063	(10,774)	(16,501)
Other non-operating expenses, net	3,873	1,238	287
Income tax expense	109,903	95,702	85,476
Net income attributable to non-controlling interests	620	1,141	577
Operating income	**324,515**	**314,039**	**264,422**
Plus (Less):			
Items excluded from computation that affect operating income:			
Depreciation and amortization	177,354	149,268	119,777
Gains from sale and insurance recovery of property and equipment	(5,486)	(2,030)	(1,949)
Write-offs of long-lived assets	2,650	8,401	3,143
Impairment of long-lived assets	1,067	2,626	1,171
Adjusted EBITDA	**500,100**	**472,304**	**386,564**

Exchange Rates and Exchange Controls

In 2024, 63.0% of our total revenues were derived from our restaurants in Brazil, Argentina and Mexico. While we elect to report figures in U.S. dollars, our revenues are generated in the local currency of the territories in which we operate, and as such may be affected by changes in the local exchange rate to the U.S. dollar. The exchange rates discussed in this section have been obtained from each country's central bank. However, in most cases, for consolidation purposes, we use a foreign currency to U.S. dollar exchange rate provided by Bloomberg that differs slightly from that reported by the aforementioned central banks.

Brazil

Exchange Rates

The Brazilian *real* appreciated 5.3% against the U.S. dollar in 2022, appreciated 8.2% in 2023, depreciated 27.2% in 2024 and appreciated 7.6% in the first quarter of 2025. As of April 25, 2025, the exchange rate for the purchase of U.S. dollars was R$5.68 per U.S. dollar.

The Brazilian real has historically experienced periods of significant volatility against the U.S. dollar, influenced by various economic, political, and external factors, including macroeconomic conditions, inflationary pressures, interest rate differentials, fiscal and monetary policies, global commodity prices, and investor sentiment towards emerging markets. There is a market concern about Brazil's fiscal policy, including revisions to 2025 and 2026 fiscal targets and government spending constraints, which have contributed to investor uncertainty. Additionally, the Board of Governors of the Federal Reserve System maintained a cautious stance, gradually reducing interest rates, which resulted in an appreciation of the U.S. dollar.

Exchange Controls

Brazilian Resolution 3,568 establishes that, without prejudice to the duty of identifying customers, operations of foreign currency purchase or sale up to $3,000 or its equivalent in other currencies are not required to submit documentation relating to legal transactions underlying these foreign exchange operations. According to Resolution 3,568, the Central Bank of Brazil may define simplified forms to record operations of foreign currency purchases and sales of up to $3,000 or its equivalent in other currencies.

The Brazilian Monetary Council may issue further regulations in relation to foreign exchange transactions, as well as on payments and transfers of Brazilian currency between Brazilian residents and non-residents (such transfers being commonly known as the international transfer of *reais*), including those made through so-called non-resident accounts.

Brazilian law also imposes a tax on foreign exchange transactions, or "IOF/Exchange," on the conversion of *reais* into foreign currency and on the conversion of foreign currency into *reais*. As of October 7, 2014, the general IOF/Exchange rate applicable to almost all foreign currency exchange transactions was increased from zero to 0.38%, although other rates may apply in particular operations, such as the below transactions which are currently not taxed:

- inflow related to transactions carried out in the Brazilian financial and capital markets, including investments in our common shares by investors which register their investment under Resolution No. 4,373;
- outflow related to the return of the investment mentioned under the first bulleted item above; and
- outflow related to the payment of dividends and interest on shareholders' equity in connection with the investment mentioned under the first bulleted item above.

Notwithstanding these rates of the IOF/Exchange, in force as of the date hereof, the Minister of Finance is legally entitled to increase the rate of the IOF/Exchange to a maximum of 25% of the amount of the currency exchange transaction, but only on a prospective basis.

Although the Central Bank of Brazil has intervened occasionally to control movements in the foreign exchange rates, the exchange market may continue to be volatile as a result of capital movements or other factors, and, therefore, the Brazilian *real* may substantially decline or appreciate in value in relation to the U.S. dollar in the future.

Brazilian law further provides that whenever there is a significant imbalance in Brazil's balance of payments or reasons to foresee such a significant imbalance, the Brazilian government may, and has done so in the past, impose temporary restrictions on the remittance of funds to foreign investors of the proceeds of their investments in Brazil. The likelihood that the Brazilian government would impose such restricting measures may be affected by the extent of Brazil's foreign currency reserves, the availability of foreign currency in the foreign exchange markets on the date a payment is due, the size of Brazil's debt service burden relative to the economy as a whole and other factors. We cannot assure you that the Central Bank of Brazil will not modify its policies or that the Brazilian government will not institute restrictions or delays on cross-border remittances in respect of securities issued in the international capital markets.

Argentina

Exchange Rates

The Argentine *peso* depreciated 72.4% against the U.S. dollar in 2022, depreciated 357.4% in 2023, depreciated 27.5% in 2024 and depreciated 4.1% in the first quarter of 2025. As of April 25, 2025, the exchange rate for the purchase of U.S. dollars was ARS$1,168.81 per U.S. dollar.

Exchange Controls

Since 2019, Argentina has had currency controls in place that tightened restrictions on capital flows, exchange controls, the official U.S. dollar exchange rate and transfers that substantially limit the ability of companies to retain foreign currency or make payments abroad.

By means of Decree No. 609/2019, as amended, the Argentine government reinstated foreign exchange controls and authorized the Central Bank of Argentina to (a) regulate access to the foreign exchange market (*Mercado Libre de Cambios* or "MLC") for the purchase of foreign currency and outward remittances; and (b) set forth regulations to avoid practices and transactions aimed to circumvent the measures adopted through the decree. As a consequence of these exchange controls, the

spread between the official exchange rate and other exchange rates implicitly resulting from certain capital market operations usually effected to obtain U.S. dollars broadened significantly during 2023.

The current administration implemented a currency adjustment, leading to a 120.6% depreciation of the *Peso* in December 2023, followed by the establishment of a guideline by the Central Bank of Argentina of a 2% monthly devaluation of the exchange rate, which was reduced to 1% in February 2025. Recently, in April 2025, the Argentine government established floating bands within which the dollar exchange rate in the foreign exchange market may fluctuate. This floating band was set between Ps. 1,000 and Ps. 1,400, and its limits will be expanded at a rate of 1% per month. In addition, the current administration has implemented reforms to reduce the burden for access to the MLC by importers and other market participants.

At present, foreign exchange regulations have been consolidated in a single regulation, Communication "A" 8191, as subsequently amended and supplemented from time to time by the Central Bank's communications (the "Argentine FX Regulations").

Specific provisions for inward remittances

Obligation to repatriate and settle in Argentine pesos the proceeds from exports of services

Section 2.2 of the Argentine FX Regulations imposes the obligation on exporters to repatriate, and exchange into Argentine *pesos* through the MLC, the proceeds from services rendered to non-residents within 20 business days following either the perception of funds in the country or abroad, or their accreditation in foreign accounts.

Sale of non-financial non-produced assets

Pursuant to Section 2.3 of the Argentine FX Regulations, the proceeds in foreign currency of the sale to non-residents of non-financial non-produced assets must be repatriated and settled in Argentine *pesos* in the MLC within 20 business days following either the perception of funds in the country or abroad, or their accreditation in foreign accounts.

External financial indebtedness

Pursuant to Section 2.4 of the Argentine FX Regulations, the proceeds of new financial indebtedness disbursed as of September 1, 2019, must be repatriated, and exchanged into Argentine pesos through the MLC, as a condition for accessing the MLC to make debt principal and service payments thereunder. The reporting of debt under the reporting regime established by Communication "A" 6401 (as amended and restated from time to time, the "External Assets and Liabilities Reporting Regime") is also a condition to access the MLC to repay external financial indebtedness.

Access to the MLC to make such payments more than three days in advance of the due date is, as a general rule, subject to the Central Bank of Argentina's prior authorization. Prepayments made with funds from new foreign loans duly settled or in connection with debt refinancing or liability management processes may be exempt from such prior authorization from Argentina's Central Bank to the extent they comply with several requirements as set forth in Section 3.5 of the Argentine FX Regulations.

Specific Provisions Regarding Access to the MLC

Payment of principal under intercompany foreign financial indebtedness and payment of dividends

Access to the MLC for payments of principal or interest under intercompany foreign financial indebtedness is subject to the Central Bank of Argentina's prior approval. Certain specific exceptions apply and are included in Section 3.5.6. of the Argentine FX Regulations. Likewise, in April 2025, the Central Bank authorized the distribution of profits to foreign shareholders of Argentine companies, applicable to financial years commencing in 2025.

Payment of imports of goods

Pursuant to Argentine FX Regulations, accessing the MLC to make deferred payments for new imports of goods with customs entry registration as from December 13, 2023, does not require Central Bank of Argentina's prior approval, when in addition to the other applicable regulatory requirements, it is verified that the payment complies with the requirements established in Section 10.10.1 of the Argentine FX Regulations.

In addition, Section 3.1 of the Argentine FX Regulations allows access to the MLC for the payment of imports of goods, establishing different conditions depending on whether they are payments of imports of goods with customs entry registration, or payments of imports of goods with pending customs entry registration. It also provides for the reestablishment of the "SEPAIMPO", the import payment tracking system, for the purpose of monitoring import payments, import financing and the demonstration of the entry of goods into the country.

A licensing regime is also in place, which requires importers of non-automatic import licenses to provide information about the product they intend to import (e.g., FOB value, type and quantity, commercial brand, model, country of origin and of shipping).

Though there are additional exceptions to the access to the MLC for the payment of imports of goods, they do not apply to the operations of our Company.

Payment of services provided by non-residents

Pursuant to Section 3.2 of the Argentine FX Regulations, residents may access the MLC for payment of services rendered by non-residents (except for intercompany services), as long as it is verified that the operation has been declared, if applicable, in the last overdue presentation of the External Assets and Liabilities Reporting Regime. Access to the MLC for payment of intercompany imports of services is subject to prior approval by the Central Bank of Argentina.

Access to the MLC for the prepayment of debts for services requires prior authorization by the Central Bank of Argentina.

Other Specific Provisions

Additional requirements on outflows through the MLC

As a general rule, and in addition to any rules regarding the specific purpose for access, certain general requirements must be met by a local company or individual to access the MLC for the purchase of foreign currency or its transfer abroad (i.e., payments of imports and other purchases of goods abroad; payment of services rendered by non-residents; remittances of profits and dividends; payment of principal and interest on external indebtedness; payments of interest on debts for the import of goods and services, among others). These include the following:

(i) during the 90 calendar days preceding the date of such access, the local company must not have directly or indirectly or on behalf of a third party:

(a) sold securities in Argentina, with settlement in foreign currency;

(b) transferred securities to a foreign depositary;

(c) exchanged securities issued by resident issuers for foreign assets;

(d) purchased in Argentina securities issued by non-resident issuers with settlement in Argentine pesos;

(e) acquired Argentine depositary certificates representing shares issued by non-resident companies,

(f) acquired corporate debt securities representing private debt issued in foreign jurisdiction; and

(g) delivered Argentine *pesos* or any other local assets (other than foreign currency funds deposited in Argentine banks) to any person, receiving in exchange thereof, whether prior to or after such delivery, and whether directly or indirectly through a related, controlled or controlling entity, foreign assets, crypto assets or securities deposited abroad.

(ii) on the date of such access, the local company must:

(a) not have any available foreign liquid assets or Argentine depositary certificates representing shares issued by non-resident companies for an aggregate amount exceeding U.S.$100,000. The Argentine FX Regulations contains a non-exhaustive list of assets that qualify as "foreign liquid assets" for purposes thereof, which include foreign currency bills and coins, gold bars, sight deposits with foreign banks and, generally, any investment that allows for immediate availability of foreign currency (e.g., foreign bonds and securities, investment accounts with foreign investment managers, crypto-assets, cash held with payment service providers, etc.);

(b) deposit all its local holdings of foreign currency in accounts held with local financial institutions.

(c) undertake to settle through the MLC within 5 business days from the date of receipt of any funds originating from abroad as a result of the repayment of loans, the release of term-deposits or the sale of any type of asset, to the extent the asset was originally acquired, the deposit made or the loan granted, as applicable, after May 28, 2020; and

(d) during the 90 calendar days following such access to the MLC, undertake to not sell securities issued by residents in Argentina for foreign currency, transfer such securities to foreign depositaries, exchange such securities for other foreign assets, or purchase foreign securities with *pesos* in Argentina.

However, in April 2025, the Argentine Central Bank established that, on a one-time basis, the previously described 90-day restriction would not apply to operations carried out until April 11, 2025.

Furthermore, in order to access the MLC without obtaining prior approval from the Central Bank of Argentina, the local company has to file several affidavits. In connection with this matter, the affidavit shall meet certain requirements established in Section 3.16.3 of the Argentine FX Regulations.

Foreign Exchange Criminal Regime

Foreign exchange regulations are characterized as "public policy" rules in Argentina. Failure to comply with such provisions could result in penalties pursuant to the Foreign Exchange Criminal Law No. 19,359.

Notwithstanding the above mentioned measures adopted by the current administration, the Central Bank of Argentina and the federal government may impose additional exchange controls in the future that may further impact our ability to transfer funds abroad and may prevent or delay payments that our Argentine subsidiaries are required to make outside Argentina.

Mexico

Exchange Rates

The Mexican *peso* appreciated 5.0% against the U.S. dollar in 2022, appreciated 13% in 2023, depreciated 22.7% in 2024 and appreciated 1.7% in the first quarter of 2025. As of April 25, 2025, the free-market exchange rate for the purchase of U.S. dollars was Ps.19.50 per U.S. dollar.

Exchange Controls

For the last years, the Mexican government has maintained a policy of non-intervention in the foreign exchange markets, other than conducting periodic auctions for the purchase of U.S. dollars, and has not had in effect any exchange controls (although these controls have existed and have been in effect in the past). We cannot assure you that the Mexican government will maintain its current policies with regard to the Mexican *peso* or that the Mexican *peso* will not further depreciate or appreciate significantly in the future.

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Our business, financial condition and results of operations could be materially and adversely affected if any of the risks described below occur. As a result, the market price of our class A shares could decline, and you could lose all or part of your investment. This annual report also contains forward-looking statements that involve risks and uncertainties. See "Forward-Looking Statements." Our actual results could differ materially and adversely from those anticipated in these forward-looking statements as a result of certain factors, including the risks facing our company or investments in Latin America and the Caribbean described below and elsewhere in this annual report.

Summary of Risk Factors

An investment in our Company is subject to a number of risks, including risks related to our business, results of operations and Financial Conditions, risks related to our liquidity and indebtedness, to our industry, and risks related to our reputation. The following summarizes some, but not all, of these risks. Please carefully consider all of the information discussed in "Item 3. Key Information—D. Risk Factors" in this annual report for a more thorough description of these and other risks.

Risks Related to Our Business and Operations

- Our rights to operate and franchise McDonald's-branded restaurants are dependent on the MFAs, the termination or expiration of which would materially adversely affect our business, results of operations, financial condition and prospects.
- Our business depends on our relationship with McDonald's and changes in this relationship may adversely affect our business, results of operations and financial condition.
- McDonald's has the right to acquire control of all or portions of our business upon the occurrence of certain events and, in the case of a material breach of the MFAs, may terminate such MFA and acquire our non-public shares or our interests in one or more Territories at 80% of their fair market value.
- Our business activity and results of operations may be negatively affected by unforeseen events, such as disruptions, natural disasters, adverse weather conditions, wars, such as the Russia-Ukraine war and the ongoing conflicts in the Middle East, pandemics, or other catastrophic events, such as hurricanes, earthquakes and floods.
- The failure to successfully manage our future growth may adversely affect our results of operations.
- From time to time, we depend on oral agreements with third-party suppliers and distributors for the provision of products and services that are necessary for our operations.
- Supply chain interruptions may increase our costs and reduce revenues.
- Our financial condition and results of operations depend, to a certain extent, on the financial condition of our sub-franchisees and their ability to fulfill their obligations under their franchise agreements.
- We do not have full operational control over the businesses of our sub-franchisees.
- Ownership and leasing of a broad portfolio of real estate exposes us to potential losses and liabilities.
- The success of our business is dependent on the effectiveness of our marketing strategy.
- The inability to attract and retain qualified personnel may affect our growth and results of operations.
- The resignation, termination, permanent incapacity or death of our Executive Chairman could adversely affect our business, results of operations, financial condition and prospects.
- Labor shortages or increased labor costs could harm our results of operations.
- A failure by McDonald's to protect its intellectual property rights, including its brand image, could harm our results of operations.

Risks Related to Our Results of Operations and Financial Condition

- We may use non-committed lines of credit to partially finance our working capital needs.
- Covenants and events of default in the agreements governing our outstanding indebtedness could limit our ability to undertake certain types of transactions and adversely affect our liquidity.
- Fluctuation in market interest rates could affect our ability to refinance our indebtedness or results of operations.
- Inflation and government measures to curb inflation may adversely affect the economies in the countries where we operate, our business and results of operations.
- Exchange rate fluctuations against the U.S. dollar in the countries in which we operate have negatively affected, and could continue to negatively affect, our results of operations.

- Price controls and other similar regulations in certain countries have affected, and may in the future affect, our results of operations.
- We are subject to significant foreign currency exchange controls, currency devaluation and cross-border money transfer controls and restrictions in certain countries in which we operate, which could affect our ability to move our cash flow and pay dividends out from those countries.

Risks Related to Government Regulation

- If we fail to comply with, or if we become subject to, more onerous government regulations, our business could be adversely affected.
- We could be subject to expropriation or nationalization of our assets and government interference with our business in certain countries in which we operate.
- Non-compliance with anti-terrorism and anti-corruption regulations could harm our reputation and have an adverse effect on our business, results of operations and financial condition.
- Any tax increase or change in tax legislation may adversely affect our results of operations.
- Tax, customs or other inspections and investigations in any of the jurisdictions in which we operate may negatively affect our business and results of operations.
- Litigation and other pressure tactics could expose our business to financial and reputational risk.
- Information technology system failures or interruptions or breaches of our network security may interrupt our operations, exposing us to increased operating costs, fraud, data protection incidents and litigation.
- Our insurance may not be sufficient to cover certain losses.
- Our cash balance may not be covered by government-backed deposit insurance programs in the event of a default or failure of any bank with which we maintain a commercial relationship, which may have a material adverse effect on our business, financial condition results of operations and cash flows.

Risks Related to Our Industry

- The food services industry is intensely competitive and we may not be able to continue to compete successfully.
- Increases in commodity prices, logistic or other operating costs could harm our operating results.
- Demand for our products may decrease due to changes in consumer preferences, habits or other factors.
- Our investments to enhance the customer experience, including through technology, may not generate the expected returns.
- Food safety and food- or beverage-borne illnesses may have an adverse effect on our business and results of operations.
- Restrictions on promotions and advertisements directed at families with children and regulations regarding the nutritional content of children's meals may harm McDonald's brand image and our results of operations.
- We are subject to increasingly stringent data protection laws, which could increase our costs, damage our reputation and adversely affect our business.
- Environmental laws and regulations may affect our business.
- Our business is subject to an increasing focus on environmental, social, and governance ("ESG") matters.
- We may be adversely affected by legal actions with respect to our business.
- Unfavorable publicity or a failure to respond effectively to adverse publicity, particularly on social media platforms, could harm our reputation and adversely impact our business and financial performance.

Risks Related to Our Business and Operations in Latin America and the Caribbean

- Our business is subject to the risks generally associated with international business operations.
- Developments and the perception of risk in other countries, especially emerging market countries, as well as the increasingly complex political and social environment in Latin America and the Caribbean have in the past and could in the future lead to social protests and riots, which may adversely affect our business, operations, sales, results, financial conditions and prospects.
- Changes in governmental policies in the Territories could adversely affect our business, results of operations, financial condition and prospects.
- Latin America has experienced, and may continue to experience, adverse economic conditions that have impacted, and may continue to impact, our business, financial condition and results of operations.

Risks Related to Our Class A Shares

- Mr. Woods Staton, our Executive Chairman, controls all matters submitted to a shareholder vote, which will limit your ability to influence corporate activities and may adversely affect the market price of our class A shares.
- Sales of substantial amounts of our class A shares in the public market, or the perception that these sales may occur, could cause the market price of our class A shares to decline.
- As a foreign private issuer, we are permitted to, and we will, rely on exemptions from certain NYSE corporate governance standards applicable to U.S. issuers, including the requirement that a majority of an issuer's directors consist of independent directors. This may afford less protection to holders of our class A shares.

Risks Related to Investing in a British Virgin Islands Company

- We are a British Virgin Islands company and it may be difficult for you to obtain or enforce judgments against us or our executive officers and directors in the United States.
- You may have more difficulty protecting your interests than you would as a shareholder of a U.S. corporation.
- You may not be able to participate in future equity offerings, and you may not receive any value for rights that we may grant.

Risks Related to Our Business and Operations

Our rights to operate and franchise McDonald's-branded restaurants are dependent on the MFAs, the termination or expiration of which would materially adversely affect our business, results of operations, financial condition and prospects.

Our rights to operate and franchise McDonald's-branded restaurants in the Territories, and therefore our ability to conduct our business, derive exclusively from the rights granted to us by McDonald's in the MFAs through December 31, 2044 (for most Territories). As a result, our ability to continue operating in our current capacity is dependent on the continued existence of our contractual relationship with McDonald's.

After the expiration of the term, McDonald's may grant us an option to enter into a new agreement to continue the franchise for an additional term of (a) 20 years with respect to all Territories other than French Guiana, Guadeloupe and Martinique and (b) 10 years with respect to French Guiana, Guadeloupe and Martinique, with an option to extend the term with respect to such territories for an additional term of 10 years. Pursuant to the MFAs, McDonald's will determine whether to grant us the option to renew between January 2040 and January 2042. If McDonald's grants us the option to renew and we elect to exercise the option, then we and McDonald's will amend the MFAs to reflect the terms of such renewal option, as appropriate. We cannot assure you that McDonald's will grant us an option to extend the term of the MFAs or that the terms of any renewal option will be acceptable to us, will be similar to those contained in the MFAs or will not be less favorable to us than those contained in the MFAs.

If McDonald's elects not to grant us the renewal option or we elect not to exercise the renewal option, we will have a two and a half-year period in which to solicit offers for our business, which offers would be subject to McDonald's approval. Upon the termination or expiration of the MFAs, McDonald's has the option to acquire all of our non-public shares at their fair market value.

In the event McDonald's does not exercise its option to acquire our non-public shares, the MFAs would expire and we would be required to cease operating McDonald's-branded restaurants, identifying our business with McDonald's and using any of McDonald's intellectual property. Although we would retain our real estate and our rights therein, the MFAs prohibit us from engaging in certain competitive businesses, including any other local or international quick-service restaurant or informal eating out business, or duplicating the McDonald's system at another restaurant or business during the two-year period following the expiration of the MFAs. Moreover, McDonald's would have the option to purchase the furniture, fixtures, signs, equipment, leasehold improvements and other similar fixed property or any portion thereof held by the franchised restaurant(s) designated by McDonald's, for a sum equal to the fair market value of such property. As the McDonald's brand and our relationship with McDonald's are among our primary competitive strengths, the termination or expiration of the MFAs for any reason would materially and adversely affect our business, results of operations, financial condition, reputation and prospects.

Our business depends on our relationship with McDonald's and changes in this relationship may adversely affect our business, results of operations and financial condition.

Our rights to operate and franchise McDonald's-branded restaurants in the Territories, and therefore our ability to conduct our business, derive exclusively from the rights granted to us by McDonald's in the MFAs. As a result, our revenues are dependent on the continued existence of our contractual relationship with McDonald's.

Pursuant to the MFAs, McDonald's has the ability to exercise substantial influence over the conduct of our business. For example, among other restrictions and obligations, under the MFAs, we are not permitted to operate any other competitive businesses, including any other local or international quick-service restaurant or informal eating out business, we must comply with McDonald's high quality standards, we must own and operate at least 50% of all McDonald's-branded restaurants in each of the Territories, we must maintain certain guarantees in favor of McDonald's, including standby letters of credit (or other similar financial guarantee acceptable to McDonald's) in an amount of $80.0 million, to secure our payment obligations under the MFAs, we cannot incur debt above certain financial ratios, we cannot transfer the equity interests of our subsidiaries, any significant portion of their assets or certain of the real estate properties that we own without McDonald's consent, and McDonald's has the right to approve the appointment of our chief executive officer and chief operating officer (such approval not to be unreasonably withheld) as well as to approve certain related party transactions. In addition, the MFAs require us to reinvest a significant amount of money, including through reimaging our existing restaurants, opening new restaurants and advertising, which McDonald's has the right to approve.

However, McDonald's does not have an obligation to fund our operations. Furthermore, McDonald's does not guarantee any of our financial obligations, including trade payables or outstanding indebtedness, and has no obligation to do so.

In addition to using our cash flow from operations, we may need to incur additional indebtedness in order to finance future commitments, which could adversely affect our financial condition. Moreover, we may not be able to obtain this additional indebtedness on favorable terms, or at all. Failure to comply with our commitments could constitute a material breach of the MFAs and may lead to a termination by McDonald's of the MFAs.

If the terms of the MFAs excessively restrict our ability to operate our business or if we are unable to satisfy our restaurant opening and reinvestment commitments under the MFAs, our business, results of operations and financial condition would be materially and adversely affected.

McDonald's has the right to acquire control of all or portions of our business upon the occurrence of certain events and, in the case of a material breach of the MFAs, may terminate such MFA and acquire our non-public shares or our interests in one or more Territories at 80% of their fair market value.

McDonald's has the right to acquire all of our non-public shares or our interests in one or more Territories upon the occurrence of certain events, including the death or permanent incapacity of our controlling shareholder, an election by McDonald's or us not to renew the MFA, a material breach of the MFAs or the termination of the MFAs for any reason other than a material breach. In the event McDonald's were to exercise its right to acquire all of our non-public shares, McDonald's would become our controlling shareholder.

McDonald's has the option to acquire all, but not less than all, of our non-public shares at 100% of their fair market value:

- upon expiration of the two and a half-year period beginning on either (i) the date when McDonald's notifies us of its election to not renew the MFAs or (ii) if McDonald's notifies us of an offer to renew the MFAs and we do not accept such offer, the date of such offer notice from McDonald's, in each case, to and including the expiration or termination of the MFA;
- within 30 days after the termination of the MFAs for any reason other than for a material breach; or
- during the twelve-month period following the earlier of: (i) the eighteen-month anniversary of the death or permanent incapacity of Mr. Woods Staton, our Executive Chairman and controlling shareholder, during which period no successor to Mr. Staton has been nominated or appointed, and (ii) the receipt by McDonald's of notice from the beneficiaries of Mr. Woods Staton's estate that such beneficiaries have elected to have such twelve-month period commence as of a date specified in such notice, which date shall be after the receipt of such notice.

If there is a material breach of the MFA, other than our failure to achieve certain targeted openings, McDonald's has the option to acquire all, but not less than all, of our non-public shares at 80% of their fair market value. If we fail to achieve such targeted openings, McDonald's has the right to terminate our exclusive right to exploit the rights granted under the MFAs with respect to each Territory to which such failure may be attributable.

In addition, if there is a material breach that relates to one or more Territories in which, at the time of the material breach determination, there are at least 100 franchised restaurants in operation, McDonald's also has the right, in McDonald´s sole discretion, to acquire (i) all of our interests in our subsidiaries in all Territories or (ii) all of our interests in our subsidiaries in the Territory or Territories identified by McDonald's as being affected by such material breach or to which such material breach may be attributable, in each case at 80% of their fair market value. By contrast, if the material breach of the MFAs affects or is attributable to any of the Territories in which, at the time of the material breach determination, there are less than 100 franchised restaurants in operation, McDonald's only has the right to acquire the equity interests of any of our subsidiaries in the Territory or Territories being affected by such material breach or to which such material breach may be attributable. For example, since, as of the date hereof, we have more than 100 franchised restaurants in Mexico, if there is a material breach with respect to our business in Mexico identified by McDonald's as being affected by such material breach or to which such material breach may be attributable, McDonald's would have the right to acquire our entire business throughout Latin America and the Caribbean or just our Mexican operations, whereas upon a similar breach relating to our Ecuadorian business, which, as of the date hereof, has less than 100 franchised restaurants in operation, McDonald's would only have the right to acquire our business in Ecuador.

Additionally, if there is a material breach under an MFA, other than our failure to achieve certain targeted openings, McDonald's has the right to terminate the MFAs, in whole or, in McDonald's sole discretion, with respect to any one or more Territories identified by McDonald's as being affected by such material breach or to which such material breach may be, directly or indirectly attributable. Any such termination would have a material adverse effect on our business, results of operations and financial condition.

McDonald's was granted a perfected security interest in the equity interests of the Master Franchisee, the Brazilian Master Franchisee and our subsidiaries other than our subsidiaries organized in Costa Rica, Mexico, French Guiana, Guadeloupe and Martinique. The equity interests of our subsidiaries organized in Costa Rica and Mexico were transferred to trusts for the benefit of McDonald's. If McDonald's exercises its right to acquire our interests in one or more Territories as a result of a material breach, our business, results of operations and financial condition would be materially and adversely affected. See "Item 10. Additional Information—C. Material Contracts—The MFAs—Termination" for more details about fair market value calculation.

Our business activity and results of operations may be negatively affected by unforeseen events, such as disruptions, natural disasters, adverse weather conditions, wars, such as the Russia-Ukraine war and the ongoing conflicts in the Middle East, pandemics, or other catastrophic events, such as hurricanes, earthquakes and floods.

Unforeseen events beyond our control, including war, terrorist activities, political and social unrest, boycotts, natural disasters (or expectations about them), adverse weather conditions and pandemics, could disrupt our operations and results of operations and those of our sub-franchisees, suppliers or customers, have a negative effect on consumer spending or result in political or economic instability. These events could reduce demand for our products or make it difficult to ensure the regular supply of products through our distribution chain. For instance, the Russia-Ukraine war, ongoing conflicts in the Middle East, and related sanctions, have adversely affected the macroeconomic environment, contributing to volatile economic conditions and heightened inflationary pressures. These factors have led to increased food inflation, rising commodity and energy costs, and worsened supply chain disruptions. We anticipate that these challenges may continue to influence consumer behavior and demand, escalate geopolitical tensions, and negatively impact our business and financial results. Additionally, adverse weather conditions, including climate change, which has become more pronounced in recent years, may also increase the frequency and severity of weather-related events and natural disasters or affect customer behavior or preferences. Furthermore, incidents of pandemics, if not controlled, could affect visitors and reduce sales in our restaurants.

The duration and scope of a health crisis, pandemic, epidemic, natural disaster, adverse weather conditions, war or other catastrophic events can be difficult to predict and depend on many factors, including emergence of new variants, outbreaks of diseases, extreme weather shifts, shorter harvest seasons, availability, acceptance and effectiveness of preventative measures, increased geopolitical tensions and economic sanctions, among other. A health crisis, pandemic, epidemic, natural disaster, adverse weather conditions, war or other catastrophic events may also heighten other risks disclosed in these Risk Factors, including, but not limited to, those related to the availability and costs of labor and commodities, supply chain interruptions, consumer behavior, and consumer perceptions of our brand and industry.

The failure to successfully manage our future growth may adversely affect our results of operations.

Our business has grown significantly since the Acquisition, largely due to the opening of new restaurants in existing and new markets within the Territories, from an increase in comparable store sales and, more recently, from the growth of sales through digital channels, which comprised 57.0%, or $3.3 billion, of our systemwide sales in 2024. Our total number of restaurant locations has increased from 1,569 at the date of the Acquisition to 2,428 restaurants as of December 31, 2024.

Our growth is, to a certain extent, dependent on new restaurant openings and therefore may not be constant from period to period; it may accelerate or decelerate in response to certain factors. There are many obstacles to opening new restaurants, including determining the availability of desirable locations, securing reliable suppliers, permit approval by governments, hiring and training new personnel and negotiating acceptable lease terms, and, in times of adverse economic conditions, sub-franchisees may be more reluctant to provide the investment required to open new restaurants. In addition, our growth in comparable store sales is dependent on continued economic growth in the countries in which we operate as well as our ability to continue to predict and satisfy changing consumer preferences and to navigate other external pressures. See "—Our business activity and results of operations may be negatively affected by unforeseen events, such as disruptions, natural disasters, adverse weather conditions, wars, such as the Russia-Ukraine War and the ongoing conflicts in the Middle East, pandemics or other catastrophic events, such as hurricanes, earthquakes and floods." In addition, the continued growth of our sales through digital channels is dependent on the continued adoption of technology and digital and delivery channels by our customers, which is in turn dependent on wider consumer trends.

We plan our capital expenditures on a long-term basis and conduct annual reviews, taking into account historical information, regional economic trends, restaurant opening and reimaging plans, site availability and the investment requirements of the MFAs in order to maximize our returns on invested capital. The success of our investment plan may, however, be harmed by factors outside our control, such as changes in macroeconomic conditions, changes in demand and construction difficulties that could jeopardize our investment returns and our future results and financial condition.

From time to time, we depend on oral agreements with third-party suppliers and distributors for the provision of products and services that are necessary for our operations.

Supply chain management is an important element of our success and a crucial factor in optimizing our profitability. We use McDonald's centralized supply chain management model, which relies on approved third-party suppliers and distributors for goods, and we generally use several suppliers to satisfy our needs for goods. This system encompasses selecting and developing suppliers of both core products (beef, chicken, buns, potatoes, produce, sauces, cheese, dairy mixes and beverages) and non-core products (dressings, pork, condiments, confectionery, and toppings) who are able to comply with McDonald's high quality standards, sustainability policies and commitments, and establishing sustainable relationships with these suppliers.

McDonald's standards include the highest expectations with respect to our suppliers' food safety and quality management systems, product consistency and timeliness, as well as commitments to follow internationally recognized manufacturing and management schemes and practices to meet or exceed all local food regulations and to comply with our policies, procedures and guidelines.

The ability of McDonald's suppliers to deliver safe and high quality products that consistently meet our requirements, as well as all applicable laws and regulations is of critical importance to the continued success of the McDonald's system. McDonald's is recognized as a leader in food safety by its suppliers and the public health community.

Our 32 largest suppliers account for approximately 75% of our purchases. Very few of our largest suppliers have entered into written contracts with us as we only have pricing protocols or agreements with a vast majority of them. Our supplier approval process is thorough and lengthy in order to ensure compliance with McDonald's high quality standards. We therefore tend to develop strong relationships with approved suppliers and, given our importance to them, have found that pricing protocols with them are generally enough to ensure a reliable supply of quality products. While we source our goods from many approved suppliers in Latin America and the Caribbean, thereby reducing our dependence on any single supplier, the informal nature of the majority of our relationships with suppliers means that we may not be assured of long-term or reliable supplies of products from those suppliers.

In addition, certain goods, such as beef, dairy products, confectionery or produce, are often locally sourced due to restrictions on their importation. In light of these restrictions, as well as the MFAs' requirement to purchase certain core supplies from approved suppliers, if our suppliers decide to terminate their relationship with us or if McDonald's determines that any product or service offered by an approved supplier is not in compliance with its standards and we are obligated to terminate our relationship with such supplier, we may not be able to quickly find alternate or additional supplies in the event a supplier is unable to meet our orders.

Supply chain interruptions may increase our costs and reduce revenues.

We depend on the effectiveness of our supply chain to assure a reliable and sufficient supply of quality products, supplies, equipment and equipment parts for our business. If our suppliers fail to provide us with products, equipment or equipment parts in a timely manner due to unanticipated demand, production or distribution problems, financial distress or shortages, if our suppliers decide to terminate their relationship with us or if we are forced to terminate our relationship with a supplier because they are not in compliance with McDonald's standards, we may have difficulty finding appropriate or compliant replacement suppliers. As a result, we may face inventory shortages and increased costs that could negatively affect our operations.

Supply chain interruptions, delivery delays and related price increases have in the past and may in the future adversely affect us and our suppliers. Such interruptions, delivery delays and price increases could be caused by shortages, inflationary pressures, unexpected increases in demand, transportation-related issues, labor-related issues, technology-related issues, weather-related issues, natural disasters, pandemics, acts of war, terrorism, social strife and protests or other hostilities or other factors beyond our or our suppliers' control. Interruptions, delivery delays, or ineffective contingency planning of our supply chain system can increase our costs, reduce revenues and/or limit the availability of our products, supplies or equipment that are critical to our operations.

Our financial condition and results of operations depend, to a certain extent, on the financial condition of our sub-franchisees and their ability to fulfill their obligations under their franchise agreements.

As of December 31, 2024, 29% of our restaurants were franchised. Under our franchise agreements, we receive monthly payments which are, in most cases, the greater of a fixed rent or a certain percentage of the sub-franchisee's gross sales. Sub-franchisees are independent operators with whom we have franchise agreements. We typically own or lease the real estate upon which sub-franchisees' restaurants are located and sub-franchisees are required to follow our operating manual that specifies items such as menu choices, permitted advertising, equipment, food handling procedures, product quality and approved suppliers. Our operating results depend to a certain extent on the restaurant profitability and financial viability of our sub-franchisees. The concurrent failure by a significant number of sub-franchisees to meet their financial obligations to us could jeopardize our ability to meet our obligations.

We are liable for our sub-franchisees' monthly payment of royalties to McDonald's, which represents a percentage of those franchised restaurants' gross sales. To the extent that our sub-franchisees fail to pay this fee in full, we are responsible for any shortfall under the MFAs. As such, the concurrent failure by a significant number of sub-franchisees to pay their royalties could have a material adverse effect on our results of operations and financial condition.

We do not have full operational control over the businesses of our sub-franchisees.

We are dependent on sub-franchisees to maintain McDonald's quality, service and cleanliness standards, and their failure to do so could materially affect the McDonald's brand and harm our future growth. Although we exercise significant influence over sub-franchisees through the franchise agreements, sub-franchisees have some flexibility in their operations, including the ability to set prices for our products in their restaurants, hire employees and select certain service providers. In addition, it is possible that some sub-franchisees may not operate their restaurants in accordance with our quality, service, cleanliness, health, food safety or product standards. Although we take corrective measures if sub-franchisees fail to maintain McDonald's quality, service and cleanliness standards, we may not be able to identify and rectify problems with sufficient speed and, as a result, our image and operating results may be negatively affected.

Ownership and leasing of a broad portfolio of real estate exposes us to potential losses and liabilities.

As of December 31, 2024, we owned the land for 472 of our 2,428 restaurants and the buildings for all but 6 of those 472 restaurants. The value of these assets could decrease or rental costs could increase due to changes in local demographics, the investment climate and increases in taxes.

The majority of our restaurant locations, or those operated by our sub-franchisees, are subject to long-term leases. We may not be able to renew leases on acceptable terms or at all, in which case we would have to find new locations to lease or be forced to close the restaurants. If we are able to negotiate a new lease at an existing location, we may be subject to a rent increase. In addition, current restaurant locations may become unattractive due to changes in neighborhood demographics or economic conditions, which may result in reduced sales at these locations.

The success of our business is dependent on the effectiveness of our marketing strategy.

Market awareness is essential to our continued growth and financial success. Pursuant to the MFAs, we create, develop and coordinate marketing plans and promotional activities throughout the Territories, and sub-franchisees contribute a percentage of their gross sales to our marketing plan. In addition, unless otherwise agreed with McDonald's, we are required under the MFAs to spend at least 5% of our sales on advertising, communications and promotional activities in the majority of our markets, in accordance with guidelines provided by McDonald's. Pursuant to the MFAs, McDonald's has the right to review and approve our marketing plans in advance and may request that we cease using the materials or promotional activities at any time. We also participate in global and regional marketing activities undertaken by McDonald's and pay McDonald's approximately 0.1% of our gross sales of all franchised restaurants in the Territories in order to fund such activities.

If our advertising programs are not effective, or if our competitors begin spending significantly more on advertising than we do, or if our competitors develop attractive new products or innovative advertising techniques, we may be unable to attract new customers or existing customers may not return to our restaurants and our operating results may be negatively affected.

The inability to attract and retain qualified personnel may affect our growth and results of operations.

We have a strong, diverse management team with broad experience in human resources, product development, supply chain management, operations, finance, ESG, marketing, real estate development, communications, information technology, legal and training. Our growth plans place substantial demands on our management team, and future growth could increase those demands. In addition, pursuant to the MFAs, McDonald's is entitled to approve the appointment of our chief executive officer and chief operating officer. Our ability to manage future growth will depend on the adequacy of our resources and our ability to continue to identify, attract, retain and train qualified personnel. Failure to do so could have a material adverse effect on our business, financial condition and results of operations.

Also, the success of our operations depends in part on our ability to attract, retain and train qualified restaurant managers and general staff. If we are unable to recruit, retain and train our employees, or fail to motivate them to provide quality food and service, our image, operations and growth could be adversely affected.

The resignation, termination, permanent incapacity or death of our Executive Chairman could adversely affect our business, results of operations, financial condition and prospects.

Due to Mr. Woods Staton's unique experience and leadership capabilities, it would be difficult to find a suitable successor for him if he were to cease serving as Executive Chairman for any reason. In the event of Mr. Woods Staton's death or permanent incapacity where no successor to Mr. Staton has been appointed, McDonald's has the right to acquire all of our non-public shares during the twelve-month period following the earlier of (1) the eighteen-month anniversary of his death or incapacity, and (2) the receipt by McDonald's of notice from the beneficiaries of Mr. Staton's estate that such beneficiaries have elected to have such twelve-month period commence as of a date specified in such notice, which date shall be after the receipt of such notice.

In addition, in the event that we need to appoint a new CEO, pursuant to the MFAs, we must submit to McDonald's the name of such proposed successor for approval. If we and McDonald's have not agreed upon a successor CEO after six months, McDonald's may designate a temporary CEO in its sole discretion pending our submission of information relating to a further candidate and McDonald's approval of that candidate. A delay in finding a suitable successor CEO could adversely affect our business, results of operations, financial condition and prospects.

Labor shortages or increased labor costs could harm our results of operations.

Our operations depend in part on our ability to attract and retain restaurant managers and crew. While the turnover rate varies significantly among categories of employees, due to the nature of our business, we traditionally experience a high rate of turnover among our crew.

As of December 31, 2024, we had 98,615 employees in our Company-operated restaurants and staff. Controlling labor costs is critical to our results of operations, and we closely monitor those costs. Some of our employees are paid minimum wages; any increases in minimum wages or changes to labor regulations in the Territories could increase our labor costs. In recent years, the legal minimum wage has increased in several of the countries in which we operate, having an adverse impact on our results of operations. Additionally, competition for employees could also result in additional incurred costs to pay for higher wages.

We are also impacted by the costs and other effects of compliance with regulations affecting our workforce. These regulations are increasingly focused on employment issues, including wage and hour, healthcare, employee safety and other employee benefits and workplace practices. Claims of non-compliance with these regulations could result in liability and expense to us. Despite our anti-discriminatory policies and employee trainings related thereto, we are exposed to potential reputational and other harm regarding our workplace practices or conditions or those of our sub-franchisees or suppliers, including those giving rise to claims of sexual harassment or discrimination (or perceptions thereof), which could have a negative impact on consumer perceptions of us and a reputation of our business. In 2019, two of our restaurant employees in Peru died in a workplace accident at one of our restaurants. This accident is still under investigation by Peruvian authorities, and while we have not been materially impacted by this event, any future workplace accidents could have a material adverse effect on our business, financial condition and results of operations.

Some of our employees are represented by unions and are working under agreements that are subject to annual salary negotiations. We cannot guarantee the results of any such collective bargaining negotiations or whether any such negotiations will result in a work stoppage. In addition, employees may strike for reasons unrelated to our union arrangements. Any future work stoppage could, depending on the affected operations and the length of the work stoppage, have a material adverse effect on our financial position, results of operations or cash flows.

A failure by McDonald's to protect its intellectual property rights, including its brand image, could harm our results of operations.

The profitability of our business depends in part on consumers' perception of the strength of the McDonald's brand. Under the terms of the MFAs, we are required to assist McDonald's with protecting its intellectual property rights in the Territories. Nevertheless, any failure by McDonald's to protect its proprietary rights in the Territories or elsewhere could harm its brand image, which could affect our competitive position and our results of operations.

Under the MFAs, we may use, and grant rights to sub-franchisees to use, McDonald's intellectual property in connection with the development, operation, promotion, marketing, communications and management of our restaurants. McDonald's has reserved the right to use, or grant licenses to use, its intellectual property in Latin America and the Caribbean for all other purposes, including to sell, promote or license the sale of products using its intellectual property. If we or McDonald's fail to identify unauthorized filings of McDonald's trademarks and imitations thereof, and we or McDonald's do not adequately protect McDonald's trademarks and copyrights, the infringement of McDonald's intellectual property rights by others may cause harm to McDonald's brand image and decrease our sales.

Risks Related to Our Results of Operations and Financial Condition

We may use non-committed lines of credit to partially finance our working capital needs.

We may use non-committed lines of credit to partially finance our working capital needs. As of December 31, 2024, we had $75 million in committed credit lines at the holding level, $4.5 million of which was drawn under a revolving credit facility with J.P. Morgan. This last amount was fully repaid in January 2025. Given the nature of these lines of credit, some of these lines could be withdrawn and no longer be available to us, or their terms, including the interest rate, could change to make the terms no longer acceptable to us. The availability of these lines of credit depends on the level of liquidity in financial markets, which can vary based on events outside of our control, including financial or credit crises. Any inability to draw upon our non-committed lines of credit could have an adverse effect on our working capital, financial condition and results of operations.

Covenants and events of default in the agreements governing our outstanding indebtedness could limit our ability to undertake certain types of transactions and adversely affect our liquidity.

As of December 31, 2024, we had $707.6 million in total outstanding indebtedness (including interest payable), consisting of $726.3 million in long-term debt (including interest payable) and $60.3 million in short-term debt net of $79 million related to the fair market value of our outstanding derivative instruments. The agreements governing our outstanding indebtedness contain covenants and events of default that may limit our financial flexibility and ability to undertake certain types of transactions. For instance, we are subject to negative covenants that restrict some of our activities, including restrictions on:

- creating liens;
- paying dividends;
- maintaining certain leverage ratios;
- entering into sale and lease-back transactions; and
- consolidating, merging or transferring assets.

Although certain of the negative covenants under our 2029 Notes are currently suspended as a result of our investment grade credit rating, we cannot guarantee that we will be able to maintain this rating. If we were to lose our investment grade rating, these negative covenants would become effective again, potentially limiting our financial flexibility and our ability to undertake certain transactions.

If we fail to satisfy the covenants set forth in these agreements or another event of default occurs under the agreements, our outstanding indebtedness under the agreements could become immediately due and payable. In addition, we are required to meet certain financial ratios under our line of credit and revolving credit facility. Since June 2021, we have been and continue to be in compliance with our financial ratios under our existing agreements. However, if we are unable to comply with such ratios or obtain waivers for non-compliance in the future, we will be in default under our line of credit and revolving credit facility. In the case of our revolving credit facility, any amounts drawn under such facility may be declared to be immediately due and payable by the relevant lender, who may also terminate its obligation to provide loans under such agreement if we are not in compliance with our ratios under the agreement. In the case of our non-committed lines of credit, if we have previously drawn any amount, then such amounts may be immediately due and payable to the relevant lender, subject to the terms of each non-committed line of credit. If our outstanding indebtedness becomes immediately due and payable and we do not have sufficient cash on hand to pay all amounts due, we could be required to sell assets, to refinance all or a portion of our indebtedness or to obtain additional financing. Refinancing may not be possible and additional financing may not be available on commercially acceptable terms, or at all.

Fluctuation in market interest rates could affect our ability to refinance our indebtedness or results of operations.

We are exposed to market risk related to changes in interest rates that could affect our results of operations or ability to refinance our existing indebtedness. Volatility or increases in interest rates could affect our ability to refinance our existing indebtedness or to obtain incremental debt financing. We cannot guarantee that we will be able to refinance our revolving credit facilities in full or on similar or more favorable terms, as they become due in 2025 and 2026. Volatility or increases in interest rates could increase our interest expense or borrowing costs and may adversely affect our results of operations. Our future ability to refinance our existing indebtedness will depend on certain financial, business and market trends, many of which are beyond our control.

Inflation and government measures to curb inflation may adversely affect the economies in the countries where we operate, our business and results of operations.

Many of the countries in which we operate, have experienced, or are currently experiencing, high rates of inflation. For example, both Venezuela and Argentina have been considered highly inflationary under U.S. GAAP since 2010 and 2018, respectively, which has significantly reduced competitiveness, real wages and consumption. Although in most of our markets inflationary pressures decreased in 2024 as compared to 2023 (as is the case in Argentina, where inflation in 2024, although still high, was 117% compared to 211% in 2023), inflation has proven more resilient than expected and decreased at a lower rate than anticipated. In an effort to contain inflation, central banks shifted to more restrictive monetary policy, including increased interest rates, which has contributed to a slowdown in the global economy, thereby restricting the availability of

credit and impairing economic growth. The measures taken by the governments of these countries to control inflation have historically been indicative of a potential economic recession. Inflation, measures to combat inflation and public speculation about possible additional actions have also contributed materially to economic uncertainty in many of these countries and to heightened volatility in their securities markets. Periods of higher inflation may also slow the growth rate of local economies that could lead to reduced demand for our core products and decreased sales. Inflation is also likely to increase some of our costs and expenses, which we may not be able to fully pass on to our customers or offset with other efficiencies, which could adversely affect our operating margins and operating income. Although the risk of high inflation has generally been mitigated in most of the Territories in which we operate, we cannot guarantee that inflation will not rise again, which could lead to measures as those described above being implemented again which would have an adverse effect on our operating margins and operating income.

Exchange rate fluctuations against the U.S. dollar in the countries in which we operate have negatively affected, and could continue to negatively affect, our results of operations.

We are exposed to exchange rate risk in relation to the U.S. dollar. While substantially all of our income is denominated in the local currencies of the countries in which we operate, our supply chain management involves the importation of various products, and some of our imports, as well as some of our capital expenditures and a significant portion of our long-term debt, are denominated in U.S. dollars. As a result, the decrease in the value of the local currencies of the countries in which we operate as compared to the U.S. dollar has increased our costs, and any further decrease in the value of such currencies will further increase our costs. Although we maintain a hedging strategy to attempt to mitigate some of our exchange rate risk, our hedging strategy may not be successful or may not fully offset our losses relating to exchange rate fluctuations.

For example, the Brazilian real has historically experienced periods of significant volatility against the U.S. dollar, influenced by various economic, political, and external factors, including macroeconomic conditions, inflationary pressures, interest rate differentials, fiscal and monetary policies, global commodity prices, and investor sentiment towards emerging markets. There is a market concern about Brazil's fiscal policy, including revisions to 2025 and 2026 fiscal targets and government spending constraints, which have contributed to investor uncertainty. Additionally, the Board of Governors of the Federal Reserve System maintained a cautious stance, gradually reducing interest rates, which resulted in an appreciation of the U.S. dollar. As of December 31, 2024, the U.S. dollar quotation at BRL 6.18, reflecting a depreciation of 27.2% in the Brazilian real compared to its value at the end of 2023.

As a result, fluctuations in the value of the U.S. dollar with respect to the various currencies of the countries in which we operate or in U.S. dollar interest rates could adversely impact our net income, results of operations and financial condition.

Price controls and other similar regulations in certain countries have affected, and may in the future affect, our results of operations.

Certain countries in which we conduct operations have imposed, and may continue to impose, price controls that restrict our ability, and the ability of our sub-franchisees, to adjust the prices of our products.

For example, the Venezuelan market is subject to a regulation establishing a maximum profit margin for companies and maximum prices for certain goods and services. Although we managed to navigate the negative impact of the price controls on our operations from 2013 through 2024 and punitive actions from the government have decreased over the last few years, the existence of such laws and regulations and the possibility of future government action could present a risk to our business.

We continue to closely monitor developments in this dynamic environment. See "Item 4. Information on the Company—B. Business Overview—Regulation."

The imposition and enforcement of these and similar restrictions in the future may place downward pressure on the prices at which our products are sold and may limit the growth of our revenue. We cannot assure you that existing price controls will not be enforced or become more stringent, or that new price controls will not be imposed in the future, or that any such controls may not have an adverse effect on our business. Our inability to control the prices of our products could have an adverse effect on our results of operations.

We are subject to significant foreign currency exchange controls, currency devaluation and cross-border money transfer controls and restrictions in certain countries in which we operate, which could affect our ability to move our cash flow and pay dividends out from those countries.

Certain Latin American economies have experienced shortages in foreign currency reserves and their respective governments have adopted restrictions on the ability to transfer funds out of the country and convert local currencies into U.S. dollars. This may increase our costs and limit our ability to convert local currency into U.S. dollars and transfer funds out of certain countries, including for the purchase of dollar-denominated inputs, the payment of dividends or the payment of interest or principal on our outstanding debt. In the event that any of our subsidiaries are unable to transfer funds to us due to currency restrictions, we are responsible for any resulting shortfall.

For example, in 2024, our subsidiaries in Argentina represented 13.4% of our total revenues. Since September 2019, the Argentine government has tightened restrictions on capital flows and imposed exchange controls and transfer restrictions, substantially limiting the ability of companies to retain foreign currency or make payments outside of Argentina. Furthermore, the Central Bank of Argentina implemented regulations requiring its prior approval for certain foreign exchange transactions otherwise authorized to be carried out under the applicable regulations, such as dividend payments (prior to FY2025) or repayment of principal of inter-company loans as well as certain imports of goods. Nevertheless, the Argentine government has recently issued regulations aimed at gradually easing exchange control restrictions. As a consequence of these exchange controls, the spread between the official exchange rate and other exchange rates resulting implicitly from certain securities transactions (usually effected to obtain U.S. dollars) has broadened significantly over the past years. Although the spread has decreased since the change of administration in December 2023, the spread has ranged between 1.6%, at its lowest, and 27.2%, at its highest, above the official exchange rate since January 1, 2025. The potential implementation of similar measures in any other countries in which we operate could impact our ability to transfer funds outside of those countries and may prevent or delay payments that our subsidiaries are required to make outside of said countries, which could have a material adverse effect on our results of operations and financial condition.

Further currency devaluations in any of the countries in which we operate could have a material adverse effect on our results of operations and financial condition. See "—A. Selected Financial Data—Exchange Rates and Exchange Controls."

Risks Related to Government Regulation

If we fail to comply with, or if we become subject to, more onerous government regulations, our business could be adversely affected.

We are subject to various federal, state, provincial and municipal laws and regulations in the countries in which we operate, including those related to the food services industry, health and safety standards, imports of goods and services, marketing and promotional activities, cross-border money transfers, nutritional labeling, packaging and zoning and land use, environmental standards and consumer protection. We strive to abide by and maintain compliance with these laws and regulations. The imposition of new laws or regulations, including potential trade barriers, may increase our operating costs or impose restrictions on our operations, which could have an adverse impact on our financial condition.

For example, in 2017, Venezuela enacted the Productive Foreign Investments Constitutional Act, which replaced the Foreign Investment Act of 2014. This law, which remains in place in 2024, establishes the requirements and limitations for the transfer of dividends and repatriation of foreign investments. It also establishes a minimum investment sum to be registered with the Ministry of Popular Power with Foreign Investment, limits access to internal financing, modifies the criteria of foreign investments and creates a new penalty system for those who do not comply with the law. In Uruguay, the Municipality of Montevideo has issued a regulation requiring companies that sell food products through platforms to provide adequate facilities for delivery personnel.

Regulations governing the food services industry have become more restrictive. We cannot assure you that new and stricter standards will not be adopted or become applicable to us, or that stricter interpretations of existing laws and regulations will not occur. Any of these events may require us to spend additional funds to gain compliance with the new rules, if possible, and therefore increase our cost of operation.

We could be subject to expropriation or nationalization of our assets and government interference with our business in certain countries in which we operate.

We face a risk of expropriation or nationalization of our assets and government interference with our business in some of the countries in which we do business. The current Venezuelan government has promoted a model of increased state participation in the economy through welfare programs, exchange and price controls and the promotion of state-owned companies. Although the Venezuelan government has not carried out expropriations in some years, in recent years the risk of expropriation by municipalities of land considered to be excess property (which consists of land owned by the Company on which no restaurants are currently in operation) has increased. We cannot provide assurance that Company-operated or franchised restaurants will not be threatened with expropriation, either at a national or a municipal level, and that our operations will not be transformed into state-owned enterprises. In addition, the Venezuelan government may pass laws, rules or regulations which may directly or indirectly interfere with our ability to operate our business in Venezuela which could result in a material breach of the MFAs, in particular if we are unable to comply with McDonald's operations system and standards. A material breach of the MFAs would trigger McDonald's option to acquire our non-public shares or our interests in Venezuela. See "—Risks Related to Our Business and Operations—McDonald's has the right to acquire control of all or portions of our business upon the occurrence of certain events and, in the case of a material breach of the MFAs, may terminate such MFA or acquire our non-public shares or our interests in one or more Territories at 80% of their fair market value."

Non-compliance with anti-terrorism and anti-corruption regulations could harm our reputation and have an adverse effect on our business, results of operations and financial condition.

A material breach under the MFAs would occur if we, or our subsidiaries, materially breached any of the representations or warranties or obligations under the MFAs and, to the extent the MFAs provide for a cure period, such material breach is not cured within such specified time, including by failing to comply with anti-terrorism or anti-corruption policies and procedures required by applicable law.

We maintain policies and procedures that require our employees to comply with anti-corruption laws, including the Foreign Corrupt Practices Act of 1977 (the "FCPA"), and our corporate standards of ethical conduct. Our employees, including part-time employees, are eligible to participate in training on ethical and anti-corruption standards, and we utilize our online campus to provide such training. However, we cannot ensure that these policies and procedures will always protect us from intentional, reckless or negligent acts committed by our employees or agents. If we are not in compliance with the FCPA and other applicable anti-corruption laws, we may be subject to criminal and civil penalties and other remedial measures, which could have an adverse impact on our business, financial condition, and results of operations. Any investigation of any potential violations of the FCPA or other anti-corruption laws by U.S. or other governmental authorities could adversely impact our reputation, cause us to lose or become disqualified from bids, and lead to other adverse impacts on our business, financial condition and results of operations.

Any tax increase or change in tax legislation may adversely affect our results of operations.

Since we conduct our business in many countries in Latin America and the Caribbean, we are subject to the application of multiple tax laws and multinational tax conventions. Our effective tax rate therefore depends on these tax laws and multinational tax conventions, as well as on the effectiveness of our tax planning abilities. Our income tax position and effective tax rate are subject to uncertainty as our income tax position for each year depends on the profitability of Company-operated restaurants and on the profitability of franchised restaurants operated by our sub-franchisees in tax jurisdictions that levy income tax at a broad range of rates. It is also dependent on changes in the valuation of deferred tax assets and liabilities, the impact of various accounting rules, changes to these rules and tax laws and examinations by various tax authorities. If our actual tax rate differs significantly from our estimated tax rate, this could have a material impact on our financial condition. In addition, any increase in the rates of taxes, such as income taxes, excise taxes, value added taxes, import and export duties, and tariff barriers or enhanced economic protectionism could negatively affect our business. Fiscal measures that target either QSRs or any of our products could also be taken.

In December 2021, the Organization for Economic Co-operation and Development ("OECD") published Tax Challenges Arising from the Digitalization of the Economy - Global Anti-Base Erosion Model Rules (Pillar Two): Inclusive Framework on BEPS, hereafter referred to as the "OECD Pillar Two model rules" or "the rules". The rules are designed to ensure that large multinational enterprises within the scope of the rules pay a minimum level of tax on the income arising in a specific period in each jurisdiction where they operate. In general, the rules apply a system of top-up taxes that brings the total amount of taxes paid on an entity's excess profit in a jurisdiction up to the minimum rate of 15%. We are within the scope of these rules and they have been enacted or substantively enacted in jurisdictions in which we operate and became effective as of January 1, 2024. According to our estimate, there is no tax charge to be accrued in connection with the OECD Pillar Two model rules for the year ended December 31, 2024. The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations and finance position as well as cash flows.

In December 2023, Brazil's National Congress approved the final wording of a tax reform (a constitutional reform) that implies changes in taxation on consumption in the country. In a nutshell, this reform creates a dual VAT conformed by IBS and CBS. Dual VAT will replace ICMS, ISS, PIS and COFINS. Both new taxes intend to have a single flat rate, a broad credit base and a full non-cumulative system (probably with some exceptions). The tax reform also creates a new Selective Tax (IS). The reform has a transition period of 7 years (starting in 2026) during which the current tax system will operate together with the new approved system. In January 2025, Brazil's National Congress approved a supplementary law to regulate the new tax system, and it is expected that several other tax regulations will be enacted during 2025. It is possible such tax regulations could have a negative effect on consumption in Brazil, which could have an adverse impact on all businesses related to consumption, including ours.

Similarly, in December 2023, Ecuador enacted the Organic Law on Economic Efficiency and Employment Generation with the aim of boosting employment, enhancing tax collection, and encouraging investment. These reforms will directly impact companies classified as large taxpayers, including Arcgold del Ecuador, S.A., subjecting them to a withholding rate of 2.25% on their monthly sales. Additionally, as of April 2024, the VAT rate in Ecuador increased to 15%, and the foreign exchange outflow tax, which applies to the transfer of dollars from Ecuador to another country, increased from 3.5% to 5%. The increase of VAT has led to a decrease in consumption, which has had an adverse impact on our sales in Ecuador.

We cannot assure you that any governmental authority in any country in which we operate will not increase taxes or impose new taxes on our operations or products in the future.

Tax, customs or other inspections and investigations in any of the jurisdictions in which we operate may negatively affect our business and results of operations.

From time to time, we are subject to inspections or other investigations by federal, municipal and state tax and customs authorities in Latin America. These inspections and investigations may generate tax or other assessments, including fines, and could lead to other civil or criminal investigations which, depending on their results, may have a material adverse effect on our reputation, business, operations and financial results. See "Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings."

Litigation and other pressure tactics could expose our business to financial and reputational risk.

Given that we conduct our business in many countries, we may be subject to multi-jurisdictional private and governmental lawsuits, including but not limited to lawsuits relating to labor and employment practices, taxes, trade and business practices, franchising, intellectual property, consumer, real property, landlord/tenant, environmental, advertising, nutrition and antitrust matters. In the past, QSR chains have been subject to class-action lawsuits claiming that their food products and promotional strategies have contributed to the obesity of some customers. We cannot guarantee that we will not be subject to these or similar types of lawsuits in the future. We may also be the target of pressure tactics such as strikes, boycotts and negative publicity from government officials, suppliers, distributors, employees, unions, special interest groups and customers that may negatively affect our reputation.

Additionally, in recent years there has been an increase in litigation against public companies in relation to ESG matters, including in relation to claims made by public companies related to climate justice, net-zero targets and ambitions, greenwashing, climate-washing, supply chain commercial relationships, and diversity and sustainability disclosure practices. Given our commitment to social and environmental sustainability matters, we may and McDonald´s also may provide expanded disclosure, establish, modify, adjust or expand goals, commitments or targets, and take actions to meet such goals, commitments and targets, which may expose us to class actions or other litigation, including administrative proceedings, with respect to our ESG practices, particularly in light of the heightened focus on ESG matters from investors and other stakeholders. Any potential fines, damages or reputational damages to us or our brands as a result from such litigation could have a material adverse effect on our reputation, business, financial condition, or results of operations.

Information technology system failures or interruptions or breaches of our network security may interrupt our operations, exposing us to increased operating costs, fraud, data protection incidents and litigation.

We rely heavily on our computer systems and network infrastructure across our operations including, but not limited to, point-of-sale processing at our restaurants. We implement security measures and controls that we believe provide reasonable assurance regarding our security posture. See "Part II—Item 16K. Cybersecurity" for further detail. However, there remains the risk that our technology systems are vulnerable to damage, disability or failures due to physical theft, fire, power loss, telecommunications failure or other catastrophic events. If those systems were to fail or otherwise be unavailable, and we were unable to recover in a timely way, we could experience an interruption in our operations. Moreover, security breaches, data breaches and cyberattacks involving our systems may occur from time to time. Although we have procedures and controls in place to protect our systems and safeguard confidential information, including personal information, and financial data, we have been and continue to be subject to a range of internal and external security breaches, denial of service attacks, malware, phishing attacks, viruses, worms and other disruptive problems caused by hackers. Data breaches, security incidents and cyberattacks can result from, among other things, inadequate personnel, inadequate or failed internal control processes and systems, fraud or external events or actors that interrupt normal business operations. Our information technology systems contain personal, financial and other information that is entrusted to us by our customers, our employees and other third parties, as well as financial, proprietary and other confidential information related to our business. The proper and secure functioning of our technology, financial and processing systems is critical to our business and to our ability to compete effectively.

Furthermore, we have experienced a rise in transactions through our online digital channels for which we rely more heavily on third-party operators or trusted certified payment gateways to handle an increasing volume of sensitive financial transactions and other sensitive customer information, which increases our cybersecurity risks. Our increasing reliance on third-party systems also presents the risks faced by the third party's business, including the operational, security and credit risks of those parties. Moreover, due to our digital strategy and increased use of our digital channels, there has also been an increase in the number of registered customers, now in the dozens of millions, for whom we store and process personal information to strengthen our relationship with customers. Although we work with our customers, third-party service providers and other third parties to develop secure data and information processing, collection, authentication, management, usage, storage and transmission capabilities and to ensure the eventual destruction of confidential information, including personal information, to prevent against information security risk, we, our third-party service providers or other third parties with whom we do business have been and continue to be the target of cyberattacks or subject to other information security incidents, breaches or disruption in our operations. An actual or alleged security breach of our or their systems has resulted and could result in additional disruptions, shutdowns, theft, fraud or unauthorized disclosure of personal, financial, proprietary or other confidential information. For example, on April 4, 2025, we were notified by one of our third-party service providers of an unauthorized access to a database hosted by them, which included certain non sensitive personal identifiable employee information. This third-party vendor has advised us that the vulnerability in their systems has been remedied. The occurrence of any of these incidents could result in reputational damage, adverse publicity, loss of consumer confidence, reduced sales and profits, fines, increased costs of regulatory compliance or enhanced measures against such security or data breaches, complications in executing our growth initiatives and regulatory and legal risk.

Our insurance may not be sufficient to cover certain losses.

We face the risk of loss or damage to our properties, machinery, cash and inventories due to fire, theft, climate change and natural disasters such as earthquakes and floods. While our insurance policies cover some losses with respect to damage or loss of our properties, machinery, cash and inventories, our insurance may not be sufficient to cover all such potential losses. For example, we suffered losses in connection with a truck drivers' strike in Brazil in 2018, which disrupted our supply chain that were not covered by our insurance policies. Our losses due to lower sales as a result of the COVID-19 pandemic were also not covered. A massive blackout due to a failure of the power grid might also not be covered by our insurance policies, absent any material damage to our restaurants and/or the relevant utility company's facilities or infrastructure. Furthermore, we generate significant cash from our operations and have been and continue to be the target of theft of that cash, misappropriation and fraud from employees, suppliers, such as cash-in-transit service companies, and third-party service providers that has resulted and could result in future losses that may not be fully covered by our insurance. The increased use of technology and digital operations expose us to larger cyber security, data protection and delivery operation risks. The delivery channel could expose us to subsidiary liability for accidents and injuries that riders could suffer or cause to third parties with their vehicles. These risks are not fully covered by insurance, especially when they are related to attacks in our technology and delivery suppliers' systems. Although we have negotiated indemnity provisions with some of our suppliers against cyber security, data protection and delivery operation risks arising from their systems or activities in support of our business, enforcement action and any reimbursement for our losses may be difficult to obtain should these risks materialize.

In addition, even if any such losses are fully covered by our insurance policies, such fire, theft, climate change or natural disasters may cause disruptions or cessations in our operations that would adversely affect our financial condition and results of operations.

Our cash balance may not be covered by government-backed deposit insurance programs in the event of a default or failure of any bank with which we maintain a commercial relationship, which may have a material adverse effect on our business, financial condition results of operations and cash flows.

We expect that a limited number of financial institutions will hold all or most of our cash. Depending on our cash balance in any of our accounts at any given point in time, our balances may not be covered by government-backed deposit insurance programs in the event of default or failure of any bank with which we maintain a commercial relationship. For example, while the U.S. Federal Deposit Insurance Corporation provides deposit insurance of $250,000 per depositor, per insured bank, the amounts we have in deposits in U.S. banks far exceed the insured amount. Therefore, if the U.S. government does not impose measures to protect depositors in the event a bank in which our funds are held fails, we may lose all or a substantial portion of our deposits with such bank. The occurrence of any default or failure of any of the banks in which we have deposits could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Risks Related to Our Industry

The food services industry is intensely competitive and we may not be able to continue to compete successfully.

Although competitive conditions in the QSR industry vary in each of the countries in which we conduct our operations, in general, we compete with many well-established restaurant companies on price, brand image, quality, sales promotions, new product development and restaurant locations. Since the restaurant industry has few barriers to entry, our competitors are diverse and range from national and international restaurant chains to individual, local restaurant operators. Our largest sources of competition include Restaurant Brands International (which franchises Burger King, Popeyes, Firehouse Subs and Tim Hortons), Yum! Brands (which franchises KFC restaurants, Taco Bell, Pizza Hut and Pizza Hut Express, and the Habit Burger Grill restaurants), Carl's Junior and Subway. In Brazil, we also compete with ZAMP (which franchises Burger King, Popeyes, Starbucks and Subway), Habib's, a Brazilian QSR chain that focuses on Middle Eastern food, and Bob's, a primarily-Brazilian QSR chain that focuses on hamburger product offerings. Alsea is one of the largest restaurant operators in Latin America (Mexico, Argentina, Colombia, Chile, and Uruguay); it has a diversified portfolio, with brands such as Domino's Pizza, Starbucks, Burger King, Chili's and other casual dining brands. In Argentina, we also compete with Mostaza, an Argentine QSR chain that focuses on hamburger product offerings. We also face strong competition from new businesses targeting the same clients we serve, including, for example, the growth of online betting in Brazil, which consumes an increasing portion of the discretionary spending of potential customers as well as from street vendors of limited product offerings, including hamburgers, hot dogs, pizzas and other local food items. We expect competition to increase as our competitors continue to expand their operations, introduce new products and market their brands.

If any of our competitors offers products that are better priced or more appealing to the tastes of consumers, increases its number of restaurants, obtains more desirable restaurant locations, provides more attractive financial incentives to management personnel, franchisees or hourly employees or has more effective marketing initiatives than we do in any of the markets in which we operate, this could have a material adverse effect on our results of operations.

Increases in commodity prices, logistic or other operating costs could harm our operating results.

Food and paper costs represented 35.1% of our total sales by Company-operated restaurants in 2024, and 23.5% of our food and paper raw materials cost is exposed to fluctuations in foreign exchange rates. We source, among other commodities, beef, chicken, pork, potatoes, produce, sauces, dairy mixes, dairy cheeses, grains, sugar, fiber and coffee. The cost of food and supplies depends on several factors, including global supply and demand, new product offerings, global macroeconomic conditions, acts of war and other hostilities, weather conditions, fluctuations in energy costs, tax incentives and our suppliers' ability to comply with sustainability and animal welfare commitments, all of which makes us susceptible to substantial price and currency fluctuations and other increased operating costs. For instance, commodity prices have been adversely affected by recent climate-related phenomena, which has had an impact on our costs. Our hedging strategies on the imported portion of our food and paper raw materials may not be successful in fully offsetting cost increases due to currency nor commodities fluctuations. Furthermore, due to the competitive nature of the restaurant industry, we may be unable to pass increased operating costs on to our customers, which could have an adverse effect on our results of operations.

In addition, the U.S. government has introduced significant changes in trade policies, including the imposition of new tariffs and other trade restrictions that could affect cross-border commerce. The U.S. government has imposed tariffs on substantially all countries (and has threatened increased tariffs on goods originating from countries that do not cooperate with the U.S.), the rates of which could increase or fluctuate in the future. In response, some countries, including China and Canada, have announced the imposition of retaliatory tariffs on certain U.S. imports. The imposition of tariffs by the U.S., along with any retaliatory actions by these and other countries, are expected to disrupt global trade flows and increase operational costs for companies reliant on international supply chains, potentially resulting in lower global growth and increasing the cost of certain goods. Increased protectionism and trade tensions, such as the tensions between the United States and China during the prior Trump administration, could aggravate, which could have a negative impact on the economies in which we operate, which would have a material adverse effect on our business, results of operations and financial condition.

Demand for our products may decrease due to changes in consumer preferences or other factors.

Our competitive position depends on our continued ability to offer items that have a strong appeal to consumers. If consumer dining preferences change due to shifts in consumer demographics, dietary inclinations, for example those who are looking for vegan and vegetarian products, consumer behavior and preferences, such as the increased use of digital and delivery channels and focus on environmental, social and governance matters, trends in food sourcing or food preparation and our consumers begin to seek out alternative restaurant options, our financial results might be adversely affected. In addition, negative publicity surrounding our products or our food safety could also materially affect our business and results of operations.

Our success in responding to consumer demands depends in part on our ability to anticipate consumer preferences in each country in which we operate, allocate sufficient resources and efforts to effectively reach and appeal to our consumers, market and advertise our products and platforms, and introduce new items to address these preferences in a timely fashion.

Our investments to enhance the customer experience, including through technology, may not generate the expected returns.

We are engaged in various efforts to improve our customers' experience in our restaurants. In particular, in partnership with McDonald's, we have invested in Experience of the Future ("EOTF"), which focuses on restaurant modernization and technology and digital engagement in order to transform the restaurant experience. As we convert restaurants to EOTF, we are placing renewed emphasis on improving our service model and strengthening relationships with customers, in part through digital channels and loyalty initiatives and payment systems.

We are evolving our digital transformation with the goal of increasing our engagement with our customers, including the release of our own mobile application, delivery, loyalty program and order taking, and using data in order to improve our decision-making. In order to accomplish this goal, we made structural changes in our IT and data systems, to facilitate collaboration across groups within Arcos Dorados and adopting agile methodologies and principles to aid different groups in

transforming products and services and the customer experience, or in otherwise achieving a specific business objective. We may not fully realize the intended benefits of these significant investments, or we might not find or retain the right talent to operate the new digital tools, or these initiatives may not be well executed, and therefore our business results may suffer.

Food safety and food- or beverage- borne illnesses may have an adverse effect on our business and results of operations.

Food- or beverage-borne illnesses, such as those caused by E. coli, listeria, salmonella, cyclospora and trichinosis, and food safety issues, such as contamination or tampering, are risks that could affect our industry and could impact our restaurants. Widespread illnesses such as avian influenza, the H1N1 influenza virus, E. coli, bovine spongiform encephalopathy, hepatitis A or salmonella could cause customers to avoid meat or any other animal products. Furthermore, our reliance on third-party food suppliers and distributors increases the risk of food-borne illness incidents being caused by third-party food suppliers and distributors who operate outside of our control and/or multiple locations being affected rather than a single restaurant.

Additionally, food safety events involving McDonald's outside of Latin America or other well-known QSR chains could negatively impact our reputation and the entire business industry. Another extended issue in our region is the use of social media to post complaints against the QSR segment and the use of mobile phones to capture any deviation in our processes, products or facilities. Media reports of pandemics or food-borne illnesses found in the general public or in any QSR could dramatically affect restaurant sales in one or several countries in which we operate, or could force us to temporarily close an undetermined number of restaurants. As a restaurant company, we depend on consumer confidence in the quality and safety of our food. Any illness or death related to food that we serve could substantially harm our operations. While we maintain extremely high standards for the quality and safety of our food products and dedicate substantial resources to ensure that these standards are met and well communicated publicly, the spread of these illnesses is often beyond our control and we cannot assure you that new illnesses resistant to any precautions we may take will not develop in the future.

Furthermore, our industry has long been subject to the threat of food tampering by suppliers, employees or customers, such as the addition of foreign objects to the food that we sell. Furthermore, the increase in sales through our delivery channel also represents an increased risk of food tampering because we do not have control of the food once it leaves our restaurants. Reports, whether true or not, of injuries caused by food tampering have in the past negatively affected the reputations of QSR chains and could affect us in the future. While we require that suppliers maintain procedures and practices to ensure food safety and quality requirements, we cannot guarantee that suppliers will not breach their requirement to uphold our safety measures and standards. Instances of food tampering, even those occurring solely at competitor restaurants, could, by causing negative publicity about the restaurant industry, adversely affect our sales on a local, regional, national or systemwide basis. A decrease in customer traffic as a result of public health concerns or negative publicity could materially affect our business, results of operations and financial condition.

Restrictions on promotions and advertisements directed at families with children and regulations regarding the nutritional content of children's meals may harm McDonald's brand image and our results of operations.

A significant portion of our business depends on our ability to make our product offerings appealing to families with children, and restrictions on promotions and advertising targeting families with children, along with regulations on the nutritional content of children's meals, could negatively impact McDonald's brand image and operating results. Some countries in which we operate, such as Brazil, Mexico, Chile, and Peru, have implemented restrictions on marketing and advertising directed at children and adolescents. Although we have been able to continue advertising children's meals and Happy Meals, including offering toys with them by modifying the content of certain of our products to comply with regulatory requirements such that these restrictions have not had a significant impact on our sales, we cannot guarantee that we will be able to continue advertising our children's meals and Happy Meals if more stringent regulations were passed in any of the Territories, which could materially affect our business, results of operations and financial condition.

For instance, in 2010, the Brazilian National Health Surveillance Agency ("ANVISA") published "RDC 24," a regulation that sets rules for the marketing and advertising of foods considered to have high amounts of sugar, saturated fat, trans fat, sodium, and beverages with low nutritional value. This regulation has significant impacts on advertisements (including television media), as it requires the display of warnings about the dangers of excessive consumption and informs consumers about health risks such as diabetes and heart disease. Since its publication, the regulation has been legally challenged by the Brazilian Food Industry Association ("ABIA"), with which our Brazilian Subsidiary is associated, arguing that ANVISA lacked the authority to regulate food and beverage advertising. Until 2024, courts had ruled in ABIA's favor, suspending the regulation. However, in June 2024, the Supreme Federal Court (STF) reversed this decision, confirming

ANVISA's authority to regulate such advertising. The regulation is now in effect, though ABIA has filed an appeal, which is pending a decision. As of the date of this annual report, the outcome of the case remains uncertain.

In April 2013, a consumer protection agency in Brazil fined us $1.6 million for a 2010 advertising campaign relating to our offering of meals with toys from the motion picture Avatar. We filed a lawsuit seeking to annul the fine. The lower court ruled there was no basis for the penalty, which was upheld by the appellate court. The consumer protection agency filed a special appeal against this decision, which is pending final decision. Although similar fines relating to our current and previous advertising campaigns involving the sale of toys may be possible in the future, as of the date of this annual report, we are unaware of any other such fines, and in 2018, our subsidiaries in Brazil and Mexico joined the International Food and Beverage Alliance that regulates advertising for kids to help ensure our ongoing compliance with advertising restrictions.

Although we have introduced changes in our Happy Meals in order to offer more balanced and healthier options to our customers and in many cases been able to mitigate the impact of these types of laws and regulations on our sales, we may not be able to do so in the future and the imposition of similar or stricter laws and regulations in the future in the Territories may have a negative impact on our results of operations. In general, regulatory developments that adversely impact our ability to promote and advertise our business and communicate effectively with our target customers, including restrictions on the use of licensed characters, may have a negative impact on our results of operations.

We are subject to increasingly stringent data protection laws, which could increase our costs, damage our reputation and adversely affect our business.

We operate in jurisdictions with increasingly stringent and evolving data protection laws, which impose substantial compliance requirements and restrictions on how we collect, process, store, and transfer personal data. Many of these laws, including those in Brazil, Argentina, Uruguay, Peru, Ecuador, Colombia, Mexico, and Chile, are inspired by or similar to the European Union's General Data Protection Regulation (GDPR).

Our efforts to enhance guest engagement through loyalty programs and personalized marketing strategies further expose us to increasing customer requests to comply with their data protection rights, heightened regulatory scrutiny and compliance and reputational risks related to the collection and use of their data.

In line with our governance practices, in 2020, Arcos Dourados Comercio de Alimentos S.A., our Brazilian subsidiary, appointed a Data Protection Officer ("DPO") in Brazil, as required by local legislation, and in 2023, we established a Corporate Data Protection Area and appointed a Corporate DPO to strengthen our data protection strategy in all our markets. Since then, we have been working on the design and implementation of our Privacy Program to enhance our compliance framework and mitigate data protection risks.

As the regulatory landscape continues to evolve, our ability to effectively comply with these requirements will be critical. Failure to comply with these data protection laws and regulations may result in severe legal, financial, and operational consequences, including substantial fines, regulatory investigations, and reputational harm, which could materially affect our business, results of operations and financial condition. Additionally, the implementation of new regulations or the tightening of existing requirements could lead to increased compliance costs and operational burdens.

Environmental laws and regulations may affect our business.

We are subject to various environmental laws and regulations in the countries in which we operate. These laws and regulations govern, among other things, discharges of pollutants into the air and water and the presence, handling, release and disposal of, and exposure to, hazardous substances and waste, such as common or non-hazardous waste and used vegetable oils, among others, in addition to requiring us to obtain permits and authorizations for various activities. These laws and regulations provide for significant fines and penalties for noncompliance. Third parties may also assert personal injury, property damage or other claims against owners or operators of properties associated with release of, or actual or alleged exposure to, hazardous substances at, on or from our properties. Liability from environmental conditions relating to prior, existing or future restaurants or restaurant sites, including franchised restaurant sites, may have a material adverse effect on us. Moreover, the adoption of new or more stringent environmental laws or regulations could result in a material environmental liability to us.

Since 2018, Latin America has experienced a wave of regulatory initiatives aimed at eliminating plastic bags and single-use plastic products. This trend has resulted in the enactment or discussion of new laws and regulations in most of the countries where we operate, primarily targeting plastic bags, straws, and other plastic items, often with severe penalties for violations.

In August 2021, Chile passed Law No. 21,368, which regulates single-use packaging and containers, including glasses, cups, cutlery, straws, plates, trays, and lids, unless they are reusable. The law established a phased implementation schedule, originally prohibiting businesses from providing single-use containers for on-site dining starting in August 2024, and for takeout orders, only allowed disposable packaging made from materials other than plastic, or certified plastic. However, enforcement has been postponed until February 2026. Several legislative bills are currently under discussion to implement changes to this law.

Peru implemented new regulations aimed at reducing single-use plastics and prohibiting their manufacture and sale, with full implementation completed in December 2021. Similarly, in Puerto Rico, legislation banning single-use plastics in restaurants was enacted in 2022, and other similar regulations are currently under review.

France introduced a phased approach to banning disposable materials, including plastic, through legislation promulgated in February 2020. As of January 1, 2023, disposable dishes are prohibited in food establishments serving more than 20 diners simultaneously for on-site consumption. The rollout has already started in restaurants located in Martinique and French Guiana.

Similar regulations banning single-use plastic products have been established in Mexico City, Mexico, and São Paulo, Brazil. In Uruguay, the Ministry of Environment is requiring significant improvements in packaging waste recovery and recycling rates from importers and manufacturers of packaged products. To comply with these new standards, the private sector has developed a new packaging waste management plan, which will result in significantly higher contributions from participating companies, including us.

In Argentina, a bill addressing minimal standards for the production, commercialization, and sustainable use of single-use plastics is currently under discussion in Congress, and additional provincial or municipal initiatives may also arise.

We have addressed this issue by eliminating plastic straws, removing plastic lids, and replacing salad containers with cardboard alternatives in most of the countries where we operate. This approach has led to a significant reduction in single-use plastic within our operations over the last three years.

However, the enactment of additional laws and regulations on this matter could lead to increased costs and certain capital investments, which could materially impact our business and results of operations.

Our business is subject to an increasing focus on ESG matters.

In recent years, there has been an increasing focus on ESG matters by stakeholders, including employees, sub-franchisees, customers, suppliers, governmental and non-governmental organizations and investors. A failure, whether real or perceived, to address ESG matters or to achieve progress on our ESG initiatives could adversely affect our business, including by heightening other risks disclosed in this annual report, such as those related to consumer behavior, consumer perceptions of our brand, labor costs and shortages, supply chain interruptions, commodity costs, and legal and regulatory complexity.

As a result of this heightened focus and evolving requirements, including from governmental and nongovernmental authorities, and our commitment to social and environmental sustainability matters, we may and McDonald's may provide expanded disclosure, establish, modify, adjust or expand goals, commitments or targets, and take actions to meet such goals, commitments and targets. The goals, commitments or targets we set for ourselves regarding ESG, public policy or other matters, may be difficult or expensive to implement and our ability to meet such standards, is subject to risks and uncertainties, many of which are outside our control and may impact our business. Additionally, from time to time, McDonald's Corporation may communicate certain global goals for implementation that could be difficult to adhere to and might represent additional costs to us and to our third-party suppliers. Addressing ESG matters requires systemwide coordination and alignment, including with our third-party suppliers who are responsible for 93% of our greenhouse gas emissions, and the standards by which certain ESG matters are measured and reported are evolving, may not be cost effective and are subject to assumptions and uncertainties that could change over time, many of which are outside of our control. Furthermore, if we are not effective, or are not perceived to be effective, in addressing social and environmental sustainability matters or meeting such goals, commitments and targets, or our disclosure is not perceived to be adequate, accurate or complete, it may impact perceptions of our brand or expose us to market, operational, reputational and execution costs and could expose us to financial risks as a result of failure to meet the targets we set out for ourselves, including in connection with our 2029 sustainability-linked bonds.

We may be adversely affected by legal actions with respect to our business.

We could be adversely affected by legal actions and claims brought by consumers or regulatory authorities in relation to the quality of our products, food safety and eventual health problems or other consequences caused by our products or by any of their ingredients. We could also be affected by legal actions and claims brought against us for products made in a jurisdiction outside the jurisdictions where we are operating. An array of legal actions, claims or damaging publicity may affect our reputation as well as have a material adverse effect on our revenues and businesses.

Unfavorable publicity or a failure to respond effectively to adverse publicity, particularly on social media platforms, could harm our reputation and adversely impact our business and financial performance.

The good reputation of our brand is a key factor in the success of our business. Actual or alleged incidents at any of our restaurants could result in harmful publicity. Moreover, we have seen a significant increase in the use of our delivery options, as this has been part of our growth strategy to strengthen guest relationships and integrate our mobile ordering channels. Any actual or perceived issue with the delivery of orders could also result in harmful publicity. Even incidents occurring at restaurants operated by our competitors or in the supply chain generally could result in negative publicity that could harm the restaurant industry and thus, indirectly, our brand. In particular, in recent years, there has been a marked increase in the use of social media platforms and similar devices which give individuals access to a broad audience of consumers and other interested persons. Many social media platforms immediately publish the content their participants' posts, often without filters or checks on accuracy of the content posted. A variety of risks are associated with the dissemination of this information online, including the improper disclosure of proprietary information, negative comments about our company, exposure of personally identifiable information, fake news and disinformation, fraud or outdated information. The inappropriate use of social media platforms by our customers, employees or other individuals could increase our costs, lead to litigation or result in negative publicity that could damage our reputation. In addition, we are often affected by negative news about McDonald's Corporation published in the media and picked up by Latin America outlets, as it can lead to the incorrect assumption by the public that it relates to Arcos Dorados or McDonald's brand in our region. If we are unable to quickly and effectively respond to negative reports, comments or posts in the media and social media platforms, we may suffer damage to our reputation or loss of consumer confidence in our products, which could adversely affect our business, results of operations, cash flows and financial condition, as well as require resources to rebuild our reputation.

Risks Related to Our Business and Operations in Latin America and the Caribbean

Our business is subject to the risks generally associated with international business operations.

We engage in business activities throughout Latin America and the Caribbean. In 2024, 63.0% of our revenues were derived from Brazil, Argentina and Mexico. As a result, our business is and will continue to be subject to the risks generally associated with international business operations, including:

- governmental regulations applicable to food services operations;
- changes in social, political and economic conditions;
- transportation delays and other supply chain disruptions;
- power, water and other utility shutdowns or shortages;
- climate disasters such as earthquakes, hurricanes, floods and fires;
- limitations on foreign investment;
- restrictions on currency convertibility and volatility of foreign exchange markets;
- inflation;
- import-export quotas and restrictions on importation;
- changes in local labor conditions;
- changes in tax and other laws and regulations;
- expropriation and nationalization of our assets in a particular jurisdiction; and
- restrictions on repatriation of dividends or profits.

Some of the Territories have been subject to social and political instability in the past, and interruptions in operations could occur in the future. See also "—Developments and the perception of risk in other countries, especially emerging market countries, may adversely affect business, results, financial conditions and prospects."

Developments and the perception of risk in other countries, especially emerging market countries, as well as the increasingly complex political and social environment in Latin America and the Caribbean have in the past and could in the future lead to social protests and riots, which may adversely affect our business, operations, sales, results, financial conditions and prospects.

Arcos Dorados' growth and profitability depend on political stability and economic activity, whether real or perceived, in Latin America and the Caribbean, especially in emerging market countries. Recent political unrest and social strife could affect developments and perception of risk in this region. For example, during 2023 and 2024, Ecuador experienced internal disturbances associated with narcotrafficking-related crime, leading to the implementation of states of emergency and curfews during certain periods. These measures, which include the mobilization of the armed forces, have had a significant impact across various sectors, including the QSR industry, with numerous restaurants experiencing operational and financial difficulties due to decreased sales resulting from these restrictions. Moreover, in 2024, backlash and social protest, related to the increased cost of living in Martinique resulted in the burning of one of our restaurants. In addition, issues with public safety in certain areas of Mexico in 2024 has had an impact on commercial activity, leading to reduced operating hours and, in some cases, temporary or permanent business closures. However, only a small number of our restaurants in the country have been affected by this situation.

Any continuation of or increase in social unrest in the future could lead to additional operational costs, a decline in sales or otherwise negatively impact our results.

Changes in governmental policies in the Territories could adversely affect our business, results of operations, financial condition and prospects.

Governments throughout Latin America and the Caribbean have exercised, and continue to exercise, significant influence over the economies of their respective countries. Accordingly, the governmental actions, political developments, regulatory and legal changes or administrative practices in the Territories concerning the economy in general and the food services industry in particular could have a significant impact on us. We cannot assure you that changes in the governmental policies of the Territories will not adversely affect our business, results of operations, financial condition and prospects.

Latin America has experienced, and may continue to experience, adverse economic conditions that have impacted, and may continue to impact, our business, financial condition and results of operations.

The success of our business is dependent on discretionary consumer spending, which is influenced by general economic conditions, consumer confidence and the availability of discretionary income in the countries in which we operate. Latin American countries have historically experienced uneven periods of economic growth, recessions, periods of high inflation and economic instability. Any prolonged economic downturn in the future could result in a decline in discretionary consumer spending. This may reduce the number of consumers who are willing and able to dine in our restaurants, or consumers may make more value-driven and price-sensitive purchasing choices, eschewing our core menu items for our entry-level food options. We may also be unable to sufficiently increase prices of our menu items to offset cost pressures, which may negatively affect our financial condition.

In addition, a prolonged economic downturn may lead to higher interest rates, significant changes in the rate of inflation or an inability to access capital on acceptable terms. Our suppliers and service providers could experience cash flow problems, credit defaults or other financial hardships. If our sub-franchisees cannot adequately access the financial resources required to open new restaurants, this could have a material effect on our growth strategy.

Risks Related to Our Class A Shares

Mr. Woods Staton, our Executive Chairman, controls all matters submitted to a shareholder vote, which will limit your ability to influence corporate activities and may adversely affect the market price of our class A shares.

Mr. Woods Staton, our Executive Chairman, owns or controls common stock representing 37.98% and 75.38%, respectively, of our economic and voting interests. As a result, Mr. Woods Staton is and will be able to strongly influence or effectively control the election of our directors, determine the outcome of substantially all actions requiring shareholder approval and shape our corporate and management policies. The MFAs' requirement that Mr. Woods Staton at all times hold at least 51% of our voting interests and 30% of our economic interest likely will have the effect of preventing a change in control of us and discouraging others from making tender offers for our shares, which could prevent shareholders from receiving a premium for their shares. Moreover, this concentration of share ownership may make it difficult for shareholders to replace management and may adversely affect the trading price for our class A shares because investors often perceive disadvantages in owning shares in companies with controlling shareholders. This concentration of control could be disadvantageous to other shareholders with interests different from those of Mr. Woods Staton and the trading price of our class A shares could be adversely affected. See "Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders" for a more detailed description of our share ownership.

Furthermore, the MFAs contemplate instances where McDonald's could be entitled to purchase the shares of Arcos Dorados Holdings Inc. held by Mr. Woods Staton. However, our publicly held class A shares will not be similarly subject to acquisition by McDonald's.

Sales of substantial amounts of our class A shares in the public market, or the perception that these sales may occur, could cause the market price of our class A shares to decline.

Sales of substantial amounts of our class A shares in the public market, or the perception that these sales may occur, could cause the market price of our class A shares to decline. This could also impair our ability to raise additional capital through the sale of our equity securities. Under our articles of association, we are authorized to issue up to 420,000,000 class A shares, of which 130,663,057 class A shares were outstanding as of December 31, 2024 and 2,309,062 class A shares were held in treasury. We cannot predict the size of future issuances of our shares or the effect, if any, that future sales and issuances of shares would have on the market price of our class A shares.

As a foreign private issuer, we are permitted to, and we will, rely on exemptions from certain NYSE corporate governance standards applicable to U.S. issuers, including the requirement that a majority of an issuer's directors consist of independent directors. This may afford less protection to holders of our class A shares.

Section 303A of the New York Stock Exchange, or "NYSE," Listed Company Manual requires listed companies to have, among other things, a majority of their board members be independent, and to have independent director oversight of executive compensation, nomination of directors and corporate governance matters. As a foreign private issuer, however, we are permitted to, and we will, follow home country practice in lieu of the above requirements. British Virgin Islands law, the law of our country of incorporation, does not require a majority of our board to consist of independent directors or the implementation of a nominating and corporate governance committee, and our board thus may not include, or may include fewer, independent directors than would be required if we were subject to these NYSE requirements. Since a majority of our board of directors may not consist of independent directors as long as we rely on the foreign private issuer exemption to these NYSE requirements, our board's approach may, therefore, be different from that of a board with a majority of independent directors, and as a result, the management oversight of our Company may be more limited than if we were subject to these NYSE requirements.

Risks Related to Investing in a British Virgin Islands Company

We are a British Virgin Islands company and it may be difficult for you to obtain or enforce judgments against us or our executive officers and directors in the United States.

We are incorporated under the laws of the British Virgin Islands. Most of our assets are located outside the United States. Furthermore, most of our directors and officers reside outside the United States, and most of their assets are located outside the United States. As a result, you may find it difficult to effect service of process within the United States upon these persons or to enforce outside the United States judgments obtained against us or these persons in U.S. courts, including judgments in actions predicated upon the civil liability provisions of the U.S. federal securities laws. Likewise, it may also be difficult for you to enforce in U.S. courts judgments obtained against us or these persons in courts located in jurisdictions outside the United States, including actions predicated upon the civil liability provisions of the U.S. federal securities laws. It may also be difficult for an investor to bring an action against us or these persons in a British Virgin Islands court predicated upon the civil liability provisions of the U.S. federal securities laws.

As there is no treaty in force on the reciprocal recognition and enforcement of judgments in civil and commercial matters between the United States and the British Virgin Islands, courts in the British Virgin Islands will not automatically recognize and enforce a final judgment rendered by a U.S. court.

Any final and conclusive monetary judgment obtained against us in U.S. courts, for a definite sum, may be treated by the courts of the British Virgin Islands as a cause of action in itself so that no retrial of the issue would be necessary, provided that in respect of the U.S. judgment:

- the U.S. court issuing the judgment had jurisdiction in the matter and we either submitted to such jurisdiction or were resident or carrying on business within such jurisdiction and were duly served with process;
- the judgment given by the U.S. court was not in respect of penalties, taxes, fines or similar fiscal or revenue obligations of ours;
- in obtaining judgment there was no fraud on the part of the person in whose favor judgment was given or on the part of the court;
- recognition or enforcement of the judgment in the British Virgin Islands would not be contrary to public policy; and
- the proceedings pursuant to which judgment was obtained were not contrary to public policy.

Under our articles of association, we indemnify and hold our directors harmless against all claims and suits brought against them, subject to limited exceptions.

You may have more difficulty protecting your interests than you would as a shareholder of a U.S. corporation.

Our affairs are governed by the provisions of our memorandum of association and articles of association, as amended and restated from time to time, and by the provisions of applicable British Virgin Islands law. The rights of our shareholders and the responsibilities of our directors and officers under the British Virgin Islands law are different from those applicable to a corporation incorporated in the United States. There may be less publicly available information about us than is regularly published by or about U.S. issuers. Also, the British Virgin Islands regulations governing the securities of British Virgin Islands companies may not be as extensive as those in effect in the United States, and the British Virgin Islands law and regulations in respect of corporate governance matters may not be as protective of minority shareholders as state corporation laws in the United States. Therefore, you may have more difficulty protecting your interests in connection with actions taken by our directors and officers or our principal shareholders than you would as a shareholder of a corporation incorporated in the United States.

You may not be able to participate in future equity offerings, and you may not receive any value for rights that we may grant.

Under our memorandum and articles of association, existing shareholders are entitled to preemptive subscription rights in the event of capital increases. However, our articles of association also provide that such preemptive subscription rights do not apply to certain issuances of securities by us, including (i) pursuant to any employee compensation plans; (ii) as consideration for (a) any merger, consolidation or purchase of assets or (b) recapitalization or reorganization; (iii) in connection with a pro rata division of shares or dividend in specie or distribution; or (iv) in a bona fide public offering that has been registered with the SEC.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Overview

We were incorporated as Arcos Dorados Holdings Inc. on December 9, 2010 under the laws of the British Virgin Islands as a direct, wholly owned subsidiary of Arcos Dorados Limited, the prior holding company for the Arcos Dorados business. On December 13, 2010, Arcos Dorados Limited effected a downstream merger into and with us, with us as the surviving entity. Following the merger, we replaced Arcos Dorados Limited in the corporate structure and replicated its governance structure.

We are a BVI business company limited by shares incorporated in the British Virgin Islands and our affairs are governed by the provisions of our memorandum and articles of association, as amended and restated from time to time, and by the provisions of applicable British Virgin Islands law, including the BVI Business Companies Act (As Revised) or the "BVI Act." Our company number in the British Virgin Islands is 1619553. As provided in sub-regulation 4.1 of our memorandum of association, subject to British Virgin Islands law, we have full capacity to carry on or undertake any business or activity, do any act or enter into any transaction and, for such purposes, full rights, powers and privileges.

Our principal executive offices are located at Río Negro 1338, First Floor, Montevideo, Uruguay (CP 11100). Our telephone number at this address is +598 2626-3000. Our registered office in the British Virgin Islands is Maples Corporate Services (BVI) Limited, Kingston Chambers, P.O. Box 173, Road Town, Tortola, British Virgin Islands.

The SEC maintains an internet website that contains reports, proxy, information statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov. Our website address is www.arcosdorados.com. The information contained on, or that can be accessed through, our website is not part of, and is not incorporated into, this annual report.

Important Events

The Acquisition

McDonald's Corporation has a longstanding history in Latin America and the Caribbean, dating to the opening of its first restaurant in Puerto Rico in 1967. Since then, McDonald's expanded its presence across the region as consumer markets and opportunities arose, opening its first stores in Brazil in 1979, in Mexico and Venezuela in 1985 and in Argentina in 1986.

We commenced operations on August 3, 2007, as a result of the Acquisition of McDonald's LatAm business. Woods Staton, our Executive Chairman and controlling shareholder, was the joint venture partner of McDonald's Corporation in Argentina for over 20 years prior to the Acquisition and also served as President of McDonald's South Latin American division from 2004 until the Acquisition. Our senior management team includes executives who had previously worked in McDonald's LatAm business or with Mr. Woods Staton.

We hold our McDonald's franchise rights pursuant to the MFA (as defined below) for all of the Territories except Brazil, as amended and restated, entered into by us, Arcos Dorados B.V. (the "Master Franchisee"), certain subsidiaries of the Master Franchisee, Arcos Dorados Group B.V., Los Laureles, Ltd. and McDonald's. Our subsidiary Arcos Dourados Comercio de Alimentos S.A., the "Brazilian Master Franchisee," and McDonald's entered into the separate, but substantially identical, Brazilian MFA, as amended and restated. See "Item 10. Additional Information—C. Material Contracts—The MFAs."

The Axionlog Split-off

Until March 2011, we managed the distribution of most of our food and paper supplies in Argentina, Chile, Mexico and Venezuela, which operations and related assets we refer to as Axionlog (formerly known as Axis). In March 2011, we effected a split-off of Axionlog to our existing shareholders in March 2011. For additional information about the split-off of Axionlog, see "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—The Axionlog Split-off."

Capital Expenditures and Divestitures

Under the MFAs, we are required to agree with McDonald's on a restaurant opening plan and a reinvestment plan to use our best efforts to reimage at least 10% of our eligible restaurants. The restaurant opening plan specifies the number and type of new restaurants to be opened in the Territories during the applicable period, while the reinvestment plan specifies the number of restaurants to be remodeled or upgraded in the Territories during the applicable period. Prior to the expiration of the then-applicable period we must agree with McDonald's on a subsequent reinvestment plan. In the event that we are unable to reach an agreement on a subsequent reinvestment plan, the MFAs provide for an automatic increase of 20% in the required amount of reinvestments as compared to the then-existing reinvestment plan. We may also propose, subject to McDonald's prior written consent, amendments to any restaurant opening plan and/or reinvestment plan to adapt to changes in economic or political conditions.

Under the terms of the MFAs we have agreed to with McDonald's, we expect to open 90-100 restaurants in 2025. Between these restaurant openings and the reimaging of other restaurants, we expect to spend between $300 million and $350 million on capital expenditures in 2025.

As a result of our previous restaurant opening plan and reinvestment plan, property and equipment expenditures were $327.6 million, $360.1 million and $217.1 million in 2024, 2023 and 2022 respectively. In 2024, we opened 85 restaurants, reimaged 160 existing restaurants, and opened 164 Dessert Centers. In 2023, we opened 81 restaurants, reimaged 241 existing restaurants, and opened 117 Dessert Centers. In 2022, we opened 66 restaurants, reimaged 114 existing restaurants, and opened 107 Dessert Centers.

B. Business Overview

Overview

We are the world's largest independent McDonald's franchisee in terms of systemwide sales and number of restaurants, according to McDonald's, representing 4.4% of McDonald's global sales in 2024. We have the exclusive right to own, operate and grant franchises of McDonald's restaurants in 20 countries and territories in Latin America and the Caribbean, including Argentina, Aruba, Brazil, Chile, Colombia, Costa Rica, Curaçao, Ecuador, French Guiana, Guadeloupe, Martinique, Mexico, Panama, Peru, Puerto Rico, Trinidad and Tobago, Uruguay, the U.S. Virgin Islands of St. Croix and St. Thomas, and Venezuela, which we refer to collectively as the Territories. As of December 31, 2024, we operated or franchised 2,428 McDonald's-branded restaurants, which represented 5.9% of McDonald's total franchised restaurants worldwide. In 2024 and 2023, we accrued $265.4 million and $249.3 million, respectively, in royalties to McDonald's (not including royalties accrued on behalf of our sub-franchisees).

We operate in the QSR sub-segment of the fast food segment of the Latin American and Caribbean food service industry. In Latin America and the Caribbean, the fast food segment has benefited from the region's increasing modernization, as people in more densely populated areas adopt lifestyles that increasingly seek convenience, speed and value.

We commenced operations on August 3, 2007, as a result of the Acquisition. We operate McDonald's-branded restaurants under two different operating formats, Company-operated restaurants and franchised restaurants. As of December 31, 2024, of our 2,428 McDonald's-branded restaurants in the Territories, 1,725 (or 71.0%) were Company-operated restaurants and 703 (or 29.0%) were franchised restaurants. We generate revenues primarily from two sources: sales by Company-operated restaurants and revenues from franchised restaurants. Revenues from franchised restaurants primarily consist of rental income, which is generally based on the greater of a flat fee or a percentage of sales reported by franchised restaurants. We own the land for 472 of our 2,428 restaurants and the buildings for all but 6 of those 472 restaurants.

As of December 31, 2024, 48.3% of our restaurants were located in Brazil, 26.9% in NOLAD and 24.8% in SLAD. We believe our diversified market presence reduces our dependence on any one market and helps stabilize the impact of individual countries' economic cycles on our revenues. We focus on our customers by managing operations at the local level, including marketing campaigns and special offers, menu management and monitoring customer satisfaction, while leveraging our size by conducting administrative and strategic functions at the divisional or corporate level, as appropriate.

The following table presents a breakdown of total revenues by division:

	For the Years Ended December 31,		
	2024	2023	2022
	(in thousands of U.S. dollars)		
Total Revenues			
Brazil	$ 1,768,311	$ 1,701,547	$ 1,429,1
NOLAD	1,225,751	1,132,912	920,1
SLAD	1,476,100	1,497,419	1,269,6
Total	**4,470,162**	**4,331,878**	**3,618,9**

Our Operations

Company-Operated and Franchised Restaurants

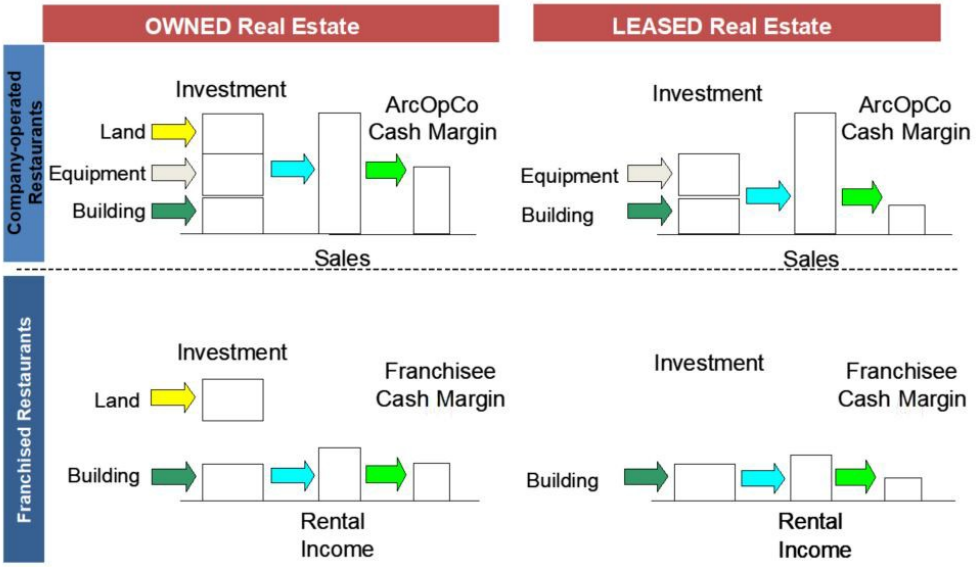
We operate our McDonald's-branded restaurants under two basic structures: (i) Company-operated restaurants operated by us and (ii) franchised restaurants operated by sub-franchisees. Under both operating alternatives, the real estate location may either be owned or leased by us.

We own, fully manage and operate Company-operated restaurants and retain any operating profits generated by such restaurants, after paying operating expenses and the franchise and other fees owed to McDonald's under the MFAs. In Company-operated restaurants, we assume the capital expenditures for the building and equipment of the restaurant and, if we own the real estate location, for the land as well.

In contrast to Company-operated restaurants, franchised restaurants are operated and managed by the sub-franchisee with technical and operational support from us as master franchisee, including training programs, operations manuals, access to our supply and distribution network and marketing assistance. Under our conventional franchise arrangements, sub-franchisees provide a portion of the capital required by initially investing in the equipment, signs, seating and decor of their restaurants, and by reinvesting in the business over time. We are required by the MFAs to own the real estate or to secure long-term leases for franchised restaurant sites. We subsequently lease or sublease the property to sub-franchisees. This arrangement allows for long-term occupancy of the property and assists in the alignment of our sub-franchisees' interests with our own.

In exchange for the lease and services, sub-franchisees pay a monthly rent to us, generally based on the greater of a fixed rent or a certain percentage of gross sales. In addition to this monthly rent, we are responsible for collecting royalties from our sub-franchisees, and pay these fees to McDonald's pursuant to the MFAs. However, if a sub-franchisee fails to pay its monthly royalties, we remain liable for payment in full of these fees to McDonald's. Pursuant to the MFAs, sub-franchisees pay an initial franchise fee in connection with the opening of a new franchised restaurant and a transfer fee upon transfer of a franchised restaurant, both of which are subsequently shared by McDonald's and us. See "Item 10. Additional Information—C. Material Contracts—The MFAs—Initial Franchise Fees."

The chart below illustrates the economics for Company-operated restaurants and franchised restaurants in the case of owned and leased real estate:



Source: Arcos Dorados

In addition, we are the majority stakeholder in two joint ventures that collectively own 16 restaurants in Argentina and Chile. We consider these restaurants to be Company-operated restaurants. We have also granted developmental licenses to 6 restaurants. Pursuant to the developmental licenses, the developmental licensees own or lease the land and building in which the restaurant is located and pay a franchise fee to us, in addition to the royalties due to McDonald's. We consider these restaurants to be franchised restaurants. The above mentioned joint ventures and developmental licenses were in existence at the time of the Acquisition.

Additionally, in November 2021, a joint venture was formed with a Mexican sub-franchisee in which the Company is a minority stakeholder and owns 44 restaurants. We consider these restaurants to be franchised restaurants. The Company's joint ventures in Argentina, Chile and Mexico operate as a joint venture under the traditional definition used within the McDonald's system for such business arrangements. For purposes of this annual report, a joint venture is an entity that operates certain restaurants in the Company's territory in which the Company is a stakeholder together with a third party. This third party is always a sub-franchisee of the Company. Although in most joint ventures the Company exercises control or significant influence over the entity's operating and financial policies, the third party is responsible for the day-to-day operation of the entity's restaurants. Restaurants operated by entities in which the Company has a majority stake are considered to be Company-operated; whereas, entities in which the Company holds a minority stake are considered to be franchised.

Restaurant Categories

We classify our restaurants into one of four categories: (i) freestanding, (ii) food court, (iii) in-store and (iv) mall stores. Freestanding restaurants are the largest type of restaurant, have ample indoor seating and include a drive-thru area and parking lot. Food court restaurants are located in malls and consist primarily of a front counter and kitchen and do not have their own seating area. In-store restaurants are part of a larger building, but they do not have a drive-thru area or a parking lot. Mall stores are located in malls like food court restaurants, but have their own seating areas. As of December 31, 2024, 1,296 (or 53.4%) of our restaurants (including non-traditional satellite stores) were freestanding, 583 (or 24.0%) were food courts, 262 (or 10.8%) were in-stores and 287 (or 11.8%) were mall stores. These percentages vary by country, and may shift as opportunities in malls and more densely populated areas become available in some of the Territories.

Below are examples of each of our restaurant categories:

Source: Arcos Dorados

Returns on investment in each type of restaurant vary significantly due to the different capital expenditures required and their different sales potential; mall stores generally provide the highest return on investment while freestanding restaurants generally provide the lowest. Moreover, returns vary significantly on a country-by-country basis.

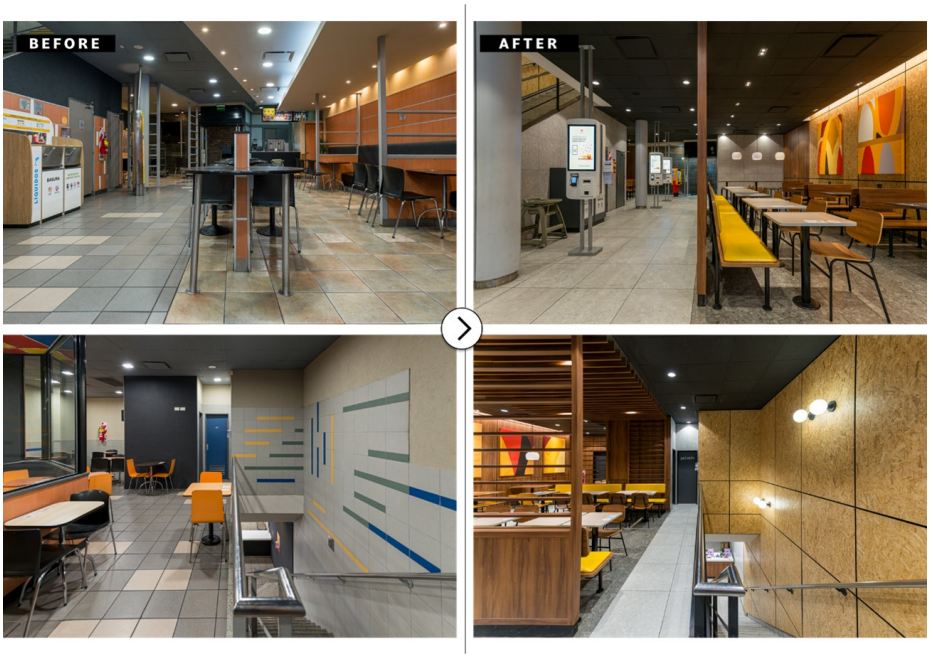
Reimaging

An important component of our development plan is the reimaging of existing restaurants. As of December 31, 2024, we completed 160 new reimaging projects of our restaurants as compared to December 31, 2023. Our restaurants that have undergone reimaging during the past three years have experienced an additional increase in sales per restaurant over the comparable sales growth experienced by restaurants which have not been reimaged in the same period. Both we and McDonald's are committed to maintaining an image for our restaurants that creates a contemporary dining experience. Over the last few years, we have invested substantially in the reimaging of our restaurants, and, pursuant to the MFAs, we have committed to a significant reimaging plan. See "Item 10. Additional Information—C. Material Contracts."

Objectives of the reimaging include elevating the customer's perception of McDonald's and creating a more sophisticated and highly aspirational environment. We have developed systemwide guidelines for the interior and exterior design of reimaged restaurants. When carrying out a reimaging project, we try to minimize the impact on the operations and sales of the restaurants, for instance, when possible, by keeping the restaurants open and operating during the renovations and working in specific areas of the location at particular times.

Additionally, we participate in the restaurant operations improvement process designed by McDonald's, under which Company-operated and franchised restaurants are visited at least ten times in any 12-month cycle to identify system opportunities to continuously improve our operations and guest experience. Visits are conducted by our operation consultants, who assess restaurants based on food quality, food safety, service and cleanliness, among others.

Below are images of the exterior of a few of our restaurants that have benefited from reimaging:



Source: Arcos Dorados

McCafé Locations and Dessert Centers

Our brand extension efforts focus on the development of additional McCafé locations and Dessert Centers. McCafé locations are stylish areas within restaurants where customers can purchase a variety of customizable beverages, including lattes, cappuccinos, mochas, hot and iced premium coffees and hot chocolate. McCafé locations have been very successful in creating a different customer experience, optimizing the use of our restaurants at all hours of operation and providing a higher profit margin than our regular restaurant operations. We believe the primary benefit of McCafé locations is that they attract new customers by increasing the variety of our product offerings and improving our image.

McCafé locations have been a key factor in adding value to our customers' experience and represented 6.4% of the total transactions and 3.4% of total sales of the restaurants in which they were located in 2024. As of December 31, 2024, there were 377 McCafé locations in the Territories, of which 20.7% were operated by sub-franchisees. Brazil and Argentina, with 138 and 96 locations each, have the greatest number of McCafé locations. The first McCafé in Latin America was opened in Argentina in 1999. Pursuant to the MFAs, we have the right to add McCafé locations to the premises of our restaurants.

Below are images of the interior of two of our McCafé locations:

Dessert Center - Ice Cube

Source: Arcos Dorados

In addition to McCafé locations, Dessert Centers have been a very successful brand extension. Dessert Centers operate both as part of our existing restaurant locations and separately, as standalone locations. For those Dessert Center locations that operate separately from our restaurant locations, they depend on our restaurants for supplies and operational support. For example, a mall store restaurant can provide support for several Dessert Centers located in different locations throughout the same mall. Our Dessert Centers are conveniently located to attract customers, thereby serving as important transaction generators and providing an effective method of extending our brand presence to non-traditional areas. At Dessert Centers, customers can purchase a variety of dessert items, including the McFlurry and soft-serve ice cream. Dessert Centers require low capital expenditures and provide returns on investment and operating margins that are significantly higher than our regular restaurant operations. As such, we believe they are an important driver in increasing our market penetration.

Dessert Centers represented 27.9% of our transactions and 9.9% of our total sales of the restaurants in which they were located in 2024. As of December 31, 2024, there were 3,268 Dessert Centers in the Territories. Dessert Centers are highly successful in Brazil, where we have 2,011 locations. The first Dessert Center was created in Brazil in 1979.

The following maps set forth our McCafé locations and Dessert Centers in each of the Territories as of December 31, 2024:

Network of McCafé Locations
377 total McCafé locations

Network of Dessert Centers
3,268 total Dessert Centers

Source: Arcos Dorados

The McDonald's Brand

Kantar BrandZ, a brand consulting firm, ranked McDonald's fifth among the top twenty global brands in 2024. In addition, we believe that in Latin America and the Caribbean, the McDonald's brand benefits from an aspirational cachet as a "destination" restaurant with a reputation for safe, fresh, affordable and good-tasting food in an attractive setting. McDonald's strong brand equity stems from the dedicated execution of its brand promise and its ability to associate with the local community where it operates. McDonald's sets the standard in the restaurant industry worldwide for brand stewardship and marketing leadership.

Product Offerings

A crucial part of delivering the brand to guests depends on our product offerings, or more specifically, our menu strategy and management. The key objective of our menu strategy is the development and offering of quality food choices that attract customers to our restaurants on a regular basis. The elements we utilize to achieve this goal include offering McDonald's core menu, our product innovation initiatives and our focus on food safety.

Our menus feature three tiers of products: (i) affordable entry-level options, such as our *McTrio 3x3* and *Elige tu fav* in Mexico, *McCombo del Día* in Colombia and *McMenu* in Panama, (ii) core menu options made with beef and chicken, such as the Big Mac, Quarter Pounder, McNuggets, McChicken, McCrispy Chicken and Happy Meal, and (iii) premium options, such as the *Signature Collection* in Colombia, Chile and Uruguay and the *Grands Platform* in Argentina, Mexico and Peru, and salads for those guests that want lower calorie options. These platforms can be based on the type of products, such as beef, chicken, salads or desserts, or on the type of customer targeted, such as the children's menu. We have offered a new menu with fewer calories and less sugar and sodium in the majority of our Territories since 2011. Since 2013, we have offered dairy products, fruits or vegetables with our Happy Meals in all of the Territories except Venezuela. In November 2019, we joined McDonald's Corporation in its mission to serve foods that are a win-win for families, providing delicious and nutritious food that appeal to both kids and parents. In the markets in which we operate, except for Venezuela, we are offering a Happy Meal menu that complies with the following criteria: less than 600 calories, less than 30% of calories from total fat, less than 10% of calories from saturated fat, less than 650 mg sodium, less than 10% of calories from added sugar, no artificial flavors and no added colors from artificial sources and balanced fruit and vegetable content. Arcos Dorados' new nutritional policy was publicly endorsed by major health and nutrition bodies of various countries, such as Inter-American Society of Cardiology, the Brazilian Association of Nutrition (ABRAN), the Argentine Cardiology Foundation, the Peruvian Nutrition Society (SOPENUT), and the Uruguayan Association of Dietitians and Nutritionists.

Our core menu is the most important element of our menu strategy as it includes most of our product offerings and well-recognized food choices that have global customer acceptance. Products from our core menu are what customers repeatedly order at McDonald's-branded restaurants worldwide. We expanded our core products with new options such as the Spicy McNuggets, Big Mac Bacon and Quarter Pounder Western BBQ in many countries, which are being offered for a limited time only. In line with our commitment to the core menu, we are expanding the Best Burger program for beef products into new markets. The program has now been fully rolled out in 13 markets, delivering positive results in sales, quality, and taste while maximizing the impact of our core menu offerings.

Product Development

We closely follow consumer trends in all the markets in which we operate to identify opportunities to keep evolving our products. In recent years, for instance, we have identified consumer preference for more natural food, and, as a result, we have been working with our supply chain teams to remove artificial flavors and colors from various core ingredients, including the Big Mac sauce, cheddar cheese, ketchup, mustard, and vanilla ice cream, among others. In turn, these changes have allowed us to transform our core products in response to consumer trends, including the Big Mac, Quarter Pounder with Cheese, Chicken McNuggets, Happy Meal products, hamburgers and cheeseburgers. While we fully aim to evolve our products along with consumer trends and provide new and better options on our menu, we also recognize the importance of preserving the very characteristic of McDonald's delicious flavors and food safety standards.

We work closely with McDonald's to develop new product offerings and McDonald's considers our recommendations regarding regional tastes and preferences, working with us to accommodate such tastes and preferences. We continue to benefit from McDonald's product development efforts following the Acquisition and have access to a library of products developed globally for the McDonald's system. For example, in 2021, we took the McCrispy Chicken sandwich platform from the U.S. and successfully launched it in Puerto Rico and Mexico. In 2022, we introduced the McCrispy Chicken sandwich platform to additional markets: Panama, Costa Rica, Ecuador, Colombia, Chile, Trinidad, Brazil, Argentina and

Uruguay. This McCrispy Chicken platform consists of three to four different chicken sandwiches made with a special bread and 100% chicken breast, among the chicken sandwich options is a "hero" sandwich, the McCrispy Deluxe, which is a large-mainstream sandwich that can flex to the top tier by adding toppings and sauces. We also launched several limited-time line extensions of our most iconic products, including the Chicken Big Mac in 2023 and 2024 in Mexico, Costa Rica, and Panama; the Quarter Pounder BBQ Bacon in 2023 and 2024 in Chile, Costa Rica, Panama, Puerto Rico, Uruguay, and Ecuador; and the Quarter Pounder Cheesy Jalapeño in 2024 in Mexico and Ecuador. Additionally, we introduced other innovations, such as the McRib in 2023 in Costa Rica and Ecuador and the McFish in 2024 in Brazil, Costa Rica, Panama, Puerto Rico, Aruba, and Curaçao.

In key countries, our understanding of the local market has enabled us to successfully introduce new items to appeal to local tastes and to provide our guests with additional menu options. Our chicken-based offerings include bone-in chicken in markets such as Colombia, Peru, Panama and Costa Rica. We also carefully monitor the sales of our menu items and are able to quickly modify them if necessary.

In addition, we continue to benefit from the Hamburger Universities in the United States and Brazil and the experimental kitchen located in Brazil that aims to develop locally relevant products for the region. The Hamburger Universities and the food studio models have been McDonald's main global source of people and product development. The Hamburger Universities provide restaurant managers, mid-managers and owner/operators with training on best practices in different aspects of the business, like restaurant and people management, sales and accounting, while emphasizing consistent restaurant operations procedures, service, quality and cleanliness.

Product and Pricing Strategy

Value perceptions change significantly between markets and even between areas within a single market. In order to adjust pricing to meet customers' expectations in each market, we have developed local expertise aimed at understanding the dynamics of the local marketplace and the characteristics of its customers using data analytics and digital tools.

We collaborate closely with McDonald´s Global Pricing team to implement a structured pricing methodology across our markets. This approach provides a comprehensive framework to refine pricing decisions based on customer insights. The program has been introduced in multiple regions, where ongoing research helps identify optimal value propositions and pricing strategies. Since 2023, Brazil has taken the lead in driving this initiative, leveraging advanced tools to generate data-driven price recommendations and enhance overall business performance.

We also examine trends in the pricing of raw materials, packaging, product-related operating costs as well as individual items sales volumes to fully understand profitability by item. In addition, we use international consultants with particular experience in this area to understand marketplace dynamics and consumer characteristics. These insights feed into the local markets' menu, promotional and pricing strategy as well as the marketing plan that is disseminated to both Company-operated and franchised restaurants. Restaurants may then adjust pricing and/or item offerings as they choose in an attempt to optimize sales, profitability and local preferences. This cycle is part of an overall revenue management philosophy and is part of our business management practices utilized throughout the region.

Advertisement & Promotion

We believe that sales in the QSR sub-segment can be significantly affected by the frequency and quality of our advertising and promotional programs. In particular, we benefit from the strength of McDonald's global resources, including its global alliances with some of the largest multinational conglomerates and sponsorship of sporting events such as the FIFA World Cup and participation in various movie promotions, which provides us with important advertising and promotion opportunities.

Under the MFAs, we are required to develop and implement a marketing plan for each Territory, which must be approved in advance by McDonald's and adhere to guidelines provided by McDonald's. We promote the McDonald's brand and our products through advertising and promotional activities across all of the Territories. While we are responsible for creating, developing and coordinating these marketing plans and promotional activities, McDonald's reserves the right to review and approve any advertising materials and related promotional efforts. McDonald's may also request that we discontinue the use of any materials or promotional activities it deems detrimental to its brand image.

The MFAs require us to spend at least 5% of our gross sales on advertising and promotional activities, unless otherwise agreed with McDonald's. Our advertising and promotional efforts are guided by a comprehensive marketing plan that outlines key strategic platforms aimed at driving sales.

Our advertisement and promotion activities are guided by our overall marketing plan, which identifies the key strategic platforms that we aim to leverage to drive sales. The advertisement and promotion program is formulated based on the amount of advertisement and promotion support needed for each strategic platform for the year. Our key strategic platforms include menu relevance, by introducing premium products and extending core product lines, convenience, digital and strengthening the kids and family experience. In terms of pricing, we understand that our customers seek great-tasting food at affordable prices and that their perception of value while at the restaurant is a significant factor in determining overall satisfaction and frequency of visits. Other initiatives included the "Book or Toy" campaign in ten Latin American markets, through which we have delivered more than 25 million books since 2013, aiming to foster children's creativity.

In 2024, we continued focusing our efforts to promote our mobile app and new digital channels such as *"Pide y Retira"* ("order and pick up"). We strengthened sales channels like McDelivery with special offers and repositioned the drive-thru sales channel in order to adapt to the new mobility trends. In addition, we successfully rebuilt our family business with the introduction of family bundles like the Family Box. All advertised Happy Meal bundles in the markets in which we operate comply with McDonald's Corporation's Global Marketing to Children Policy, including its Global Happy Meal Nutrition Criteria.

To unlock further growth, we will continue investing in the digitalization of our business. We have a dedicated department that is working under agile methodologies to accelerate our digital offerings. We are doubling down on our digital marketing capabilities to acquire, activate and engage customers through personalization.

Through our digital platform, Arcos Dorados will offer customers the personal, fast and easy experiences they love and provide them with many reasons to keep coming back. Our lifecycle management efforts, combined with the launch of our loyalty programs in Brazil, Uruguay and Costa Rica, are producing double-digit increases in our digital customer's purchase frequency. We plan to continue launching our loyalty program throughout the markets in which we operate.

Through the execution of these initiatives, we work to enhance the McDonald's experience for customers throughout the Territories and increase our sales and customer counts. We aim to position ourselves as a "forever young" brand that provides its customers delicious "feel good moments" through a youthfully energetic, distinctly casual, personally engaging and delightful dining/brand experience.

Digital, Delivery, Drive-Thru and Development Strategy

We are focused on leveraging our competitive strengths by building a digital strategy we believe will help continue the growth of our digital, delivery and drive-thru channels. Our industry-leading digital platform offers guests greater choices for how to enjoy our brand experience, while the connection with families remains at the core of its appeal. As a result, during 2024, we saw strong growth in on-premise sales, while also generating strong off-premise sales growth. In 2024, our digital channels (the mobile app, delivery, self-order kiosks and order ahead) comprised 57.0% of our systemwide sales, representing $3.3 billion in digital sales. We leveraged our structural competitive advantages, including the largest free-standing restaurant portfolio in the Latin American and Caribbean QSR industry and our industry-leading digital platform to generate robust digital sales growth. Towards the end of October 2023, we officially launched the nationwide Loyalty Program "*Meu Méqui*" in Brazil and in April and May 2024, we launched the program "*MiMcDonald's*" in Uruguay and Costa Rica, respectively. The program allows the Company to boost the power of its Mobile App, leveraging guest data to increase engagement, frequency and lifetime value through a more personalized and rewarding experience. Beef and chicken campaigns reinforced our sales expansion, while Arcos Dorados' exclusive sponsorship of Formula 1 allowed us to carry out campaigns in all markets, especially promoting the use of our digital platforms and McDelivery by customers. Our mobile app is currently available in 18 markets and over 2,350 restaurants, reaching more than 147 million cumulative downloads by the end of 2024. The mobile app had more than 20 million average monthly active users and, in December 2024, identified sales represented almost 24% of the Company's total sales. In addition, Arcos Dorados' CRM platform, had more than 99 million unique registered users by the end of December 2024, including 15.8 million as part of our new Loyalty program available in Brazil, Uruguay and Costa Rica. The platform provides convenient solutions, combined with insights from the Company's data analytics capabilities, driving a more personalized experience with a higher guest lifetime value.

We continued to generate significant growth in our delivery sales channel in 2024, which increased 93% since 2021. Trends in drive-thru, also reflected the structural competitive advantage of our free-standing restaurant portfolio. Sales in this channel were up around 18% between 2021 and 2024. Guest experience is the main driver of frequency and sales growth, so we made operational improvements over the last several years to speed up total experience times and reduce inaccuracy that strengthened customer satisfaction. As a result, we have the highest drive-thru market share among all restaurants in the markets in which we operate.

As part of our development plan, and to continue leveraging our structural competitive advantages, we opened 85 EOTF restaurants in 2024, including 79 freestanding restaurants, and we remodeled another 160 existing restaurants to the EOTF format. Approximately 67% of our restaurant portfolio consists of EOTF restaurants and we plan to increase that to approximately 90% of our restaurants by the end of 2027.

Regional Operations

The Company is managed across three geographic divisions: Brazil, NOLAD and SLAD. The divisions are subsequently divided into sub-groups comprised of individual Territories or regions. The presidents of the divisions report directly to our chief operating officer.

The following map sets forth the number of our restaurants in each of our operating divisions as of December 31, 2024:

(1) Non-traditional satellite restaurants are included.

Source: Arcos Dorados

We remain close to customers by managing operations at the local level, including implementing recruiting centers, conducting marketing campaigns and promotions, monitoring consumer perception and managing menu offerings. We conduct administrative and strategic activities at either the divisional level or at our headquarters, as appropriate. In addition, we have designed standardized crew recruiting manuals and have implemented a new modernized training system for crew and managers. These centralized operations help us maintain consistent procedures, quality control and brand management across all of our markets.

Set forth below is a summary of our restaurant portfolio as of December 31, 2024.

	Ownership			Store Type[1]						Real Property[2]	
Portfolio by Division	Company-Operated	Franchised	Total	Freestanding	Food Court	In-Store	Mall Store	Dessert Centers	McCafé Locations	Owned	Leased
Brazil	723	450	1,173	625	349	91	108	2,011	138	109	1064
NOLAD	497	157	654	411	136	47	60	525	19	204	444
SLAD	505	96	601	260	98	124	119	732	220	159	442
Total	1,725	703	2,428	1,296	583	262	287	3,268	377	472	1,950

(1) Non-traditional satellite restaurants are included in these figures.

(2) Developmental licenses and mobile stores are not included in these figures.

Brazil

Brazil is our largest division in terms of restaurants, with 1,173 restaurants as of December 31, 2024 and $1,768.3 million in revenues in 2024, representing 48.3% and 39.6% of our total restaurants and revenues, respectively. Our operations in Brazil are headquartered in São Paulo and McDonald's has been present in Brazil since opening its first restaurant in Rio de Janeiro in 1979.

NOLAD

NOLAD includes nine countries with 654 restaurants as of December 31, 2024 and $1,225.8 million in revenues in 2024, representing 26.9% and 27.4% of our total restaurants and revenues, respectively. Its primary market is Mexico, where the division's management is based. McDonald's has been present in Mexico since opening its first restaurant in Mexico City in 1985. As of December 31, 2024, Mexico represented 57.5% of NOLAD's restaurants and 36.5% of NOLAD's revenues in 2024, and Mexico is our second-largest market in terms of restaurants.

SLAD

SLAD includes ten countries with 601 restaurants as of December 31, 2024 and $1,476.1 million in revenues in 2024, representing 24.8% and 33.0% of our total restaurants and revenues, respectively. The division's management is based in Colombia and its primary market is Argentina, where McDonald's has been present since opening its first restaurant in Buenos Aires in 1986. As of December 31, 2024, Argentina represented 37.6% of SLAD's restaurants and 40.7% of SLAD's revenues in 2024. Argentina is our third-largest market in terms of restaurants.

Seasonality

Our sales and revenues are generally greater in the second half of the year than in the first half. Although the impact on our results of operations is relatively small, this impact is due to increased consumption of our products during the winter and summer holiday seasons, affecting July and December, respectively.

Supply Chain and Distribution

Supply chain management is an important element of our success and a crucial factor in optimizing our profitability. Currently, we have an integrated and centralized supply chain management system that focuses on (i) the highest possible quality and food safety standards, (ii) competitive market pricing that is predictable and sustainable over time, and (iii) leveraging of local, regional and global sourcing strategies to obtain competitive advantages. This system consists of the selection and development of suppliers that are able to comply with McDonald's high quality and food safety standards and the establishment of the appropriate type of relationships with them. These standards, which are based on the highest industry standards recognized by the Global Food Safety Initiative (GFSI), such as British Retail Consortium (BRC) standards and

others, include requirements with respect to our suppliers' food safety and quality management systems, product consistency and timeliness, meeting or exceeding all local food regulations and compliance with our policies, procedures and guidelines.

The supplier quality management system includes compliance with strict requirements such as:

- Food safety and quality policies
- Food safety system based on Hazard Analysis Critical Control Point ("HACCP"), an internationally recognized method of identifying and managing food safety risk addressed through the analysis and control of biological, chemical and physical hazards from raw material production, procurement, handling, manufacturing and distribution to help prevent contamination and food-borne illnesses
- Crisis management
- Contingency plans
- Facility security and food defense, including efforts to ensure defense against acts of intentional food adulteration or tampering
- Good manufacturing practices
- Material handling, storage and transport
- Testing
- Traceability
- Food fraud prevention, including efforts to ensure prevention of fraudulent and intentional substitution, dilution, addition or misrepresentation of food, food ingredients or food packaging or labeling made for economic gain that could adversely impact consumer health
- Product quality, including product and raw material specification, sensory attributes, process validation and capability
- Verification and continuous improvement, including management of customer complaints

Due to our supply chain management described above, we believe our products have a competitive advantage because they have many unique attributes that make them appealing to our customers. For instance, our Chicken McNuggets are made of 100% white meat; our frying oil in almost all our markets is 100% free of trans fatty acids; the dairy mix for our sundaes and the McFlurry is produced from best quality ingredients and undergoes heat treatment processes to provide best-in-class quality and safest products; our leaf vegetables are harvested in fields with good agricultural practices and are washed and sanitized to improve food safety standards, and our beef patties are made with 100% pure beef and do not contain additives or preservatives.

Pursuant to the MFAs, we purchase core products and services, such as beef, chicken, pork, buns, potatoes, produce, sauces, cheese and dairy mixes, from approved suppliers and distribution centers who meet the above mentioned requirements. If McDonald's were to determine that any product or service offered by an approved supplier is not in compliance with its standards, it may terminate the supplier's approved status. Beyond the purchase of core products and services, we have no restrictions on which suppliers we may use, as long as they meet the requirements for approval. We have largely continued the supply relationships that McDonald's had established prior to the Acquisition, and we developed relationships with new suppliers in accordance with McDonald's product and supplier requirements, including the following: Supplier Quality Management System (SQMS), Social Workplace Accountability (SWA), Distributor Quality Management Program (DQMP), Animal Health and Welfare (AH&W) and Global Quality & Safety Requirements for Disposable Packaging (GQSR), among others.

Since the process to become an approved supplier is lengthy, costly and requires proof of compliance with McDonald's high quality standards, we have found that oral agreements with our approved suppliers generally are sufficient to ensure a reliable supply of quality food products, and we have developed long-term relationships with most of our suppliers. In addition, we enter into written agreements with most of our suppliers regarding the cost of such goods, which can be based on pricing protocols, formula costing, benchmarking or open bidding processes, as appropriate. Our 32 largest suppliers account for approximately 75% of our supplies, and no single supplier or group of related suppliers account for more than 11% of our total food and paper costs. Among our main suppliers are Marfrig Global Foods SA; McCain Foods Group Inc; Coca Cola Company; Bimbo S.A. de C.V; Reyes Holdings L.L.C.; Axionlog B.V; HAVI Group L.P; Savencia Fromage & Dairy; BRF S.A.; American Beef S.A; Tyson Foods; Frima S.A; J.R. Simplot Company; Schreiber Foods Inc.; Kerry Group plc; F C & Natural Salads Distribuidora de Produtos Hortifrutigranjeiros Ltda; Panifresh S.A; Griffith Foods Worldwide Inc; Golden State Foods; Bunge Limited; Lactalis Group; BO Packaging S.A; Lacteos de Poblet S.A; Brasilgrafica S.A; Terbium Industrial S.A; IBD Foods, LLC; AB Brasil Industria e Comércio de Alimentos Ltda; Granja Tres Arroyos S.A; Fortunato Mangravita S.A.; Interbake Chile S.A; Impresora Delta S.A; and Cellier Alimentos do Brasil Ltda.

Our integrated supply chain management optimizes value as we work with suppliers to develop pricing protocols, inventory management, planning and product quality. As of December 31, 2024, approximately 23.5% of the cost in our restaurants, mainly food and paper, was exposed to fluctuations in foreign exchange rates. This percentage varies among the Territories; for example, 39.6% of the products consumed in Mexico are exposed to fluctuations in foreign exchange rates, while 19.1% and 5.2% of the products consumed in Brazil and Argentina, respectively, are exposed. This includes the toys distributed to our restaurants, which are imported from China. Certain supplies, such as beef, dairy and produce, must often be locally sourced due to restrictions on their importation. Although we maintain contingency plans to back up restaurant supplies, fluctuations in exchange rates coupled with the MFAs' requirement to purchase certain core supplies from approved suppliers, may mean that we are unable to quickly find alternate or additional supplies in the event a vendor is unable to meet our orders. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Operations—From time to time, we depend on oral agreements with third-party suppliers and distributors for the provision of products and services that are necessary for our operations." The suppliers deliver almost all of their products to distribution centers that are responsible for reception, transportation, warehousing, financial administration, demand and inventory planning and customer service. The distribution centers interact directly with our Company-operated and franchised restaurants.

Until March 2011, we managed the distribution of most of our food and paper supplies in Argentina, Chile, Mexico and Venezuela, which operations and related assets we refer to as Axionlog (formerly known as Axis). Since the split-off, Axionlog has provided us with comprehensive 3PL services, including storage (dry, frozen and chilled), transportation, planning, and logistics management services pursuant to a master commercial agreement with Axionlog on arm's-length terms. Axionlog currently provides us some or all of these services in the following Territories: Argentina, Aruba, Chile, Colombia, Curaçao, Ecuador, French Guiana, Guadeloupe, Martinique, Mexico, Peru, Saint Croix, Saint Thomas, Trinidad and Tobago, Uruguay and Venezuela. For additional information about our transactions with Axionlog, see "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—The Axionlog Split-off."

Supply Chain Management and Quality Assurance

All menu products meet McDonald's and Arcos Dorados' specifications, including new products and promotions (except branded products, such as McFlurry toppings, condiments, or Coca Cola Beverages, which follow standards specified by their brands and approved by McDonald´s).

We work with our suppliers, distribution centers and restaurants to implement and maintain strict food safety and quality standards through policies and procedures. These procedures are reinforced through continuous training for our suppliers, farmers, slaughterhouses, distribution centers and restaurants. To verify their compliance with our strict food safety and quality standards, we conduct annual independent, third-party food safety audits. Where improvement areas are identified, we require corrective action plans that are based on root cause analysis.

In addition, in 2023 we launched the Arcos Dorados Supplier Manual which details all the requirements that our suppliers must meet to be part of our system. This document sets out all of McDonald's and Arcos Dorados requirements and expectations with the latest versions of documents, policies and audit checklists. The supplier is requested to acknowledge receipt of the Supplier Manual. This document is available in Spanish, English, Portuguese and French.

We have audits in place to verify that leaf vegetable growers follow good agricultural practices (food safety standards) and preventive measures, so as to guard against potential sources of contamination and cross-contamination from seed to serving. All raw materials suppliers of beef, chicken, pork and eggs need to comply strict food safety standards and undergo Animal Health and Welfare, bovine spongiform encephalopathy disease (beef suppliers), Good Manufacturing Practices ("GMP"), traceability, HACCP and social workplace accountability audits.

McDonald's animal health and welfare standards are defined for each species and verified through recurring independent audits of approved slaughterhouses. Where these audits find non-compliance, we work with the supplier to enhance their practices and implement robust and sustainable corrective action plans.

At the processing facilities, we implement a supplier quality management system (SQMS), as described above, that encourages continuous improvement in each supplier. The supplier quality management system is measured, scored and audited on a regular basis to guarantee continuity and improvement. These audits are conducted by third party audit firms approved by McDonald's.

Suppliers must also establish measures to prevent intentional or unintentional harm to people, products and processes, as well as associated losses. We expect our suppliers to be able to demonstrate, among others, facility security and food defense plans based on recognized and valid methodologies, ensure that only authorized persons have access to their facilities, maintain protocols to report any breaches or suspected breaches of security with plans for investigation and corrective actions and perform risk analysis on ingredients and raw materials to ensure compliance with food safety and quality requirements.

Since 2017, we complemented our audit process with the implementation of unannounced GMP Good Manufacturing Practices audits at the facilities of high-risk suppliers (categorized as Category 1 suppliers) and Core suppliers. We also measure compliance through internal visits of the quality staff to the facilities. To support the suppliers, we provide seminars, online and in-person training and regularly updated materials on topics such as McDonald´s audit programs, standards calibration, product sensory evaluation and best practices.

The Social Workplace Accountability (SWA) program, for instance, promotes a set of global standards for suppliers in the McDonald's supply chain and helps to assess topics related to human rights, business integrity, workplace environment, management systems and grievance mechanisms. The SWA program enables us to mitigate risks to our brand, preserve the integrity of our supply chain and contribute to the consistent delivery of high quality and safe products without interruption, while also providing our suppliers with helpful tools to understand our expectations regarding ethical and safe treatment of individuals. Moreover, the SWA program verifies our suppliers' compliance with our expectations and standards by, among others, requiring suppliers to agree to adhere to the McDonald's supplier code of conduct, complete an annual self-assessment questionnaire, cooperate with third-party onsite audits and carry out any corrective and preventative action plans for any non-compliance identified.

We encourage our suppliers to adopt any scheme under the umbrella of GFSI that are recognized globally.

To monitor product quality performance in core products we have a Sensory program defined by McDonald´s where we evaluate the sensory attributes of our core products (appearance, texture and flavor).

At the distribution stage, we deployed the McDonald's Distribution Quality Management Program (DQMP), which includes, among others, management commitments, personal hygiene practices, material handling, a shelf-life management system, crisis management, facility security, food safety systems, foreign material control, cold chain management, record keeping, continuous improvement, customer service, a sophisticated stock recovery and traceability program, a quality inspection program upon receiving and unloading food items, contingency planning and regulatory compliance.

Additionally, beginning in 2017 we introduced a restaurant food safety audit program, which is an annual unannounced audit of our restaurants run by a third-party audit firm approved by McDonald's.

All our suppliers perform the audits at the frequencies determined by each program. It should be noted that although Venezuela is an exceptional market, it also carries out audits with local auditing firms and on behalf of Arcos Dorados.

We also participate in the Service Management Group Inc. (SMG) program, which is operated by McDonald's in several different regions, and provides customers with the opportunity to provide feedback on their experiences at our restaurants and with our products using a link to an online survey. Customer feedback obtained through the SMG program is sent to a centralized monitoring system that evaluates key operations indicators. Our multidisciplinary teams, which include members of our Supply Chain and Marketing and Operations teams, work to improve quality and efficiency at the restaurant level throughout the Territories.

In 2024 we started implementing a Hazard Analysis and Critical Control Points ("HACCP") plan in our restaurants. HACCP is a food safety system developed by NASA and Pillsbury in the 1960s that became part of the Codex Alimentarius in 1993 which has been adopted by leading food companies worldwide. HACCP helps us improve our existing food safety practices by focusing on risk analysis and identifying potential hazards that could affect product safety. To achieve this, we rely on a strong prerequisite program, which provides clear guidelines of what to do and what to avoid during food processing to guarantee safe conditions.

Our prerequisite program covers maintenance, cleaning, good manufacturing practices, training, water control, supplier management and pest control. While these practices are already in place, we continue to update and make them accessible to everyone involved.

In 2024, we celebrated our first Food Safety Day, bringing together suppliers and our Supply Chain and Operations teams from across Latin America. The event focused on enhancing food safety practices through talks and training sessions where we shared best practices and new strategies to minimize risks. This initiative strengthened our commitment to food safety and fostered a culture of continuous improvement. Food Safety Day marked an important milestone in our efforts to ensure the highest standards of safety and quality of the food we serve to our customers.

Our Competition

We compete with international, national, regional and local retailers of food products. We compete on the basis of price, convenience, service, menu variety and product quality. Our competition in the broadest perspective includes restaurants, quick-service eating establishments, pizza parlors, coffee shops, street vendors, ice cream vendors, convenience food stores, delicatessens and supermarkets.

Our Guests

We aim to provide our guests with safe, fresh and great-tasting food at a good value and a favorable dining experience in the family friendly environment demanded by our target demographic of young adults and families with children. Based on data from the United Nations Economic Commission for Latin America and the Caribbean, the Territories represented a market of approximately 571 million people in 2024—equivalent to the combined population of the United States, Germany, France and the United Kingdom—of which approximately 21.3% are under 14 years old and 36.6% are under 25 years old. As a business focused on young adults in the 14 to 35 age range and families with children, our operations have benefited, and we expect to continue to benefit, from our Territories' population size, age profile when compared to more developed markets and improving socio-economic conditions.

The McDonald's brand in Latin America is positioned as an aspirational experience and a destination for our guests. In order to maintain that brand positioning, we have implemented several initiatives focused on providing our guests with a differentiated customer experience. McDonald's digital strategies provides an innovative experience with a noticeable change in the areas of service, hospitality, and atmosphere in the restaurant. We will evolve to an integrated vision, based on 5 fundamental pillars to transversally deliver the expected experience for our guest: atmosphere, people, family, menu and technology.

Despite ongoing risks generally associated with international business operations, the confluence of favorable factors throughout many of the Territories, including growth in our target demographic markets, offer an opportunity of profitable growth and the ability to serve an ever-increasing number of guests.

Regulation

We are subject to various multi-jurisdictional federal, regional and local laws in the countries in which we operate affecting the operation of our business, as are our sub-franchisees and suppliers. Each restaurant is subject to licensing and regulation by a number of governmental authorities, which include zoning, health, safety, sanitation, tax, operating, environmental, building and fire agencies in the jurisdiction in which the restaurant is located. Difficulties in obtaining, or the

failure to obtain, required licenses or approvals can delay or prevent the opening of a new restaurant in a particular area. Restaurant operations are also subject to federal and local laws governing matters such as wages, working conditions and overtime. We are also subject to tariffs and regulations on imported commodities and equipment and laws regulating foreign investment.

Substantive laws that regulate the franchisor/franchisee relationship presently exist in several of the countries in which we operate. These laws often limit, among other things, the duration and scope of non-competition provisions, the ability of a franchisor to terminate or refuse to renew a franchise and the ability of a franchisor to designate sources of supply and regulate franchise sales communications.

Price Controls

Certain countries in which we conduct operations have imposed, and may continue to impose, price controls that restrict our ability, and the ability of our sub-franchisees, to adjust the prices of our products. For example, in Venezuela, the Fair Price Act has been in force since 2013, which seeks to lower high inflation by controlling prices and costs in the chain of production. The Fair Price Act generally sets forth a profit cap of 30% on the cost structure of goods and services, thus reducing management's ability to freely determine final prices. According to regulations passed under the Fair Price Act, to determine a final and fair price, management must observe and consider all of the costs of production, including (i) acquisition costs of raw materials, the determination of which must comply with existing regulations on transfer pricing (i.e., price, freight, primary storage, non-recoverable taxes and other costs directly attributable to the acquisition of raw materials), (ii) labor costs, and (iii) indirect costs of production.

The Fair Price Act also empowers the National Agency for the Defense of Socio-economic Rights to implement provisions and regulations on "fair pricing" and to oversee and audit businesses in Venezuela. Breaches of the Fair Price Act can result in criminal charges against merchants or business people. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Results of Operations and Financial Condition—Price controls and other similar regulations in certain countries have affected, and may in the future affect, our results of operations." Although we managed to navigate the negative impact of the price controls on our operations from 2013 through 2023, the existence of such laws and regulations continues to present a risk to our business. We continue to closely monitor developments in this dynamic environment.

In Argentina, the current administration, which took office in December 2023, has abrogated Law No. 26,991, known as the "Regulation on Production and Consumption Relationships Act," and Law No. 26,992, titled the "Creation of the Observatory of Prices and Availability of Inputs, Goods and Services Act", by means of Decree No. 70/2023, issued on December 21, 2023. Decree No. 70/2023, which remains subject to congressional and judicial review, also abrogated and amended several existing regulations with the purpose of deregulating the Argentine economy.

Labor Regulation

We are also subject to labor laws applicable in the countries in which we operate. During 2022, Venezuela implemented only one minimum wage increase but the government has increased other social benefits without direct impact on labor cost.

In Peru, Law No. 31600 extended the coverage of family allowances payable by employers to workers in private activity. The allowance, which is equivalent to 10% of the legal minimum wage, was previously payable to employees with children under the age of 18 or whose children are over the age of 18 but are pursuing higher education (up to the age of 24) and has now been extended to cover children over the age of 18 with severe disabilities, as certified by the applicable authorities. Additionally, Law No. 28553 approved the rules relating to the General Law for the Protection of People with Diabetes (Law No. 28553), which provides new obligations with respect to health promotion in the workplace. Additionally, Law No. 31828 was enacted, which seeks to encourage employment of persons between the age of 18 and 29, by providing benefits for private employers as of January 1st, 2024. In addition, in 2024, Supreme Decree No. 006-2024-TR increased the minimum wage by 105.00 Peruvian soles, bringing it to 1,130.00 Peruvian soles. Likewise, Supreme Decree No. 269-2024-EF established an increase in the Tax Unit (UIT) to 5,350.00 Peruvian soles.

In Puerto Rico, new minimum local wage regulations were adopted in 2021 in three stages; the last increase took effect in July 2024.

In Argentina, Decree No. 70/2023, which became effective on December 29, 2023, abrogated a series of labor laws and regulations, with the aim of providing flexibility and reducing costs for employers. However, several labor unions have requested judicial relief and the labor justice ordered the precautionary suspension of the labor provisions thereof, pending a ruling with respect to the constitutionality of Decree No. 70/2023. While certain lower courts have ruled Decree No. 70/2023 to be unconstitutional, litigation continues and the issue will likely be decided by the Supreme Court, which will determine the enforceability of Decree No. 70/2023. Additionally, on July 9, 2024, the "Ley Bases" (Law No. 27,742) came into effect, introducing labor reforms aimed at modernizing labor regulations including, among others changes, the establishment of incentives for the regularization of unregistered employment relationships, the extension of the probationary period, and greater flexibility in the severance system.

Consumer Regulation

We are also subject to increasing consumer regulation. For instance, in Peru, draft bill No. 3657/2022-CR was introduced to the Peruvian congress in November 2022, which provides that monies derived from sanctions imposed by the regulatory authority for consumer rights violations in Peru will be partially assigned to consumers who filed the respective claims. Enactment of this regulation may result in a significant increase in the number of consumer claims filed with the regulatory authority and could impact our costs and financial condition. It should be noted that this draft bill is still under evaluation by the Peruvian Congress.

On January 16, 2024, Bill No. 6815/2023-CR was presented, which proposes that companies must guarantee the health, safety and physical integrity of consumers in and around their business establishment. Likewise, they must guarantee access to them, through a safe wait for consumers, in order to avoid affecting their health and the theft or deterioration of their belongings. This draft bill is also being evaluated by the Peruvian Congress.

In addition, we may become subject to legislation or regulation seeking to regulate high-fat and/or high-sodium foods, particularly in Brazil and Chile. Moreover, restrictions on advertising by food retailers and QSRs have been proposed or adopted in Argentina, Brazil, Chile, Colombia, Mexico and Peru, including proposals to restrict our ability to sell toys in conjunction with food. Certain jurisdictions in the United States are considering curtailing or have curtailed McDonald's ability to sell children's meals including free toys if these meals do not meet certain nutritional criteria. Similar restrictions, if imposed in the Latin American countries where we do business, may have a negative impact on our results of operations. We will comply with any laws or regulations that may be enacted, and we can provide no assurance of the effect that any possible future laws and regulations will have on our operating results. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Industry—Restrictions on promotions and advertisements directed at families with children and regulations regarding the nutritional content of children's meals may harm McDonald's brand image and our results of operations."

Insurance

We maintain insurance policies in accordance with the requirements of the MFAs and as appropriate beyond those requirements, to the extent we believe additional coverage is necessary. Our insurance policies include commercial general liability, workers compensation, "all risk" property and business interruption insurance, among others. See "Item 10. Additional Information—C. Material Contracts—The MFAs—Insurance."

Environmental Issues

To the best of our knowledge, there are currently no international, federal, state or local environmental laws, rules or regulations that we expect will materially affect our results of operations or our position with respect to our competitors. However, we can provide no assurance of the effect that any possible future environmental laws will have on our operating results. There are several countries and cities with regulations either already being enforced or in the legislative process. However, those laws have not had a material effect on our operations thus far. In the city of São Paulo, single-use plastic is banned. In Chile and in Mexico City, single-use plastic is also banned. In our French Caribbean territories, the Circular Economy Law presents certain challenges that will potentially require structural investments and could potentially have an impact on our business results due to the inherent specifications of the law and its applicability in the quick service industry.

Youth Opportunity

Youth unemployment is one of the most critical issues facing countries in Latin America. Through our Youth Opportunity initiative, we promote social mobility by providing training and employment opportunities to young people in Latin America that help them develop valuable customer service, soft skills and leadership skills that can be applied to a wide

range of career paths in the future. We are implementing this initiative through strategic alliances and by leveraging our track record and experience in this field. We are also developing projects for labor participation that include technical training and programs to support the employment of people with disabilities, as well as financial literacy for our employees.

We increased our focus on Youth Opportunity because it has been one of the most significant problems facing Latin American countries in recent years. According to the Inter-American Development Bank (IDB), 40% of the working-age population in the region is young, between the ages of 15 and 29 years old. The unemployment rate of this particular age bracket is 20%, more than double the unemployment level of the general population and more than three times that of adults. Informality in the youth job sector in our region is among the largest in the world, reaching more than 60% according to the International Labour Organization, and we play a significant role in helping to address this issue.

In conjunction with our Latin American branch of Hamburger University, we created the training platform MCampus Comunidad, which was designed as an Arcos Dorados and McDonald's employee training system, but has been opened to the general public, particularly to young people seeking formal job opportunities. MCampus Comunidad offers 45 free, online soft skills courses, related to leadership, digital capabilities, IT and customer services, all of which offer an official, formal certificate issued by the Hamburger University. As of December 31, 2024, over 160,000 young people had enrolled in the platform and approximately 64% of the people who enrolled in the courses were unemployed.

We have also continued to strengthen our partnerships with other organizations that focus on soft skills training, such as Aldeas SOS (Mexico, Costa Rica and Peru), Instituto Ayrton Senna (Brazil), Fundación Sí (Argentina), Liceo Impulso (Uruguay), Mi Sangre (Colombia), among others. In 2024, we donated over $8.6 million in connection with our solidarity days, Gran Día and McHappy Day. Those funds were transferred to non-governmental organizations that support the development of soft skills and the employability skills of young people across the region and to support the local chapters of Ronald McDonald House Charities.

In Argentina, the Fundación Sí builds and operates student houses for low-income young people that don't have access to universities in their local communities. Through our alliance with them, more than 750 students were able to continue with their studies.

Instituto Ayrton Senna in Brazil is a renowned non-governmental organization ("NGO") working to improve education at all levels. Our strong partnership allowed Arcos Dorados to reach more than 2,000 young students in partnership with Centro Paula Souza. We also developed a soft skills program called "Meu Jeito" in partnership with Instituto Ayrton Senna, which in its first stage was implemented in Brazil with the participation of more than 38,900 members of our crew. In 2025, we plan to open the program to the entire community in all countries in which we operate. In 2024, more than 38,900 members of our crew in Brazil participated in this program.

Climate Change

As much as possible, Arcos Dorados seeks to carefully identify, control and minimize the environmental impact generated by its operation. Environmental management must permeate the entire supply chain, which is why we work with suppliers who have shared values, ensuring they comply with best practices, endorsed or recognized under international seals.

To implement these initiatives, we have developed strategic partnerships with prestigious organizations such as the World Wildlife Fund ("WWF"), the Nature Conservancy, the Rainforest Alliance and the Forest Stewardship Council ("FSC"), among others.

In 2024, Arcos Dorados joined the "Earth Hour" initiative for the 14th consecutive year, a worldwide initiative of the WWF, to raise the global population's awareness and participation in environmental conservation and climate change prevention. All our restaurants and offices turn their external lights off for 60 minutes on this day.

In order to achieve reductions in our environmental impact at the restaurant level, we are taking specific actions, such as advancing our transition to renewable energy sourcing. To that end, we have signed renewable energy contracts in Mexico, Puerto Rico, Costa Rica, Panama, Guadeloupe, Colombia, Chile, Argentina and Brazil. In 2024, we reached our goal of 50% renewable energy of the total energy utilized by Arcos Dorados, an increase of 61% over our 2023 clean energy consumption.

We expect to publish the results of our scopes 1, 2 and 3 greenhouse gas emissions as of December 31, 2024 in our Social Impact and Sustainable Development Report, which is scheduled to be released in May 2025.

Arcos Dorados is aware of the impact its supply chain has on the sustainability of its business, and we see this as a priority for us. As a company, we are fully committed to the environment and to reducing the impact of our operation by means of our Recipe for the Future platform. For this reason, we actively work to identify, reduce and mitigate the social and environmental impacts, together with our suppliers, encouraging best practices in each stage of the supply chain. We participated in the Carbon Disclosure Program ("CDP") Supply Chain Program as a member in 2024 for the seventh consecutive year. Arcos Dorados plays a leading role among the members of CDP Latin America, achieving the highest response rates from our suppliers in disclosing their environmental impacts through the CDP questionnaires. In 2024, Arcos Dorados achieved a 100% response rate from our suppliers, who were asked to respond to three questionnaires: climate change, forests and water security.

Arcos Dorados has implemented a sustainable construction policy for its restaurants. This means that all new projects include technologies and designs to drive efficiency in the use of energy and water, as well as the use of recycled materials and incorporate features to recycle waste.

As a result, restaurants are being designed and built to maximize energy efficiency and lower water usage by including low-consumption equipment, climate-efficient architecture and systems for reusable water, while at the same time, improving accessibility for our guests and employees. We also continue to work to improve processes, such as implementing responsible use and recycling of natural resources, promoting waste sorting and separation and encouraging the use of efficient air conditioning systems.

The outcome of all these initiatives should be reflected in our complete scope 1,2,3 inventory of greenhouse gas emissions, which we expect to publish in our upcoming 2024 Social Impact and Sustainable Development Report, due to be published at the end of May 2025.

Circular Economy

Our packaging sourcing goal is to guarantee that 100% of our packaging comes from renewable, recycled or certified sources by 2025. Also, by the end of 2025, we seek to offer waste sorting opportunities for our customers in our restaurants. We understand that recycling infrastructure, regulations and consumer behaviors vary city to city and country to country, but we are committed to be part of the solution and help influence powerful change.

In 2024, we achieved 91.6% of compliance with our packaging sourcing commitment. We continue to deploy waste sorting bins in our restaurants and educate our consumers about the importance of properly sorting and recycling materials where and when possible.

On a yearly basis, we offer sustainability workshops in our restaurants and organize beach clean-up activities in several markets, such as Argentina, Chile, Ecuador, Uruguay, Peru and Puerto Rico. We plan to expand these opportunities within our communities.

Our strategy focuses on prioritizing certain processes: eliminating or minimizing the use of packaging through design innovation; recovering and recycling where possible; and aiming to close the loop by using more recycled materials in our packaging and restaurants, which in turn helps to drive global demand for recycled materials.

Additionally, in Colombia, we have a project called "*Hazlo Circular,*" in partnership with the sustainability startup Amazoniko, to offer free pickup of used food packaging from McDelivery orders for recycling and we have collected more than 7 tons of recyclable waste in Bogota in 2024.

Arcos Dorados is strongly committed to reducing the use of plastic. To improve capture rates and reduce the impact on the environment as a result of plastic waste, Arcos Dorados has developed a series of initiatives over the last few years. Arcos Dorados' work to tackle plastic pollution began in 2018, with the "Straws on Demand" program through which restaurants stopped offering straws in nearly all markets and only provided straws upon customer request. To date, we have eliminated plastic straws in almost every market. Additionally, we streamlined a series of initiatives. The main actions contributing to this reduction are:

- Straw only upon customer request, with the additional removal of lids from cold drinks served in restaurants and replacement of plastic cups in some markets.
- Cutlery redesign (the spoon delivered with desserts redesigned to reduce plastic per unit by 40%) or replacement with fiber-based material.

- Plastic salad bowls and breakfast containers which were replaced with a 100% biodegradable cardboard box.
- Plastic lids on cold beverages for delivery service were replaced by paper/ PE seals.

Currently, our packaging includes 6,790 tons of recycled material (which amounts to 15% of recycled material in our packaging); that does not come into direct contact with food, showcasing our commitment to reducing packaging and increasing recycled material for a circular economy.

We will continue to move forward in becoming part of the solution and making sure these plastic items never return to our restaurants. For example, to meet our commitment to remove plastics from Happy Meal toys by the end of 2025, in 2024, 4 out of 11 toy campaigns for the year included sustainable toys in our Happy Meal menu. This represents 18 weeks and around 36% of the toys distributed during the year. Sustainable toys may be made with paper, cardboard, cloth or green polyethylene.

When it comes to fiber materials, it is important to ensure that our fiber suppliers support deforestation-free supply chains. As an interim goal for 2025, we are focused on fiber-based packaging and committed to sourcing 100% of primary fiber-based guest packaging from chain-of-custody certified or third-party verified recycled sources, where no deforestation occurs. At the end of 2024, 99% of our fiber volume met this goal. With respect to facility-level certification, 99% of our suppliers are certified as either FSC® (Forest Stewardship Council) or Programme for the Endorsement of Forest Certification ("PEFC").

Reverse logistics is another component of our recycling program. We are leveraging our logistics providers to recover cardboard from our restaurants, which is then recycled and reused to generate new packaging. The solution is being tested in several markets. In 2024, we recovered more than 940 tons of cardboard, which were reused in our value chain, providing us with opportunities to recycle and reduce waste. We aim to continue increasing the number of collected cardboard tons in the coming years.

We also use reverse logistics for our used oil recycling program. We recycle used cooking oil in all our restaurants, which is then reused according to local regulations. For instance, in 2024, more than 4,392,079 litters of used cooking oil were recycled for further use, including as biodiesel.

Sustainable Sourcing

We work hard to continuously improve how we source our ingredients in a way that allows people, animals and the planet to thrive.

Arcos Dorados has supported sustainable food production and forest conservation efforts for years. Deforestation is one of the greatest threats facing our environment today, and we have been committed to do our part to support various local and global initiatives. In 1989, we joined McDonald's on its Amazon beef policy and Brazilian soy moratorium, and renewed our commitment in October 2011, when McDonald's signed a global moratorium against harvesting soy from the Amazon region. On a more local level, we have also been focused on the raw materials that we purchase, such as beef, chicken (including soy in feed), palm oil, coffee and fiber used in customer packaging, to develop strategies where we can have the greatest positive environmental impact. We are aligned with McDonald assessment to establish priority geographies, based on WWF's Living Forests Report 2015.

Our fish, over the Territories in which we offer it on the menu, is sustainably raised to protect long term fish production and improve the marine ecosystem.

While we don't use palm oil in our cooking processes, we work with our suppliers to guarantee that when they use oil as an ingredient, it is certified under the Roundtable on Sustainable Palm Oil (RSPO) standards.

Additionally, we ask our chicken suppliers to source their chicken feed from low-deforestation regions or comply with certification requirements if it is sourced from countries where there are protected biomes, such as Brazil, Argentina and Paraguay. Arcos Dorados is a member of the Round Table on Responsible Soy (RTRS). The RTRS ensures responsible practices among soy growers for community relations, labor rights, legal compliance, business, agriculture and the environment. Arcos Dorados is engaged with chicken suppliers and the origin of soy used as an ingredient of their feed, supporting responsible production of soy through the purchase of RTRS credits.

As one of the largest buyers of beef in the region, we are serious about our responsibility to help lead the industry toward more sustainable production practices. Our goal is to eliminate deforestation from our global supply chain by 2030. To that end, we comply with the "McDonald's Deforestation-Free Beef Procurement Policy", as the standard for purchasing beef in Brazil and Argentina, which allows us to ensure our direct beef supplies are traced and externally verified by Agrotools, a Brazilian ag-tech company and certified B-corp that provides advanced monitoring technology. Furthermore, we engage suppliers that have strong standards of animal welfare and meet McDonald's standards and policies.

In 2024, we achieved 99.6% compliance with the deforestation-free beef procurement policy: for Brazil, 99.9% and for Argentina, 99.0% of the beef purchased from direct suppliers complies with the deforestation-free beef procurement policy. Suppliers who were found not to be in compliance with the policy were removed from our supply chain.

In addition, we lead roundtables in Brazil and Argentina to identify livestock production solutions to reduce the impact of beef production and help make this process more environmentally sound, socially responsible and economically viable. We strive to use our positions in certain organizations, like the Brazilian Roundtable for Sustainable Beef ("GTPS"- *Grupo de Trabalho de Pecuária Sustentável*) in Brazil and the Argentine Roundtable For Sustainable Beef (MACS), to help promote sustainable livestock and lead cross-cutting and technical discussions focused on topics such as the review of the Sustainable Livestock Indicators Guide within the scope of the GTPS in Brazil and the creation of sustainable beef indicators for Argentina. In 2023, we participated in the launch of the Uruguayan Sustainable Meat Table (MUCS). All three of these organizations are part of Global Roundtable for Sustainable Beef ("GRSB") and consist of representatives from different segments of the beef supply chain. We believe that we must support all stakeholders in the supply chain to achieve transformational change.

In 2016, we announced our commitment to source cage-free eggs throughout Latin America by 2025. In 2019, Brazil announced that it would begin purchasing cage-free eggs. While the availability of suppliers who can scale up cage-free eggs has been a challenge in 2024, we achieved a cage-free system for fresh eggs in six markets: Brazil, Costa Rica, Colombia, Peru, Puerto Rico and Uruguay. As we continue moving forward towards our goal, we are evaluating local options to transition to cage-free fresh eggs in the other markets in which we operate. Certain markets, as the ones located in the Caribbean, may find difficulties in sourcing local or imported cage-free eggs.

Furthermore, the responsible use of antibiotics is important for animal health, as well as to ensure the future effectiveness of antimicrobial medicines. Arcos Dorados aligns with McDonald's antibiotic stewardship, following health guidelines established by the World Health Organization (WHO) and the World Organization for Animal Health. Our efforts are outlined in McDonald's 2017 Vision for Antibiotic Stewardship, emphasizing responsible antibiotic use across chicken, beef, and pork. In Brazil, we successfully removed Highest Priority Critically Important antibiotics (HPCIA as per WHO classification of antibiotics) from chicken in 2018. Additionally, we actively contributed to McDonald's Antibiotic Policy for Beef, outlining expectations in compliance with local regulations.

Commitment to Families

The well-being of the communities where we operate is of considerable importance to us and we are engaged in a wide range of programs focused on positively impacting those communities. In addition to the support we give to Ronald McDonald House Charities, both currently and historically, we continue expanding our reach to the areas of Youth Opportunity and Sustainable Development and further strengthened our efforts in these areas in 2024, across the entire company, to reinforce our position as a socially responsible company.

In 2024, we executed our yearly Gran Día and McHappy Day campaigns, which seek to broaden our social impact. Through these campaigns, funds raised through the sale of Big Macs were donated to local organizations supporting youth employment and the Ronald McDonald House Charities. We raised more than $8.6 million in 2024.

Besides the Ronald McDonald Houses, in 2024, we collaborated with more than 10 NGOs, including Aldeas Infantiles SOS in Peru, Mexico, and Costa Rica, Voces Vitales in Panama, Mi Sangre in Colombia, Ayrton Senna Institute in Brazil, Fundación Sí in Argentina, Fundación Coanil in Chile, Fundación El Triangulo in Ecuador, Liceo Impulso in Uruguay, Centro Man Na Obra in Aruba and Fonditut in Curaçao.

We also contribute to the communities in which we operate through the Ronald McDonald House Charities, which is dedicated to creating, finding and supporting programs that directly improve the health and well-being of children by providing "a home away from home" to children undergoing medical treatment in hospitals and their families.

To continue supporting our community, we developed a program called "Espacio Azul" (or "Blue Space") in 10 countries and more than 2,000 restaurants with the objective of giving customers with autism spectrum disorder and their families, the opportunity to enjoy the McDonald's experience. The "Blue Space" program, in collaboration with third-party experts, creates specific, inclusive areas in our restaurants to offer comfortable spaces for those with autism spectrum disorder. Among the updates we have made to our designated areas for the Blue Space program are: reducing the intensity of our lights, lowering the music volume and offering a specific menu with pictograms. Additionally, we have provided training for our staff to raise awareness about autism spectrum disorder and highlight best guest service practices to ensure an inclusive and respectful environment and customer experience at our restaurants. The program has been gaining traction and visibility and we are currently expanding the program to other countries. For us, inclusion is extremely relevant both because of our employees and our customers.

As part of our commitment to offering nutritious and high-quality products to our customers, we are dedicated to actively promoting a balanced lifestyle. This includes providing reliable, accessible information to promote informed nutritional decisions. We were the first restaurant chain in Latin America to provide full nutritional and calorie information about our menu on our websites in every country. All of our products' nutritional information is on McDonald's owned websites and mobile apps. With respect to Happy Meal menus, since 2019, we have had a nutritional calculator on our website to complement nutritional transparency with a personalized tool to enable our customers to make informed choices about their food options. We also publish our complete list of ingredients for Happy Meal menus. In addition, in 2017, we developed our *Receta del Futuro* Platform, which focuses, among other goals, on offering balanced meals that meet certain criteria regarding saturated fat, added sugar and sodium content. We also proactively updated our Happy Meal menus in all of our markets between 2018 and 2019 by including more fruits and vegetables and reducing fat, sodium and added sugars. Since then, it contains less than 600 calories in total and is comprised of the four basic food groups (fruits and vegetables, whole grains, lean proteins and dairy products), offering enhanced nutritional value for children.

We eliminated artificial colors and flavors from our Core Menu items and Happy Meal bundle offerings in most of the regions in which we operate. We are expanding this initiative and beginning to apply it to other items on our menu. Despite the changes to our menu, we aim to preserve our high quality standards, including the use of 100% beef for our hamburgers and quality potatoes for our McFries.

As of August 2019, Happy Meal offerings in all of our markets complied with the nutritional criteria set by the Global McDonald's Happy Meal Nutrition Criteria. We presented important changes in our famous Happy Meal, such as the reduction of sodium, calories and fat, and included an option for pure fruit juice with no added sugar to help promote the consumption of recommended food groups. These changes were endorsed by groups such as the Interamerican Society of Cardiology, the Brazilian Association of Nutrition, the Argentine Foundation of Cardiology, the Peruvian Society of Nutrition and the Uruguayan Association of Dieticians and Nutritionists. We continue with our responsible marketing practice complying with the Global Happy Meal Goals.

From a safety and quality perspective, we only use products that have passed strict quality and food safety controls throughout the production chain, inside our restaurants and up to the moment they are served to our customers. These products are sourced from our approved supplier network for all McDonald's restaurants. We believe we developed and continue to have one of the highest food safety standards in the industry, closely monitoring and enforcing adherence to those standards. All of our restaurants are audited on a yearly basis by a third-party entity. In order to ensure the quality and safety of our products, we have also implemented a supplier audit program, as described above, held by an independent audit firm, which includes Supplier Workplace Accountability (SWA), Supplier Quality Management System (SQMS) and Packaging Supplier Quality Management System Paper (PQMS).

As part of our commitment to safeguarding the well-being of Arcos Dorados employees, guests and third-party operators, we continue to reinforce our product and service safety program called "McProtegidos" (or "McSafe"), which establishes a guide that combines strict hygiene, cleanliness and sanitation protocols that characterize our brand. In addition to reinforcing existing safety measures, such as requiring that our employees wash their hands at least every half hour and sanitize their hands every fifteen minutes, hand sanitizer is made available at the lobby of our restaurants and other locations throughout the restaurants. We also encourage our customers to use contactless payment methods, such as credit cards. Additionally, we use double bags and triple sealing to ensure isolation of food for McDelivery and sanitize bags that transport food supplies to our restaurants. Arcos Dorados will continue to follow and implement all recommendations from local health authorities.

Puertas Abiertas ("Open Doors") is Arcos Dorados' flagship quality control program that proactively invites guest and key stakeholders to visit our kitchens and other parts of our behind-the-counter operations. This program promotes greater transparency and has hosted over 140 thousand customers across the region since it was resumed in 2022.

Diversity and Inclusion

Diversity, equity, and inclusion are central to our values. We believe that fostering a culture of inclusion and respect for all employees strengthens our workforce, making it more effective and innovative. Diversity and inclusion are integral to our commitment to ensuring equal rights and opportunities for growth. Through the implementation of comprehensive programs, policies, and initiatives, we are dedicated to promoting the development of every employee, creating a more inclusive and empowered work environment.

In January 2018, Arcos Dorados formed a Diversity and Inclusion Committee aimed at promoting and fostering an inclusive culture in which gender, race, culture, sexual orientation or gender identity, religion, class or political belief, is valued and viewed as a competitive advantage and allows the company to consider and include new perspectives and backgrounds. Since 2018, the Committee has worked toward improving employees' sense of belonging in the workplace and building a more connected workforce, as we believe this creates an environment where employees work more efficiently and effectively. From 2021 to the end of 2024, the number of women holding positions on our sixteen-member senior leadership team grew from one to four. We also published a new code of conduct for the respectful interaction with the LGBTQI+ community and we established Blue Spaces for guests who suffer from Autism Spectrum Disorders in our restaurants across 10 countries. We have also established a 24/7 online health support for employees, providing access to doctors and psychologists when needed, in some of our markets.

In 2024, the Committee focused on the following specific areas:

- Women's Network: Focused on gender equality and empowering women with the skills necessary to reach their full professional potential, our Women's Network spans all levels of the company, from restaurant crew members to executives on the management board. We have established strong partnerships with international organizations such as the UN Women Program and adhere to key global standards that uphold women's rights. In collaboration with Hamburger University, the Diversity, Equity and Inclusion Committee identifies opportunities for growth and offers a variety of resources, including seminars, video gatherings, talk shows, and online training on diverse skill sets. In 2024, we introduced courses aimed at promoting equity in technological knowledge for women, empowering them with essential digital tools that enhance their careers and bolster their resumes. Today, women make up 57% of our workforce, with a fourfold increase in the representation of women on our Management Board. Additionally, 57% of our restaurant managers are women. We are proud to have earned the *"Espacio Seguro"* (or Safe Space) seal in the countries where this program is implemented. This certification recognizes workplaces free from violence and includes employee training to support women at risk, regardless of whether they are part of our company. Our Women's Network has also worked closely with the HR department to implement comprehensive maternity benefits, including free prenatal care, medical coverage during the child's first year, lactation spaces at work, and free psychological support for mothers. These efforts have earned us recognition as one of the Best Workplaces for Women in several of the countries where we operate, alongside other accolades for our gender equality initiatives.

- Gender Identity and Sexual Orientation Diversity (LGBTQI+): Our Committee has been instrumental in creating a network of employees across all levels and departments to foster a safe and inclusive environment for our LGBTQI+ community. In 2022, we launched an LGBTQI+ guide to promote a deeper understanding of these identities, ensure the use of respectful language, and cultivate a culture of inclusion, respect, and professional development, with a strict zero-tolerance policy for discrimination. We have also hosted company-wide seminars to encourage open, respectful conversations about the unique needs of the LGBTQI+ community. In addition, we have introduced gender-neutral uniforms and bathrooms at several of our restaurants to further support inclusivity. Today, 20% of our workforce proudly identifies as part of this community, underscoring our commitment to diversity and equality.

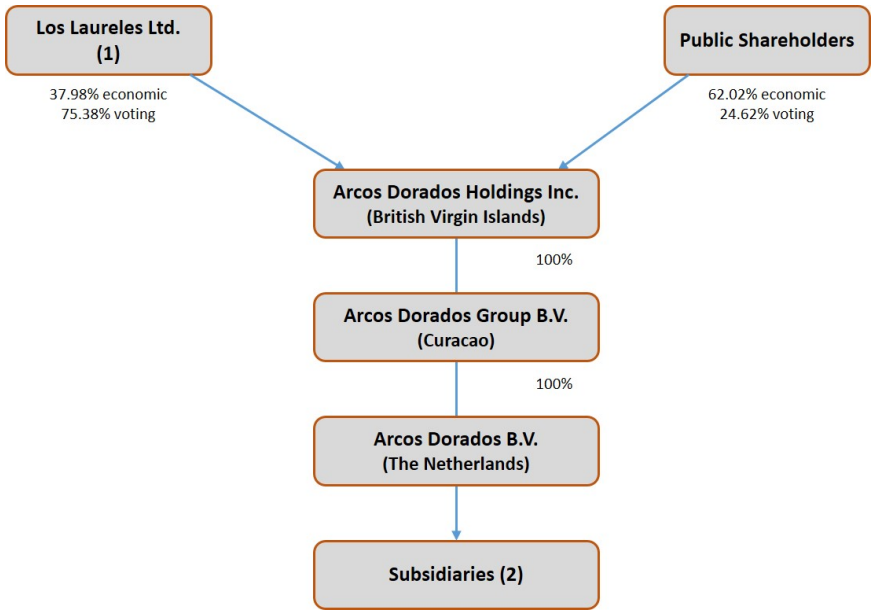
- Health and Wellness: Our Committee is deeply committed to supporting the health and well-being of our employees, especially those facing stress. To support this, we have implemented a 24-hour medical consultation service via WhatsApp in various markets, providing both mental and physical health support. Additionally, we offer a range of educational and training programs and have introduced virtual gym and exercise classes through Hamburger University. In each market where we operate, we've established a Wellness Ambassadors program, focused on educating employees about the unique health benefits available to them, including youth maternity support programs, preventive medicine initiatives at our restaurants, including free dental and vision check-ups, and complimentary gym memberships.

- People with Disabilities: Arcos Dorados is at the forefront of promoting workforce inclusion for individuals with disabilities across Latin America. Through strategic partnerships with NGOs in countries like Argentina and Brazil, we focus on recruiting and training people with disabilities. We've conducted comprehensive internal surveys to identify the range of disabilities within our workforce and assess the specific tools and accommodations needed to support these employees effectively. We've also developed and published internal guidelines to ensure all staff are trained to engage respectfully and inclusively with individuals with disabilities. Furthermore, we've launched initiatives such as the "Blue Spaces" project in 2022, which includes restaurant design adjustments and accommodations to create a more inclusive dining experience for guests on the autism spectrum, including reducing sensory overload, offering pictogram menus, and prioritizing their orders.

C. Organizational Structure

We conduct substantially all of our business through our indirect, wholly owned Dutch subsidiary Arcos Dorados B.V. Our controlling shareholder is Los Laureles Ltd., a British Virgin Islands company, which is beneficially owned by Mr. Woods Staton, our Executive Chairman. Under the MFAs, Los Laureles Ltd. is required to hold at all times at least 51% of our voting interests and 30% of our economic interest, which is accomplished through its ownership of 100% of the class B shares of Arcos Dorados Holdings Inc., each having five votes per share. Los Laureles Ltd. has established a voting trust with respect to the voting interests in us held by Los Laureles Ltd. Los Laureles Ltd. is the beneficiary of the voting trust. See "Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders—Los Laureles Ltd." Arcos Dorados B.V. owns all the equity interests of LatAm, LLC, and owns, directly or indirectly, all the equity interests of the subsidiaries operating our restaurants in the Territories.

The following chart shows our corporate structure as of December 31, 2024.



(1) Includes class A shares and class B shares beneficially owned by Mr. Woods Staton, our Executive Chairman. Los Laureles Ltd. is beneficially owned by Mr. Woods Staton. See "Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders—Los Laureles Ltd."

(2) Includes operating subsidiaries held directly and, in some cases, indirectly through certain intermediate subsidiaries.

Other than as described above, all of our significant subsidiaries are wholly owned by us, except Arcos Dorados Argentina S.A., of which Mr. Woods Staton owns 0.003%.

D. Property, Plants and Equipment

Property Operations

Our long-standing presence in Latin America and the Caribbean has allowed us to build a significant property portfolio with hard-to-replicate locations in key markets across the region that enhance our customers' experience and ultimately support our brand and market position. As of December 31, 2024, we owned the land for 472 of our 2,428 restaurants. We owned the buildings for all but 6 of those 472 restaurants. All 6 of those are stand-alone restaurants. We lease the remaining real estate property where we operate. Accordingly, we are able to charge rent on the real estate that we own and lease to our sub-franchisees. The rental payments generally are based on the greater of a flat fee or a percentage of sales reported by franchised restaurants. When we lease land, we match the term of our sublease to the term of the franchise. We may charge a higher rent to sub-franchisees than that which we pay on our leases, therefore deriving additional rental income.

The selection, construction and maintenance of restaurant locations and other related real estate assets (totaling approximately 1.1 million square meters), which is a key element of our performance, is determined based on an evaluation of expected returns on investment and the most efficient allocation of our capital expenditures.

In addition to our 472 restaurant properties, we have properties for corporate offices in Brazil and Argentina, an industrial center called Food Town in São Paulo, Brazil (where our logistics operator is located), and training centers in São Paulo (Brazil) and Buenos Aires (Argentina). Therefore, we own a total of 528 properties.

Additionally, we have rented regional offices in Montevideo (Uruguay), Mexico City (Mexico) and Bogotá (Colombia).

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

A. Operating Results

The following discussion of our financial condition and results of operations should be read in conjunction with the audited consolidated financial statements as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022, and the notes thereto, included elsewhere in this annual report, as well as the information presented under "Presentation of Financial and Other Information" and "Item 3. Key Information—A. Selected Financial Data."

The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including those set forth in "Forward-Looking Statements" and "Item 3. Key Information—D. Risk Factors."

Segment Presentation

Our operating segments are comprised of three geographic divisions, as follows: (i) Brazil; (ii) NOLAD, which consists of Costa Rica, Mexico, Panama, Puerto Rico, Martinique, Guadeloupe, French Guiana and the U.S. Virgin Islands of St. Croix and St. Thomas; and (iii) SLAD, which consists of Argentina, Chile, Ecuador, Peru, Uruguay, Colombia, Venezuela, Trinidad and Tobago, Aruba and Curaçao.

As of December 31, 2024, 48.3% of our restaurants were located in Brazil, 26.9% in NOLAD and 24.8% in SLAD. We focus on our customers by managing operations at the local level, including marketing campaigns and special offers, menu management and monitoring customer satisfaction, while leveraging our size by conducting administrative and strategic functions at the divisional or corporate level, as appropriate.

We are required to report information about operating segments in our financial statements in accordance with ASC 280. Operating segments are components of a company about which separate financial information is available that is regularly evaluated by the chief operating decision maker(s) in deciding how to allocate resources and assess performance. We have determined that our reportable segments are those that are based on our method of internal reporting, and we manage our

business and operations through our three geographic divisions (Brazil, NOLAD and SLAD). The accounting policies of the segments are the same as those for the Company on a consolidated basis.

Principal Income Statement Line Items

Revenues

We generate revenues primarily from two sources: sales by Company-operated restaurants and revenue from franchised restaurants, which primarily consists of rental income, typically based on the greater of a flat fee or a percentage of sales reported by our franchised restaurants. This rent, along with occupancy and operating rights, is stipulated in our franchise agreements. These agreements typically have a 20-year term but may be shorter if necessary to mirror the term of the real estate lease. In 2024, sales by Company-operated restaurants and revenues from franchised restaurants represented 95.4% and 4.6% of our total revenues, respectively. In both 2023 and 2022, sales by Company-operated restaurants and revenues from franchised restaurants consistently represented 95.5% and 4.5% of our total revenues, respectively.

During 2023 and 2024, the Company through some subsidiaries, launched a loyalty program in which our customers are awarded with loyalty points when purchases at company-operated and franchised restaurants are completed. Loyalty points can be redeemed for free products.

The company defers revenue associated with the estimated selling price of points earned towards free products as each point is earned and a corresponding liability is established in deferred revenue. This deferral is based on the estimated value of the product for which the reward is expected to be redeemed, net of estimated unredeemed points. Points' average expiration period is six months.

When a customer redeems an earned reward, we recognize revenue for the redeemed product and reduce the related deferred revenue.

Operating Costs & Expenses

Our sales are heavily influenced by brand advertising, menu selection and initiatives to improve restaurant operations. Sales are also affected by the timing of restaurant openings and closures. We do not record sales from our franchised restaurants as revenues.

Company-operated restaurants incur four types of operating costs and expenses:

- food and paper costs, which represent the costs of the products that we sell to customers in Company-operated restaurants;
- payroll and employee benefit costs, which represent the wages paid to Company-operated restaurant managers and crew, as well as the costs of benefits and training, and which tend to increase as we increase sales;
- occupancy and other operating expenses, which represent all other direct costs of our Company-operated restaurants, including advertising and promotional expenses, the costs of outside rent, which are generally tied to sales and therefore increase as we increase our sales, outside services, such as delivery fee, security and cash collection, building and leasehold improvement depreciation, depreciation on equipment, repairs and maintenance, insurance, restaurant operating supplies and utilities; and
- royalties, which we pay to McDonald's pursuant to the MFAs, which are determined as a percentage of gross sales.

Franchised restaurant occupancy expenses include, mainly, as applicable, the costs of depreciating and maintaining the land and buildings upon which franchised restaurants are situated or the cost of leasing that property. A significant portion of our leases establish that rent payments are based on the greater of a flat fee or a specified percentage of the restaurant's sales.

We promote the McDonald's brand and our products by advertising in all of the Territories. The MFAs require us to spend at least 5% of our gross sales on advertisement and promotion activities, unless otherwise agreed with McDonald's. These activities are guided by our overall marketing plan, which identifies the key strategic platforms that we leverage to drive sales. Our sub-franchisees are generally required to pay us a certain percentage of their gross sales to cover advertising expenditures related to their restaurants. We account for these payments as a deduction to our advertising expenses. As a result, our advertising expenses only reflect the expenditures related to Company-operated restaurants. Advertising expenses

are recorded within the "Occupancy and other operating expenses" line item in our consolidated statement of income. The only exception to this policy is in Mexico, where both we and our sub-franchisees contribute funds to a cooperative that is responsible for advertisement and promotion activities for Mexico.

General and administrative expenses include the cost of overhead, including salaries and facilities, travel expenses, depreciation of office equipment, buildings and vehicles, amortization of intangible assets, occupancy costs, professional services and the cost of field management for Company-operated and franchised restaurants, among others.

Other operating income, net, include gains and losses on asset acquisitions and dispositions, gains related to sales and exchange of restaurant businesses, write-offs of long-lived assets, insurance recovery, impairment charges, rental income and depreciation expenses of excess properties, accrual for contingencies, write-offs of inventory, recovery of taxes, results from equity method investments and other miscellaneous items.

Other Line Items

Net interest expense and other financing results primarily includes interest expense on our short-term and long-term debt, interest income and other financing results.

Gain (loss) from derivative instruments relates to the results of derivatives that are not designated for hedge accounting.

Foreign currency exchange results relate to the impact of remeasuring monetary assets and liabilities denominated in currencies other than our functional currencies. See "—Foreign Currency Translation."

Other non-operating expenses, net, primarily include certain results related to tax credits, asset taxes that we are required to pay in certain countries and other non-operating charges.

Income tax expense, net includes both current and deferred income taxes. Current income taxes represent the amount accrued during the period to be paid to the tax authorities while deferred income taxes represent the earnings impact of the change in deferred tax assets and liabilities that are recognized in our balance sheet for future income tax consequences.

Net income attributable to non-controlling interests relates to the participation of non-controlling interests in the net income of certain subsidiaries that collectively owned 16 restaurants as of December 31, 2024 (16 restaurants as of December 31, 2023).

Impact of Inflation and Changing Prices

Some of the countries in which we operate have experienced, or are currently experiencing, high rates of inflation. In general, we believe that, over time, we have demonstrated the ability to manage inflationary environments effectively. During 2024 and 2023, our revenues were favorably impacted by our pricing strategy in many of these inflationary environments, as we were able to increase average check to keep pace with inflation.

Key Business Measures

We track our results of operations and manage our business by using three key business measures: comparable sales growth, average restaurant sales and sales growth in constant currency.

In analyzing business trends, management considers a variety of performance and financial measures which are considered to be non-GAAP including: Adjusted EBITDA, comparable sales growth, systemwide data, constant currency measures and average restaurant sales.

Comparable Sales and comparable sales growth

Comparable sales is a key performance indicator used within the retail industry and is indicative of the success of our initiatives as well as local economic, competitive and consumer trends. Comparable sales are driven by changes in traffic and average check, which is affected by changes in pricing and product mix. Increases or decreases in comparable sales represent the percent change in sales from the prior year for all restaurants in operation for at least thirteen months, including those temporarily closed. Some of the reasons restaurants may close temporarily include reimaging or remodeling, rebuilding, road construction, natural disasters and/or other circumstances such as pandemics. With respect to restaurants where there are changes in ownership, all previous months' sales are reclassified according to the new ownership category when reporting comparable sales. As a result, there will be discrepancies between the sales figures used to calculate comparable sales and our results of operations. We report on a calendar basis, and therefore the comparability of the same month, quarter and year with the corresponding period for the prior year is impacted by the mix of days. The number of weekdays, weekend days and timing of holidays in a period can impact comparable sales positively or negatively. We refer to these impacts as calendar shift/trading day adjustments. These impacts vary geographically due to consumer spending patterns and have the greatest effect on monthly comparable sales while annual impacts are typically minimal.

We calculate and analyze comparable sales and average check in our divisions and systemwide on a constant currency basis, which means that sales in local currencies, including the Argentine *peso* and Venezuelan *bolívar*, are converted to U.S. dollars using the same exchange rate in the applicable division or systemwide, as applicable, over the periods under comparison to remove the effects of currency fluctuations from the analysis. We believe these constant currency measures, which are considered to be non-GAAP measures, provide a more meaningful analysis of our business by identifying the underlying business trend, without distortion from the effect of foreign currency fluctuations.

Company-operated comparable sales growth refers to comparable sales growth for Company-operated restaurants and franchised comparable sales growth refers to comparable sales growth for franchised restaurants. We believe comparable sales growth is a key indicator of our performance, as influenced by our strategic initiatives and those of our competitors.

Average Restaurant Sales

Average restaurant sales, or "ARS," is an important measure of the financial performance of our systemwide restaurants and changes in the overall direction and trends of sales. ARS is calculated by dividing the sales for the relevant period by the arithmetic mean of the number of restaurants at the beginning and end of such period. ARS is influenced mostly by comparable sales performance and restaurant openings and closures. As ARS is provided in nominal terms, it is affected by movements in foreign currency exchange rates.

Sales Growth and sales growth in constant currency

Sales growth refers to the change in sales by all restaurants, whether operated by us or by sub-franchisees, from one period to another. We present sales growth both in nominal terms and on a constant currency basis, which means the latter is calculated by converting sales in local currencies, including the Argentine *peso* and Venezuelan *bolívar*, to U.S. dollar using the same exchange rate over the periods under comparison to remove the effects of currency fluctuations from the analysis.

Adjusted EBITDA

We use Adjusted EBITDA to facilitate operating performance comparisons from period to period. Adjusted EBITDA is defined as our operating income (loss) plus depreciation and amortization plus/minus the following losses/gains included within other operating income (expenses), net, and within general and administrative expenses in our statement of income: gains from sales, insurance recovery and contribution in equity method investments of property and equipment; write-offs of long-lived assets; impairment of long-lived assets and goodwill and reorganization and optimization plan expenses. See "Item 3. Key Information—A. Selected Financial Data."

We believe Adjusted EBITDA facilitates company-to-company operating performance comparisons by backing out potential differences caused by variations such as capital structures (affecting net interest expense and other financing results), taxation (affecting income tax expense, net) and the age and book depreciation of facilities and equipment (affecting relative depreciation expense), which may vary for different companies for reasons unrelated to operating performance. In addition, we exclude gains from sales, insurance recovery and contribution in equity method investments of property and equipment not related to our core business; write-offs of long-lived assets, impairment of long-lived assets and goodwill that do not result in cash payments and reorganization and optimization plan expenses. While a GAAP measure for purposes of

our segment reporting, Adjusted EBITDA is a non-GAAP measure for reporting our total Company performance. Our management believes, however, that disclosure of Adjusted EBITDA provides useful information to investors, financial analysts and the public in their evaluation of our operating performance.

Systemwide data

Systemwide data represents measures for both Company-operated and franchised restaurants. While sales by sub-franchisees are not recorded as revenues by us, management believes the information is important in understanding our financial performance because these sales are the basis on which we calculate and record franchised restaurant revenues and are indicative of the financial health of our sub-franchisee base. Systemwide results are driven primarily by our Company-operated restaurants, as 71% of our systemwide restaurants are Company-operated as of December 31, 2024.

Foreign Currency Translation

The financial statements of our foreign operating subsidiaries are translated in accordance with guidance in ASC 830, Foreign Currency Matters. Except for our Venezuelan and Argentine operations, the functional currencies of our foreign operating subsidiaries are the local currencies of the countries in which we conduct our operations. Therefore, the assets and liabilities of these subsidiaries are translated into U.S. dollars at the exchange rates as of the balance sheet date, and revenues and expenses are translated at the average exchange rates prevailing during the period. Translation adjustments are included in the "Accumulated other comprehensive loss" component of shareholders' equity. We record foreign currency exchange results related to monetary assets and liabilities transactions, including intercompany transactions, denominated in currencies other than our functional currencies in our consolidated statement of income.

Under U.S. GAAP, an economy is considered to be highly inflationary when its three-year cumulative rate of inflation meets or exceeds 100%. Since January 1, 2010 and July 1, 2018, Venezuela and Argentina, respectively, were considered to be highly inflationary, and as such, the financial statements of each of these subsidiaries are remeasured as if its functional currency was the reporting currency of the relevant subsidiary's immediate parent company (U.S. dollars). As a result, remeasurement gains and losses are recognized in earnings rather than in the cumulative translation adjustment component of "Accumulated other comprehensive loss" within shareholders' equity. See "Item 3. Key Information—A. Selected Financial Data—Exchange Rates and Exchange Controls" for information regarding exchange rates for the Argentine currency.

Critical Accounting Estimates

This management's discussion and analysis of financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses as well as related disclosures. On an ongoing basis, we evaluate our estimates and judgments based on historical experience and various other factors that we believe to be reasonable under the circumstances. Actual results may differ from these estimates under varying assumptions or conditions.

We consider an accounting estimate to be critical if:

- the nature of the estimates or assumptions is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change; and
- the impact of the estimates and assumptions on our financial condition or operating performance is material.

We believe that of our significant accounting policies, the following encompass a higher degree of judgment and/or complexity.

Depreciation of Property and Equipment

Accounting for property and equipment involves the use of estimates for determining the useful lives of the assets over which they are to be depreciated. We believe that the estimates we make to determine an asset's useful life are critical accounting estimates because they require our management to make estimates about technological evolution and competitive uses of assets. We depreciate property and equipment on a straight-line basis over their useful lives based on management's estimates of the period over which these assets will generate revenue (not to exceed the lease term plus renewal options for leased property). The useful lives are estimated based on historical experience with similar assets, taking into account anticipated technological or other changes. We periodically review these lives relative to physical factors, economic considerations and industry trends. If there are changes in the planned use of property and equipment, or if technological changes occur more rapidly than anticipated, the useful lives assigned to these assets may need to be shortened, resulting in the recognition of increased depreciation and amortization expense or write-offs in future periods. No significant changes to useful lives have been recorded in the past. A significant change in the facts and circumstances that we relied upon in making our estimates may have a material impact on our operating results and financial condition.

Impairment of Long-Lived Assets and Goodwill

We review long-lived assets (including property and equipment, intangible assets with definite useful lives and lease right of use assets) for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We review goodwill for impairment annually, primarily during the fourth quarter, or when an impairment indicator exists. In assessing the recoverability of our long-lived assets and goodwill, we consider changes in economic conditions and make assumptions regarding, among other factors, estimated future cash flows by market and by restaurant, discount rates by country and the fair value of the assets. Estimates of future cash flows are highly subjective judgments based on our experience and knowledge of our operations. These estimates can be significantly impacted by many factors, including changes in global and local business and economic conditions, operating costs, inflation, competition, and consumer and demographic trends. A key assumption impacting estimated future cash flows is the estimated change in comparable sales.

See Note 3 to our consolidated financial statements for a detail of markets for which we performed impairment tests of our long-lived assets and goodwill, as well as impairment charges recorded.

If our estimates or underlying assumptions change in the future, we may be required to record additional impairment charges.

Accounting for Taxes

We record a valuation allowance to reduce the carrying value of deferred tax assets if it is more likely than not that some portion or all of our deferred assets will not be realized. Our valuation allowance as of December 31, 2024, 2023, and 2022 amounted to $204.9 million, $218.7 million and $201.4 million, respectively. We have considered future taxable income and ongoing prudent and feasible tax strategies in assessing the need for the valuation allowance. This assessment is carried out on the basis of internal projections, which are updated to reflect our most recent operating trends, such as the expiration date for tax loss carryforwards. Because of the imprecision inherent in any forward-looking data, the further into the future our estimates project, the less objectively verifiable they become. Therefore, we apply judgment to define the period of time to include projected future income to support the future realization of the tax benefit of an existing deductible temporary difference or carryforward and whether there is sufficient evidence to support the projections at a more-likely-than-not level for this period of time. Determining whether a valuation allowance for deferred tax assets is necessary often requires an extensive analysis of positive (e.g., a history of accurately projecting income) and negative evidence (e.g., historic operating losses) regarding realization of the deferred tax assets and inherent in that, an assessment of the likelihood of sufficient future taxable income. In 2024, we recognized net loss amounting to $22.4 million as compared to net loss amounting to $22.6 million in 2023 and net loss of $57.7 million in 2022. If these estimates and assumptions change in the future, we may be required to adjust the valuation allowance. This could result in a charge to, or an increase in, income in the period this determination is made.

In addition, the Company operates within multiple taxing jurisdictions and is subject to audit in these jurisdictions. The Company assesses the likelihood of any adverse judgments or outcomes on its tax positions, including income tax and other taxes, based on the technical merits of a tax position derived from authorities such as legislation and statutes, legislative intent, regulations, rulings and case law and their applicability to the facts and circumstances of the tax position.

As of December 31, 2024, there are certain matters related to the interpretation of income tax laws which could be challenged by tax authorities in an amount of $165 million, related to assessments for the fiscal years 2009 to 2017. No formal claim has been made for fiscal years within the statute of limitation by tax authorities in any of the mentioned matters; however, those years are still subject to audit and claims may be asserted in the future.

It is reasonably possible that, as a result of audit progression within the next 12 months, there may be new information that causes the Company to reassess its tax positions because the outcome of tax audits cannot be predicted with certainty. While the Company cannot estimate the impact that new information may have on its unrecognized tax benefit balance, it believes that the liabilities recorded are appropriate and adequate as determined under ASC 740.

In addition, there are certain matters related to the interpretation of other tax, customs, labor and civil laws for which there is a reasonable possibility that a loss may have been incurred in accordance with ASC 450-20-50-4 in a range of $429 million and $468 million. In accordance with ASC 450-20-50-6, unasserted claims or assessments that do not meet the conditions mentioned have not been included.

See Note 3 and 16 to our consolidated financial statements.

Provision for Contingencies

We have certain contingent liabilities with respect to existing or potential claims, lawsuits and other proceedings, including those involving labor, tax and other matters. Accounting for contingencies involves the use of estimates for determining the probability of each contingency and the estimated amount to settle the obligation, including related costs. We accrue liabilities when it is probable that future costs will be incurred and the costs can be reasonably estimated. These accruals are based on all the information available at the issuance date of the consolidated financial statements, including our estimates of the outcomes of these matters and our lawyers' experience in contesting, litigating and settling similar matters. If we are unable to reliably measure the obligation, no provision is recorded and information is then presented in the notes to our consolidated financial statements. As the scope of the liabilities becomes better defined, there may be changes in the estimates of future costs. Because of the inherent uncertainties in this estimation, actual expenditures may be different from the originally estimated amount recognized. See "Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings" for a description of significant claims, lawsuits and other proceedings.

See Note 18 to our consolidated financial statements.

Results of Operations

We have based the following discussion on our consolidated financial statements. You should read it along with these financial statements, and it is qualified in its entirety by reference to them.

In a number of places in this annual report, in order to analyze changes in our business from period to period, we present our results of operations and financial condition on a constant currency basis, which is considered to be a non-GAAP measure. Constant currency results isolate the effects of foreign exchange rates on our results of operations and financial condition. In particular, we have isolated the effects of appreciation and depreciation of local currencies in the Territories against the U.S. dollar because we believe that doing so is useful in understanding the development of our business. For these purposes, we eliminate the effect of movements in the exchange rates by converting the balances in local currency for both periods being compared from their local currencies to the U.S. dollar using the same exchange rate.

Key Business Measures

The following tables present sales, sales growth, sales growth on a constant currency basis, comparable sales growth and average restaurant sales increases/(decreases):

	Sales			Sales growth		Sales growth in constant currency		Comparable sales growth[1]	
	For the Years Ended December 31,			For the Years Ended December 31,		For the Years Ended December 31,		For the Years Ended December 31,	
	2024	2023	2022	2024[2]	2023[4]	2024[2]	2023[4]	2024[3]	2023[5]
	(in thousands of U.S. dollars, except percentages)								
Company-operated restaurants	4,266,748	4,137,675	3,457,491	3.1 %	19.7 %	40.4 %	40.7 %	35.9 %	37.2 %
Franchised restaurants(6)	1,534,410	1,477,990	1,270,243	3.8 %	16.4 %	28.0 %	29.0 %	24.2 %	27.2 %
Total restaurants	**5,801,158**	**5,615,665**	**4,727,734**	**3.3 %**	**18.8 %**	**37.1**	**37.6 %**	**32.8 %**	**34.6 %**

(1) Comparable sales is a key performance indicator used within the retail industry and is indicative of the success of our initiatives as well as local economic, competitive and consumer trends. Comparable sales are driven by changes in traffic and average check, which is affected by changes in pricing and product mix. Increases or decreases in comparable sales represent the percent change in sales from the prior year for all restaurants in operation for at least thirteen months, including those temporarily closed. With respect to restaurants where there are changes in ownership, all previous months' sales are reclassified according to the new ownership category when reporting comparable sales.

(2) In nominal terms, sales increased during 2024 due to comparable sales growth of 32.8%, as a result of higher traffic in NOLAD and Brazil, together with the increase in average check in all divisions. This was partially offset by lower traffic in SLAD and the negative impact of the depreciation of currencies, mainly in Argentina, Brazil, Chile, Venezuela, and Mexico. We had 1,725 Company-operated restaurants and 703 franchised restaurants as of December 31, 2024, compared to 1,678 Company-operated restaurants and 683 franchised restaurants as of December 31, 2023.

(3) Our comparable sales increase on a systemwide basis in 2024 was driven by the increase in traffic in most of our markets, together with the increase of average check in all divisions.

(4) In nominal terms, sales increased during 2023 due to comparable sales growth of 34.6%, as a result of the recovery in traffic in all divisions and the increase in average check. This was partially offset by the negative impact of the depreciation of currencies, mainly in Argentina and Venezuela. We had 1,678 Company-operated restaurants and 683 franchised restaurants as of December 31, 2023, compared to 1,633 Company-operated restaurants and 679 franchised restaurants as of December 31, 2022.

(5) Our comparable sales increase on a systemwide basis in 2023 was driven by the increase in traffic in almost all markets, together with the increase of average check in all divisions.

(6) Franchised restaurant sales correspond to sales generated by franchised restaurants, which we do not collect. Revenues from franchised restaurants primarily consist of rental income.

By division

	Sales			Sales growth		Sales growth in constant currency		Comparable sales growth	
	For the Years Ended December 31,			For the Years Ended December 31,		For the Years Ended December 31,		For the Years Ended December 31,	
	2024	2023	2022	2024	2023	2024	2023	2024	2023
	(in thousands of U.S. dollars, except percentages)								
Company-operated restaurants:									
Brazil	$ 1,635,954	$ 1,574,792	$ 1,319,855	3.9 %	19.3 %	12.4 %	15.2 %	6.8 %	11.4 %
NOLAD	1,187,689	1,097,980	890,423	8.2 %	23.3 %	8.5 %	14.6 %	5.4 %	10.5 %
SLAD	1,443,105	1,464,903	1,247,213	(1.5) %	17.5 %	94.3 %	86.4 %	90.8 %	84.2 %
Total Sales by Company-operated restaurants	4,266,748	4,137,675	3,457,491	3.1 %	19.7 %	40.4 %	40.7 %	35.9 %	37.2 %
Franchised-restaurants: (3)									
Brazil	1,017,972	979,973	855,711	3.9 %	14.5 %	12.4 %	10.5 %	9.5 %	7.5 %
NOLAD	284,823	265,453	227,469	7.3 %	16.7 %	10.0 %	6.1 %	11.2 %	11 %
SLAD	231,615	232,564	187,063	(0.4) %	24.3 %	114.7 %	141.5 %	96.2 %	134.6 %
Total sales by Franchised restaurants	1,534,410	1,477,990	1,270,243	3.8 %	16.4 %	28.0 %	29.0 %	24.2 %	27.2 %
Total restaurants:									
Brazil	2,653,926	2,554,765	2,175,566	3.9 %	17.4 %	12.4 %	13.4 %	7.9 %	9.9 %
NOLAD	1,472,512	1,363,433	1,117,892	8.0 %	22.0 %	8.8 %	12.9 %	6.5 %	10.6 %
SLAD	1,674,720	1,697,467	1,434,276	(1.3) %	18.4 %	97.1 %	93.6 %	91.6 %	90.9 %
Total sales by restaurants	**5,801,158**	**5,615,665**	**4,727,734**	**3.3 %**	**18.8 %**	**37.1 %**	**43.8 %**	**32.8 %**	**34.6 %**

	Sales			Number of restaurants			Average restaurant sales	
	For the Years Ended December 31,			For the Years Ended December 31,			For the Years Ended December 31,	
	2024	2023	2022	2024	2023	2022	2024[1]	2023[2]
	(in thousands of U.S. dollars, except for number of restaurants)							
Company-operated restaurants	$ 4,266,748	$ 4,137,675	$ 3,457,491	1,725	1,678	1,633	$ 2,473	$ 2,466
Franchised restaurants[3]	1,534,410	1,477,990	1,270,243	703	683	679	2,183	2,164
Total restaurants	**5,801,158**	**5,615,665**	**4,727,734**	**2,428**	**2,361**	**2,312**	**2,389**	**2,379**

(1) Our average restaurant sales ("ARS") increased in 2024 due to higher traffic mainly in NOLAD and Brazil, together with an increase in average check across all divisions. This was partially offset by lower traffic in SLAD and the negative impact of depreciation of currencies, mainly in Argentina, Brazil, Chile, Venezuela, and Mexico.

(2) Our average restaurant sales ("ARS") increased in 2023 due to an increase in traffic in almost all markets together with an increase of average check, across all divisions. This was partially offset by the negative impact of the depreciation of currencies, mainly in Argentina and Venezuela.

(3) Franchised restaurant sales correspond to sales generated by franchised restaurants, which we do not collect. Revenues from franchised restaurants primarily derive from rental income.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Set forth below are our results of operations for the years ended December 31, 2024 and 2023.

	For the Years Ended December 31,		% Change
	2024	2023	
	(in thousands of U.S. dollars)		
Sales by Company-operated restaurants	$ 4,266,748	$ 4,137,675	3.1 %
Revenues from franchised restaurants	203,414	194,203	4.7 %
Total revenues	**4,470,162**	**4,331,878**	**3.2 %**
Company-operated restaurant expenses:			
Food and paper	(1,498,853)	(1,457,720)	2.8 %
Payroll and employee benefits	(797,620)	(790,042)	1.0 %
Occupancy and other operating expenses	(1,238,220)	(1,154,334)	7.3 %
Royalty fees	(265,382)	(249,278)	6.5 %
Franchised restaurants – occupancy expenses	(83,665)	(83,359)	0.4 %
General and administrative expenses	(279,859)	(285,000)	(1.8) %
Other operating income, net	17,952	1,894	847.8 %
Total operating costs and expenses	**(4,145,647)**	**(4,017,839)**	**3.2 %**
Operating income	**324,515**	**314,039**	**3.3 %**
Net interest expense and other financing results	(47,238)	(32,275)	46.4 %
Gain (loss) from derivative instruments	941	(13,183)	(107.1) %
Foreign currency exchange results	(15,063)	10,774	(239.8) %
Other non-operating expenses, net	(3,873)	(1,238)	212.8 %
Income before income taxes	**259,282**	**278,117**	**(6.8) %**
Income tax expense, net	(109,903)	(95,702)	14.8 %
Net income	**149,379**	**182,415**	**(18.1) %**
Less: Net income attributable to non-controlling interests	(620)	(1,141)	(45.7) %
Net income attributable to Arcos Dorados Holdings Inc.	**$ 148,759**	**$ 181,274**	**(17.9) %**

Set forth below is a summary of changes to our systemwide, Company-operated and franchised restaurant portfolios in 2024 and 2023.

Systemwide Restaurants	For the Years Ended December 31,	
	2024	2023
Systemwide restaurants at beginning of period	2,361	2,312
Restaurant openings	85	81
Restaurant closings	(18)	(32)
Systemwide restaurants at end of period	2,428	2,361

Company-Operated Restaurants	For the Years Ended December 31,	
	2024	2023
Company-operated restaurants at beginning of period	1,678	1,633
Restaurant openings	62	60
Restaurant closings	(17)	(27)
Net conversions of franchised restaurants to Company-operated restaurants	2	12
Company-operated restaurants at end of period	1,725	1,678

Franchised Restaurants	For the Years Ended December 31,	
	2024	2023
Franchised restaurants at beginning of period	683	679
Restaurant openings	23	21
Restaurant closings	(1)	(5)
Net conversions of franchised restaurants to Company-operated restaurants	(2)	(12)
Franchised restaurants at end of period	703	683

Revenues

	For the Years Ended December 31,			
	2024	2023	% Change	
	(in thousands of U.S. dollars)			
Sales by Company-operated restaurants				
Brazil	$ 1,635,954	$ 1,574,792	3.9	%
NOLAD	1,187,689	1,097,980	8.2	%
SLAD	1,443,105	1,464,903	(1.5)	%
Total	**4,266,748**	**4,137,675**	**3.1**	**%**
Revenues from franchised restaurants				
Brazil	132,357	126,755	4.4	%
NOLAD	38,062	34,932	9.0	%
SLAD	32,995	32,516	1.5	%
Total	**203,414**	**194,203**	**4.7**	**%**
Total revenues				
Brazil	1,768,311	1,701,547	3.9	%
NOLAD	1,225,751	1,132,912	8.2	%
SLAD	1,476,100	1,497,419	(1.4)	%
Total	**4,470,162**	**4,331,878**	**3.2**	**%**

Sales by Company-operated Restaurants

Total sales by Company-operated restaurants increased by $129.1 million, or 3.1%, from $4,137.7 million in 2023 to $4,266.7 million in 2024. This growth was mainly driven by the increase in traffic in the Territories of 0.8%, together with the increase in average check of 34.8%, which led to an increase in comparable sales by Company-operated restaurants of $1,477.1 million. In addition, the opening of 122 Company-operated restaurants, the closure of 44 Company-operated restaurants and the conversion of 14 franchised restaurants into Company-operated restaurants since January 1, 2023, contributed $195.2 million to sales. This was partially offset by the depreciation of currencies against the U.S. dollar, which resulted in a $1,541.5 million sales decline, mainly in Argentina, Brazil and Chile, and the deferral of sales related to points accrued by customers under our loyalty program that decreased sales in the period by $1.7 million.

In Brazil, sales by Company-operated restaurants increased by $61.2 million, or 3.9%, to $1,636,0 million in 2024. This was primarily due to an increase of comparable sales of 6.8%, as a result of higher traffic of 1.4%, and an average check growth of 5.4%, which resulted in a sales increase of $107.9 million. In addition, 61 net restaurants openings coupled with the conversion of 6 franchised restaurants into Company-operated restaurants since January 1, 2023 resulted in a $88.9 million increase in sales. This was partially offset by the depreciation of the Brazilian *real* against the U.S. dollar, that resulted in a sales decrease of $134.8 million and the deferral of sales related to points accrued by customers under our loyalty program that decreased sales in the period by $0.8 million.

In NOLAD, sales by Company-operated restaurants increased by $89.7 million, or 8.2%, to $1,187.7 million in 2024. This was due to a comparable sales growth of 5.4%, as a result of higher traffic of 5.3%, and an average check growth of 0.1%, which resulted in a sales increase of $59 million. The opening of 23 Company-operated restaurants, the conversion of 10 franchised restaurants into Company-operated restaurants and the closing of 9 Company-operated restaurants since January 1, 2023, had a positive impact of $34.9 million to sales. This was partially offset by the depreciation of local currencies, mainly explained by Mexico, which had a $3.7 million negative impact on sales and the deferral of sales related to points accrued by customers under our loyalty program that decreased sales in the period by $0.4 million.

In SLAD, sales by Company-operated restaurants decreased by $21.8 million, or 1.5%, to $1,443.1 million in 2024. This was driven by the depreciation of currencies against the U.S. dollar, in particular the Argentine and in a much lesser extent the Chilean *peso,* and the Venezuelan *bolívar*, which caused sales to decrease by $1,403.0 million. In addition, the deferral of sales related to points accrued by customers under our loyalty program decreased sales in the period by $0.4 million. This was partially offset by an increase in comparable sales of 90.8%, mainly driven by the increase in average check of 96.2%, primarily due to the inflationary context in Argentina and Venezuela, and a traffic contraction of 2.8%, mostly explained by the economic context in Argentina, which resulted in a sales increase of $1,310.2 million. In addition, the opening of 32 Company-operated restaurants and the closure of 29 Company-operated restaurants, coupled with the conversion of 2 Company-operated restaurants into franchised restaurants, since January 1, 2023, contributed $71.4 million to sales.

Revenues from Franchised Restaurants

Our total revenues from franchised restaurants increased by $9.2 million, or 4.7%, from $194.2 million in 2023 to $203.4 million in 2024. Higher revenues are mainly driven by an increase in comparable sales, which caused revenues to grow by $47.2 million. In addition, the net opening of 38 franchised restaurants, partially offset by the net conversion of 14 franchised restaurant into Company-operated restaurants, since January 1, 2023, increased revenues by $8.2 million. Moreover, the increase in the percentage of rental income over sales from franchised restaurants improved revenues from franchised restaurants in $1.7 million. This was partially offset by the depreciation of currencies against the U.S. dollar, which caused revenues to decrease by $47.9 million.

In Brazil, revenues from franchised restaurants increased by $5.6 million, or 4.4%, to $132.4 million in 2024, which was mainly driven by higher comparable sales of 9.5%, which increased revenues by $12.0 million. Additionally, the net opening of 28 franchised restaurants, partially offset by the conversion of 6 franchised restaurant into Company-operated restaurants, since January 1, 2023, caused revenues from franchised restaurants to increase by $3.8 million. The increase in rental income as a percentage of sales contributed $0.7 million to revenues, while the depreciation of the *real* against the U.S. dollar decreased revenues by $10.8 million.

In NOLAD, revenues from franchised restaurants increased by $3.1 million, or 9.0%, to $38.1 million in 2024. This increase was driven by higher comparable sales of 11.2%, which resulted in a $3.9 million growth in revenues. This was coupled with an increase in rental income as percentage of sales that contributed $0.5 million to sales. This was partially offset by the depreciation of local currencies which had a negative impact of $1.0 million, and the conversion of 10 franchised restaurants into Company-operated restaurants, partly offset by the net opening of 2 franchised restaurants since January 1, 2023, which caused revenues to decrease by $0.3 million.

In SLAD, revenues from franchised restaurants increased by $0.5 million, or 1.5%, to $33.0 million in 2024. This increase was driven by higher comparable sales of 96.2%, highly driven by hyperinflation in Argentina and Venezuela which resulted in a $31.4 million increase in revenues. This was coupled with the opening of 8 franchised restaurants and the conversion of 2 Company-operated restaurants into franchised restaurants since January 1, 2023, which increased revenues by $4.8 million. Moreover, higher rental income as a percentage of sales, contributed $0.5 million to revenues. This was partially offset by the depreciation of currencies against the U.S. dollar in the division, which caused a decrease in revenues of $36.2 million.

Operating Costs and Expenses

Food and Paper

Our total food and paper costs increased by $41.1 million, or 2.8%, to $1,498.9 million in 2024, as compared to 2023. As a percentage of our total sales by Company-operated restaurants, food and paper costs decreased 0.1 percentage points to 35.1%. This decrease is explained by higher price increases as compared to cost increases in several markets and better waste management.

In Brazil, food and paper costs increased by $23.0 million, or 4.2%, to $564.9 million in 2024. As a percentage of the division's sales by Company-operated restaurants, food and paper costs increased by 0.1 percentage points to 34.5%, primarily as a result of a less favorable product mix, partially offset by higher price increases as compared to costs and better waste management.

In NOLAD, food and paper costs increased by $30.4 million, or 7.8%, to $421.5 million in 2024. As a percentage of the division's sales by Company-operated restaurants, food and paper costs decreased by 0.1 percentage points to 35.5%, mainly explained by product mix, partially offset by higher cost increases as compared to prices in Mexico, Panama and Puerto Rico.

In SLAD, food and paper costs decreased by $12.3 million, or 2.3%, to $512.4 million in 2024. As a percentage of the division's sales by Company-operated restaurants, food and paper costs decreased by 0.3 percentage points to 35.5%, mainly explained by a better waste management and higher price increases as compared to costs, mainly in Argentina, Colombia and Uruguay.

Payroll and Employee Benefits

Our total payroll and employee benefits costs increased by $7.6 million, or 1.0%, to $797.6 million in 2024, as compared to 2023. As a percentage of our total sales by Company-operated restaurants, payroll and employee benefits costs decreased 0.4 percentage points to 18.7%. The decrease as a percentage of sales was mostly attributable to a recovery related to social security contributions in Brazil coupled with efficiencies in crew payroll.

In Brazil, payroll and employee benefits costs decreased by $17.6 million, or 6.0%, to $273.0 million in 2024. As a percentage of the division's sales by Company-operated restaurants, payroll and employee benefits costs decreased by 1.8 percentage points to 16.7%, mainly as a result of a recovery related to social security contributions coupled with efficiencies in crew payroll, partially offset by higher management expenses.

In NOLAD, payroll and employee benefits costs increased by $24.3 million, or 10.8%, to $249.7 million in 2024. As a percentage of the division's sales by Company-operated restaurants, payroll and employee benefits costs increased by 0.5 percentage points to 21.0%, mainly due to growth of crew hour costs above average check growth in several markets of the division, driven by increases in minimum wage salaries, partially offset by higher crew productivity.

In SLAD, payroll and employee benefits costs increased by $ 0.9 million, or 0.3%, to $274.9 million in 2024. As a percentage of the division's sales by Company-operated restaurants, payroll and employee benefits increased by 0.3 percentage points to 19.0%. This is mainly explained by an increase in crew hour costs above average check growth in most markets of the division partially offset by efficiencies in crew productivity.

Occupancy and Other Operating Expenses

Our total occupancy and other operating expenses increased by $83.9 million, or 7.3%, to $1,238.2 million in 2024, as compared to 2023. As a percentage of our total sales by Company-operated restaurants, occupancy and other operating expenses increased 1.1 percentage points to 29.0%, driven by higher delivery costs coupled with depreciation costs and utilities.

In Brazil, occupancy and other operating expenses increased by $19.8 million, or 4.5%, to $463.1 million in 2024. As a percentage of the division's sales by Company-operated restaurants, occupancy and other operating expenses increased by 0.2 percentage points to 28.3%, mainly due to higher delivery costs partially offset by lower collection costs and efficiencies in fixed costs.

In NOLAD, occupancy and other operating expenses increased by $34.0 million, or 11.0%, to $341.9 million in 2024. As a percentage of the division's sales by Company-operated restaurants, occupancy and other operating expenses increased by 0.7 percentage points to 28.8% due to higher depreciation costs, delivery costs and IT services expenses.

In SLAD, occupancy and other operating expenses increased by $30.0 million, or 7.4%, to $433.1 million in 2024. As a percentage of the division's sales by Company-operated restaurants, occupancy and other operating expenses increased by 2.5 percentage points to 30.0%, due to higher delivery, depreciation costs coupled with higher utilities, IT services an Operating Supplies expenses.

Royalty Fees

Our total royalty fees increased by $16.1 million, or 6.5%, to $265.4 million in 2024, as compared to 2023. As a percentage of sales, royalty fees increased by 0.2 percentage points to 6.2% mainly due to higher sales compared to lower growth support funding, as a percentage of sales, provided by McDonald's to Arcos Dorados, coupled with higher taxes over royalties.

In Brazil, royalty fees increased by $13.1 million, or 17.5%, to $87.6 million in 2024. As a percentage of sales, royalty fees increased by 0.6 percentage points to 5.4% mainly due to higher sales compared to lower growth support funding, as a percentage of sales, provided by McDonald's to Arcos Dorados, coupled with higher taxes over royalties.

In NOLAD, royalty fees increased by $6.4 million, or 8.4%, to $82.2 million in 2024, as compared to 2023. As a percentage of sales, royalty fees remained unchanged, closing 2024 at 6.9%.

In SLAD, royalty fees decreased by $3.3 million, or 3.3%, to $95.6 million in 2024 due to lower sales in Argentina, as compared to 2023. As a percentage of sales, royalty fees decreased by 0.1 percentage points to 6.6%.

Franchised Restaurants—Occupancy Expenses

Occupancy expenses from franchised restaurants increased by $0.3 million or 0.4%, to $83.7 million in 2024, as compared to 2023, mainly due to higher rent expenses for leased properties, as a consequence of higher comparable sales from franchised restaurants coupled with higher taxes in Brazil. This was partially offset by depreciation of currencies, especially in Argentina, Brazil and Chile, against the U.S. dollar.

In Brazil, occupancy expenses from franchised restaurants decreased by $0.7 million, or 1.1%, to $60.2 million in 2024, as compared to 2023. This decrease in occupancy expenses from franchised restaurants was primarily due to depreciation of the Brazilian *real* against the U.S. dollar coupled with a lower bad debt reserve which was partially offset by higher rent expenses for leased properties, as a consequence of the increase in comparable sales from franchised restaurants, and higher taxes.

In NOLAD, occupancy expenses from franchised restaurants increased by $ 0.5 million, or 3.6%, to $13.0 million in 2024, as compared to 2023, mainly due to higher rent expenses for leased properties, as a consequence of higher comparable sales from franchised restaurants partially offset by the depreciation of the Mexican *peso* against the U.S. dollar.

In SLAD, occupancy expenses from franchised restaurants increased by $0.5 million, or 5.1%, to $10.5 million in 2024, as compared to 2023, mainly due to higher rent expenses for leased properties, as a consequence of the increase in comparable sales from franchised restaurants. This was partially offset by the depreciation of the Argentinean *peso*, the Chilean *peso* and Venezuelan *bolívar* against the U.S. dollar.

Set forth below are the margins for our franchised restaurants in 2024 as compared to 2023. The margin for our franchised restaurants is expressed as a percentage and is equal to the difference between revenues from franchised restaurants and occupancy expenses from franchised restaurants, divided by revenues from franchised restaurants.

	For the Years Ended December 31,	
	2024	**2023**
Brazil	54.5%	52.0%
NOLAD	65.8%	64.0%
SLAD	68.3%	69.4%
Total	**58.9%**	**57.1%**

General and Administrative Expenses

General and administrative expenses decreased by $5.1 million, or 1.8%, from $285.0 million in 2023 to $279.9 million in 2024. This is explained primarily by the depreciation of currencies, especially the Argentine peso, that contributed $154.0 million to the reduction in general and administrative expenses and lower bonuses and other variable compensation. This was partially offset by higher payroll, outside services and occupancy expenses, mainly related to inflation in Argentina.

In Brazil, general and administrative expenses decreased by $2.8 million, or 4.0%, from $70.5 million in 2023 to $67.6 million in 2024. The decrease is explained by the depreciation of the Brazilian real against the U.S. dollar amounting to $5.3 million as well as lower payroll expenses of $0.8 million, coupled with a reduction in outside services expenses of $0.2 million. This was partially offset by higher occupancy expenses of $2.5 million, together with higher other expenses of $0.6 million and bonuses and other variable compensation of $0.3 million.

In NOLAD, general and administrative expenses increased by $2.7 million, or 5.5%, from $49.1 million in 2023 to $51.8 million in 2024. This increase is a result of higher outside services amounting to $3.0 million, coupled with higher payroll expenses of $2.3 million and higher occupancy expenses of $0.8 million as well as higher other expenses of $0.3 million and travel expenses of $0.2 million. This was partially offset by lower bonuses and other variable compensations expenses of $3.5 million and the depreciation of the Mexican Peso against the U.S. dollar, which contributed in a reduction of general and administrative expenses by $0.3 million.

In SLAD, general and administrative expenses increased by $7.2 million, or 13.4%, from $53.7 million in 2023 to $60.9 million in 2024. This increase is mainly explained by higher payroll expenses amounting to $29.1 million, together with bonuses and other variable compensation amounting to $6.2 million, mainly in Argentina due to its inflationary environment, and higher occupancy expenses amounting to $15.3 million. In addition, there were higher outside services amounting to $5.9 million, higher other expenses of $3.1 million, and higher travel expenses of $2.7 million. This was partially offset by the depreciation of various currencies against the U.S. dollar, mainly the Argentine peso, Venezuelan bolivar and Chilean peso, which resulted in a reduction of general and administrative expenses of $55.1 million.

General and administrative expenses for Corporate and others decreased by $12.2 million, or 10.9%, from $111.7 million in 2023 to $99.5 million in 2024. This decrease is mainly driven by the depreciation of various currencies against the U.S. dollar, mainly the Argentine *peso* and Brazilian *real*, amounting to $93.3 million, coupled with lower bonuses and other variable compensations of $15.0 million. This was partially offset by higher expenses mainly related to Argentina's inflation, as a portion of our Corporate expenses are denominated in Argentine *pesos*. Payroll expenses increased $51.2 million, while outside services grew $28.0 million and other expenses increased by $7.4 million. In addition, there were higher travel expenses amounting to $5.5 million and higher occupancy expenses amounting to $3.8 million.

Other Operating Income, net

Other operating income, net increased by $16.1 million, to a gain of $18.0 million in 2024. This increase was primarily attributable to the positive impact of a recovery related to social security contributions in Brazil by $5.6 million, a reduction in write-offs and impairment of long-lived assets by $7.3 million and a higher gain from sale and insurance recovery of property and equipment of $3.5 million.

Operating Income

	For the Years Ended December 31,					
	2024		2023		% Change	
	(in thousands of U.S. dollars)					
Brazil	$	269,019	$	230,024	17.0	%
NOLAD		67,412		73,237	(8.0)	%
SLAD		87,406		121,683	(28.2)	%
Corporate and other and purchase price allocation		(99,322)		(110,905)	10.4	%
Total		**324,515**		**314,039**	**3.3**	**%**

Operating income increased by $10.5 million, or 3.3%, to $324.5 million in 2024 from $314.0 million in 2023, as a result of the foregoing factors discussed above.

Net Interest Expense and other financing results

Net interest expense and other financing results increased by $14.9 million, or 46.4%, to $47.2 million in 2024, as compared to 2023. The increase was primarily explained by lower net financing gains during 2024 compared to 2023 for $34.9 million partially offset by the positive impact in the loss from securities transactions during 2024 compared to 2023 for $20.6 million.

Gain (loss) from Derivative Instruments

Gain (loss) from derivative instruments increased by $14.1 million to a gain of $0.9 million in 2024, from a loss of $13.2 million in 2023, attributable to the results of derivatives instruments not designated as hedge accounting.

Foreign Currency Exchange Results

Foreign currency exchange results decreased by $25.9 million, from a gain of $10.8 million in 2023 to a loss of $15.1 million in 2024. The variation was primarily attributable to the impact of the depreciation of the Brazilian *real* of 27.2% which resulted in a loss of $16.1 million on the outstanding U.S. dollar-denominated intercompany loans partially offset by a gain in derivatives in 2024, compared to a gain of $7.8 million in 2023.

Other Non-operating Expenses, Net

Other non-operating expenses, net increased by $2.7 million to $3.9 million in 2024, as compared to $1.2 million in 2023.

Income Tax Expense, net

Income tax expense, net increased by $14.2 million, from $95.7 million in 2023 to $109.9 million in 2024. The consolidated effective tax rate was 42.4% in 2024, as compared to 34.4%, primarily explained by remeasurement and inflationary impacts, which decreased income tax by $2.6 million in 2024 compared to a decrease by $16.2 million in 2023.

See Note 16 to our consolidated financial statements for additional information.

Net Income Attributable to Non-controlling Interests

Net income attributable to non-controlling interests was $0.6 million in the full year ended December 31, 2024.

Net Income Attributable to Arcos Dorados Holdings Inc.

As a result of the foregoing, net income attributable to Arcos Dorados Holdings Inc. decreased by $32.5 million from a gain of $181.3 million in 2023, to a gain of $148.8 million in 2024.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Set forth below are our results of operations for the years ended December 31, 2023 and 2022.

	For the Years Ended December 31,		% Change
	2023	2022	
	(in thousands of U.S. dollars)		
Sales by Company-operated restaurants	$ 4,137,675	$ 3,457,491	19.7 %
Revenues from franchised restaurants	194,203	161,411	20.3 %
Total revenues	**4,331,878**	**3,618,902**	**19.7 %**
Company-operated restaurant expenses:			
Food and paper	(1,457,720)	(1,227,293)	18.8 %
Payroll and employee benefits	(790,042)	(668,764)	18.1 %
Occupancy and other operating expenses	(1,154,334)	(967,690)	19.3 %
Royalty fees	(249,278)	(194,522)	28.1 %
Franchised restaurants – occupancy expenses	(83,359)	(68,028)	22.5 %
General and administrative expenses	(285,000)	(239,263)	19.1 %
Other operating income, net	1,894	11,080	(82.9) %
Total operating costs and expenses	**(4,017,839)**	**(3,354,480)**	**19.8 %**
Operating income	**314,039**	**264,422**	**18.8 %**
Net interest expense and other financing results	(32,275)	(43,750)	(26.2) %
Loss from derivative instruments	(13,183)	(10,490)	25.7 %
Foreign currency exchange results	10,774	16,501	(34.7) %
Other non-operating (expenses) income, net	(1,238)	(287)	331.4 %
Income before income taxes	**278,117**	**226,396**	**22.8 %**
Income tax expense, net	(95,702)	(85,476)	12.0 %
Net income	**182,415**	**140,920**	**29.4 %**
Less: Net income attributable to non-controlling interests	(1,141)	(577)	97.7 %
Net income attributable to Arcos Dorados Holdings Inc.	**$ 181,274**	**$ 140,343**	**29.2 %**

Set forth below is a summary of changes to our systemwide, Company-operated and franchised restaurant portfolios in 2023 and 2022.

Systemwide Restaurants	For the Years Ended December 31,	
	2023	2022
Systemwide restaurants at beginning of period	2,312	2,261
Restaurant openings	81	66
Restaurant closings	(32)	(15)
Systemwide restaurants at end of period	2,361	2,312

Company-Operated Restaurants	For the Years Ended December 31,	
	2023	2022
Company-operated restaurants at beginning of period	1,633	1,579
Restaurant openings	60	47
Restaurant closings	(27)	(9)
Net conversions of franchised restaurants to Company-operated restaurants	12	16
Company-operated restaurants at end of period	1,678	1,633

Franchised Restaurants	For the Years Ended December 31,	
	2023	2022
Franchised restaurants at beginning of period	679	682
Restaurant openings	21	19
Restaurant closings	(5)	(6)
Net conversions of franchised restaurants to Company-operated restaurants	(12)	(16)
Franchised restaurants at end of period	683	679

Revenues

	For the Years Ended December 31,			
	2023	2022	% Change	
	(in thousands of U.S. dollars)			
Sales by Company-operated restaurants				
Brazil	$ 1,574,792	$ 1,319,855	19.3	%
NOLAD	1,097,980	890,423	23.3	%
SLAD	1,464,903	1,247,213	17.5	%
Total	**4,137,675**	**3,457,491**	**19.7**	**%**
Revenues from franchised restaurants				
Brazil	126,755	109,250	16.0	%
NOLAD	34,932	29,766	17.4	%
SLAD	32,516	22,395	45.2	%
Total	**194,203**	**161,411**	**20.3**	**%**
Total revenues				
Brazil	1,701,547	1,429,105	19.1	%
NOLAD	1,132,912	920,189	23.1	%
SLAD	1,497,419	1,269,608	17.9	%
Total	**4,331,878**	**3,618,902**	**19.7**	**%**

Sales by Company-operated Restaurants

Total sales by Company-operated restaurants increased by $680.2 million, or 19.7%, from $3,457.5 million in 2022 to $4,137.7 million in 2023. This growth was mainly driven by the increase in traffic in the Territories of 6.2%, together with the increase of 29.2% in average check in all divisions, both of which led to an increase in comparable sales by Company-operated restaurants of $1,288.1 million. In addition, the opening of 107 Company-operated restaurants, the closure of 36 Company-operated restaurants and the conversion of 28 franchised restaurants into Company-operated restaurants since January 1, 2022, contributed $120.8 million to sales. This was partially offset by the depreciation of currencies against the U.S. dollar, which resulted in a $728.7 million sales decline, mainly in Argentina and Venezuela.

In Brazil, sales by Company-operated restaurants increased by $254.9 million, or 19.3%, to $1,574.8 million in 2023. This was primarily due to an increase of comparable sales of 11.4%, as a result of an increase in traffic of 6.0%, and an average check growth of 5.1% related to price increases and revenue management strategies that improved product mix, which resulted in a sales increase of $150.2 million. In addition, 54 net restaurants openings coupled with the conversion of 4 franchised restaurants into Company-operated restaurants since January 1, 2022 resulted in a $50.3 million increase in sales and the appreciation of the Brazilian *real* against the U.S. dollar, resulted in a sales increase of $54.4 million.

In NOLAD, sales by Company-operated restaurants increased by $207.6 million, or 23.3%, to $1,098.0 million in 2023. This was due to a comparable sales growth of 10.5%, which resulted in a sales increase of $95.4 million, as a result in part of an increase in traffic of 6.2% and in average check of 4.1%. The conversion of 20 franchised restaurants into Company-operated restaurants, the opening of 24 Company-operated restaurants and the closing of 3 Company-operated restaurants since January 1, 2022, had a positive impact of $34.9 million to sales, while the appreciation of local currencies also had a $77.3 million positive impact on sales.

In SLAD, sales by Company-operated restaurants increased by $217.7 million, or 17.5%, to $1,464.9 million in 2023. This was the result of an increase in traffic of 6.6% and in average check of 73.9% in the SLAD division that led to an increase in comparable sales of $1,042.5 million. In addition, the opening of 22 Company-operated restaurants and the closure of 26 Company-operated restaurants, coupled with the conversion of 4 franchised restaurants into Company-operated restaurants, since January 1, 2022 contributed $35.6 million to the increase in sales. This was partially offset by the depreciation of currencies against the U.S. dollar, in particular the Argentine *peso,* the Venezuelan *bolívar* and Colombian *Peso*, which caused sales to decrease by $860.4 million in 2023.

Revenues from Franchised Restaurants

Our total revenues from franchised restaurants increased by $32.8 million, or 20.3%, from $161.4 million in 2022 to $194.2 million in 2023. Higher revenues are mainly driven by an increase in comparable sales, which caused revenues to grow by $44.6 million. In addition, the increase in the percentage of rental income over sales from franchised restaurants improved revenues from franchised restaurants in $5.1 million. Moreover, the net opening of 29 franchised restaurants. partially offset by the conversion of 28 franchised restaurant into Company-operated restaurants, since January 1, 2022, which increased revenues by $4.0 million. This was partially offset by the depreciation of currencies against the U.S. dollar, which caused revenues to decrease by $20.9 million.

In Brazil, revenues from franchised restaurants increased by $17.5 million, or 16.0%, to $126.8 million in 2023, which was mainly driven by higher comparable sales of 7.5%, which increased revenues by $8.3 million. Additionally, the net opening of 25 franchised restaurants, since January 1, 2022, caused revenues from franchised restaurants to increase by $3.4 million. The increase in rental income as a percentage of sales contributed $1.4 million to revenues, while the appreciation of the *real* against the U.S. dollar contributed to an increase in revenues of $4.4 million.

In NOLAD, revenues from franchised restaurants increased by $5.2 million, or 17.4%, to $34.9 million in 2023. This increase was driven by higher comparable sales of 11.0%, which resulted in a $3.0 million growth in revenues. This was coupled with an increase in rental income as percentage of sales that contributed $0.2 million to sales. In addition, the appreciation of local currencies had a positive impact of $3.1 million. This was partially offset by the conversion of 20 franchised restaurants into Company-operated restaurants, the opening of 5 franchised restaurants and the closing of 4 franchised restaurants since January 1, 2022, which caused revenues to decrease by $1.2 million.

In SLAD, revenues from franchised restaurants increased by $10.1 million, or 45.2%, to $32.5 million in 2023. This increase was driven by higher comparable sales of 134.6%, highly driven by hyperinflation in Venezuela and Argentina, and due to a higher traffic, which resulted in a $33.3 million increase in revenues. This was coupled with higher rental income as a percentage of sales, which contributed $3.4 million to revenues. Moreover, the opening of 6 franchised restaurants and the closing of 3 franchised restaurants since January 1, 2022, increased revenues by $1.8 million. This was partially offset by the depreciation of currencies against the U.S. dollar in the division, which caused a decrease in revenues of $28.4 million.

Operating Costs and Expenses

Food and Paper

Our total food and paper costs increased by $230.4 million, or 18.8%, to $1,457.7 million in 2023, as compared to 2022. As a percentage of our total sales by Company-operated restaurants, food and paper costs decreased 0.3 percentage points to 35.2%. This decrease is explained by higher price increases as compared to cost increases in several markets.

In Brazil, food and paper costs increased by $86.1 million, or 18.9%, to $541.9 million in 2023. As a percentage of the division's sales by Company-operated restaurants, food and paper costs decreased by 0.1 percentage points to 34.4%, primarily as a result of a pricing strategy, that was partly offset by the increases in costs, and due to lower controllables.

In NOLAD, food and paper costs increased by $69.6 million, or 21.7%, to $391.1 million in 2023. As a percentage of the division's sales by Company-operated restaurants, food and paper costs decreased by 0.5 percentage points to 35.6%. Lower food and paper costs in NOLAD were primarily driven by higher price increases as compared to cost increases in Mexico, Costa Rica, Panama and Puerto Rico.

In SLAD, food and paper costs increased by $74.6 million, or 16.6%, to $524.7 million in 2023. As a percentage of the division's sales by Company-operated restaurants, food and paper costs decreased by 0.3 percentage points to 35.8%, mainly explained by the performance of Argentina, Colombia and Chile. This was partly offset by negative impact from its inventory and waste management.

Payroll and Employee Benefits

Our total payroll and employee benefits costs increased by $121.3 million, or 18.1%, to $790.0 million in 2023, as compared to 2022. As a percentage of our total sales by Company-operated restaurants, payroll and employee benefits costs decreased 0.2 percentage points to 19.1%. The decrease as a percentage of sales was mostly attributable to the increase in sales and efficiencies in management payroll.

In Brazil, payroll and employee benefits costs increased by $36.4 million, or 14.3%, to $290.6 million in 2023. As a percentage of the division's sales by Company-operated restaurants, payroll and employee benefits costs decreased by 0.8 percentage points to 18.5%, mainly as a result of the decrease in crew payroll as percentage of sales, due to a lower increase of crew hour costs than the increase of average check, coupled with lower management payroll cost as a percentage of sales due to the increase in sales and operational efficiencies.

In NOLAD, payroll and employee benefits costs increased by $46.6 million, or 26.0%, to $225.5 million in 2023. As a percentage of the division's sales by Company-operated restaurants, payroll and employee benefits costs increased by 0.4 percentage points to 20.5%, mainly due to an increase in crew payroll as percentage of sales was due to an increase in crew hour costs above average check growth in Mexico and Costa Rica and an increase in management payroll costs as a percentage of sales in Mexico, Costa Rica and Puerto Rico. This was partly offset by higher productivity in Mexico.

In SLAD, payroll and employee benefits costs increased by $38.3 million, or 16.3%, to $274.0 million in 2023. As a percentage of the division's sales by Company-operated restaurants, payroll and employee benefits decreased by 0.2 percentage points to 18.7%. This is mainly explained by a decrease in management payroll as a percentage of sales due to the increase in sales mainly in Argentina, Colombia and Uruguay.

Occupancy and Other Operating Expenses

Our total occupancy and other operating expenses increased by $186.6 million, or 19.3%, to $1,154.3 million in 2023, as compared to 2022. As a percentage of our total sales by Company-operated restaurants, occupancy and other operating expenses decreased 0.1 percentage points to 27.9%, mainly as a consequence of the increase in sales, which led to higher absorption of fixed costs.

In Brazil, occupancy and other operating expenses increased by $75.4 million, or 20.5%, to $443.3 million in 2023. As a percentage of the division's sales by Company-operated restaurants, occupancy and other operating expenses increased by 0.3 percentage points to 28.2%, mainly due to higher delivery costs.

In NOLAD, occupancy and other operating expenses increased by $57.0 million, or 22.7%, to $307.9 million in 2023. As a percentage of the division's sales by Company-operated restaurants, occupancy and other operating expenses decreased by 0.1 percentage points to 28.0% due to higher absorption of fixed costs, such as outside rent, utilities, IT Services and insurance related to the increase in sales.

In SLAD, occupancy and other operating expenses increased by $54.2 million, or 15.5%, to $403.2 million in 2023. As a percentage of the division's sales by Company-operated restaurants, occupancy and other operating expenses decreased by 0.5 percentage points to 27.5%, due to higher sales, which had a positive impact on fixed costs absorption such as maintenance and repair expenses, IT services and insurance.

Royalty Fees

Our total royalty fees increased by $54.8 million, or 28.1%, to $249.3 million in 2023, as compared to 2022. As a percentage of sales, royalty fees increased by 0.4 percentage points to 6.0%, mainly due to a scheduled increase in the royalty fees owed to McDonald's under the MFA agreement effective as of August 2022.

In Brazil, royalty fees increased by $14.0 million, or 23.2%, to $74.5 million in 2023. As a percentage of sales, royalty fees increased 0.1 percentage points to 4.7% due to a scheduled increase in royalty fees owed to McDonald's under the MFA agreement as of August 2022. This was partially offset by growth support funding that McDonald's provides to Arcos Dorados.

In NOLAD, royalty fees increased by $19.3 million, or 34.1%, to $75.8 million in 2023, as compared to 2022. As a percentage of sales, royalty fees increased 0.6 percentage points to 6.9% due to a scheduled increase in royalty fees owed to McDonald's under the MFA agreement as of August 2022.

In SLAD, royalty fees increased by $21.4 million, or 27.7%, to $98.9 million in 2023, as compared to 2022. As a percentage of sales, royalty fees increased by 0.5 percentage points to 6.8%, due to a scheduled increase in royalty fees owed to McDonald's under the MFA agreement as of August 2022.

Franchised Restaurants—Occupancy Expenses

Occupancy expenses from franchised restaurants increased by $15.3 million or 22.5%, to $83.4 million in 2023, as compared to 2022, mainly due to higher rent expenses for leased properties, as a consequence of higher comparable sales from franchised restaurants. This was partially offset by depreciation of currencies, especially in Venezuela and Argentina against the U.S. dollar.

In Brazil, occupancy expenses from franchised restaurants increased by $11.8 million, or 24.1%, to $60.8 million in 2023, as compared to 2022. This increase in occupancy expenses from franchised restaurants was primarily due to higher Other Franchised expenses, coupled with higher rent expenses for leased properties, as a consequence of the increase in comparable sales from franchised restaurants, coupled with higher expenses related to the appreciation of the Brazilian *real* against the U.S. dollar.

In NOLAD, occupancy expenses from franchised restaurants increase by $1.6 million, or 14.3%, to $12.6 million in 2023, as compared to 2022, mainly due to higher rent expenses for leased properties, as a consequence of higher comparable sales from franchised restaurants and higher expenses related to the appreciation of the Mexican *peso* against the U.S. dollar.

In SLAD, occupancy expenses from franchised restaurants increased by $2.0 million, or 24.5%, to $9.9 million in 2023, as compared to 2022, mainly due to higher rent expenses for leased properties, as a consequence of the increase in comparable sales from franchised restaurants. This was partially offset by the depreciation of the Argentinean *peso* and Venezuelan *bolivar* against the U.S. dollar.

Set forth below are the margins for our franchised restaurants in 2023 as compared to 2022. The margin for our franchised restaurants is expressed as a percentage and is equal to the difference between revenues from franchised restaurants and occupancy expenses from franchised restaurants, divided by revenues from franchised restaurants.

	For the Years Ended December 31,	
	2023	**2022**
Brazil	52.0%	55.1%
NOLAD	64.0%	63.0%
SLAD	69.4%	64.4%
Total	**57.1%**	**57.9%**

General and Administrative Expenses

General and administrative expenses increased by $45.7 million, or 19.1%, to $285.0 million in 2023. This is explained by higher expenses in all divisions, mainly related to payroll expenses, variable compensation and outside service expenses, mostly explained by Argentina's inflation. This was partially offset by the depreciation of currencies, especially the Argentine *peso*, that contributed $83.5 million to the reduction in general and administrative expenses.

In Brazil, general and administrative expenses increased by $10.0 million, or 16.5%, to $70.5 million in 2023, as compared to 2022. The increase is explained by higher payroll expenses amounting to $4.9 million, coupled with higher Occupancy expenses of $4.8 million. In addition, higher travel expenses of $1.5 million also contributed to an increase in general and administrative expenses. Additionally, the appreciation of the Brazilian *real* against the U.S. dollar increased general and administrative expenses by $2.3 million. This was partially offset by lower variable compensation of $3.0 million, together with lower outside services of $0.5 million.

In NOLAD, general and administrative expenses increased by $11.0 million, or 28.7%, to $49.1 million in 2023, as compared to 2022. This increase is a result of higher payroll expenses in an amount of $4.9 million, coupled with higher bonuses and other variable compensation amounting to $1.5 million in addition to higher travel and occupancy expenses. The appreciation of the Mexican *Peso,* the Costa Rican *colon* and the Euro against the U.S. dollar increased general and administrative expenses by $3.6 million.

In SLAD, general and administrative expenses increased by $8.0 million, or 17.4%, to $53.7 million in 2023, as compared to 2022. This increase is mainly explained by higher payroll amounting to $28.8 million, together with bonuses and other variable compensation amounting to $5.2 million, mainly in Argentina due to its inflationary environment, and higher outside services amounting to $5.4 million. In addition, there were higher other expenses amounting to $4.0 million, higher occupancy expenses amounting to $2.6 million, and higher travel expenses amounting to $2.4 million. This was partially offset by the depreciation of various currencies against the U.S. dollar, mainly the Argentine *peso,* Venezuelan *bolivar* and Colombian *peso*, amounting to $40.6 million.

General and administrative expenses for Corporate and others increased by $16.8 million, or 17.7%, to $111.7 million in 2023, as compared to 2022. This increase is mainly related to Argentina's inflation, as a portion of our Corporate expenses are denominated in Argentine *pesos.* In 2023, we had an increase in payroll expenses for an amount of $32.3 million, an increase in bonuses and other variable compensations of $18.8 million coupled with an increase in outside services for $10.3 million as well as higher travel expenses for $3.8 million and higher occupancy for $3.2 million This was partially offset by the depreciation of currencies against the U.S. dollar, especially the Argentine *peso*, amounting to $48.8 million, coupled with lower other expenses, amounting to $2.8 million.

Other Operating Income, net

Other operating income, net decreased by $9.2 million, to a gain of $1.9 million in 2023 from a gain of $11.1 million in 2022. This decrease was primarily attributable to higher write off and impairment of long-lived assets.

Operating Income

	For the Years Ended December 31,		
	2023	2022	% Change
	(in thousands of U.S. dollars)		
Brazil	$ 230,024	$ 186,862	23.1 %
NOLAD	73,237	61,832	18.4 %
SLAD	121,683	107,520	13.2 %
Corporate and other and purchase price allocation	(110,905)	(91,792)	(20.8) %
Total	**314,039**	**264,422**	**18.8 %**

Operating income increased by $49.6 million, or 18.8%, to a gain of $314.0 million in 2023 from a gain of $264.4 million in 2022, as a result of the foregoing factors discussed above.

Net Interest Expense and other financing results

Net interest expense and other financing results decreased by $11.5 million, or 26.2%, to $32.3 million in 2023, as compared to 2022. The decrease was primarily explained by higher net financing gains amounting to $15.3 million as a consequence of investments in funds and time deposits, among others, by the results related to the liability management transactions executed during 2022 when the Company issued the 2029 sustainability-linked notes, redeemed a portion of the 2023 notes and conducted a cash tender offer of the 2023 and 2027 notes, amounting to $10.6 million, and lower interest expense on Senior Notes during 2023 due to these transactions amounting to $3.5 million. This was partially offset by a loss from securities transactions amounting to $20 million.

Loss from Derivative Instruments

Loss from derivative instruments increased by $2.7 million to a loss of $13.2 million in 2023, from a loss of $10.5 million in 2022, attributable to the results of derivatives instruments not designated as hedge accounting.

Foreign Currency Exchange Results

Foreign currency exchange gain decreased by $5.7 million, from a gain of $16.5 million in 2022 to a gain of $10.8 million in 2023. The variation was primarily attributable to the impact of the appreciation of the Mexican peso (13%) and the European euro (3%), which resulted in a loss of $4.3 million and $2.3 million respectively, on the outstanding U.S. dollar-denominated intercompany receivable held by our subsidiaries, partially offset by a gain due to the appreciation of the Brazilian *real* of 8% in 2023.

Other Non-operating (Expenses) Income, Net

Other non-operating (expenses) income, net increased by $0.9 million to a $1.2 million loss in 2023, as compared to a $0.3 million loss in 2022, primarily related to a tax provision generated by investments.

Income Tax Expense, net

Income tax expense, net increased by $10.2 million, from $85.5 million in 2022 to $95.7 million in 2023, mainly related to a higher pre-tax income in 2023. The consolidated effective tax rate was 34.4% in 2023, as compared to 37.8% in 2022, primarily explained by a decrease in the weighted-average statutory income tax rate of 2.9% (from 39.0% to 36.1% as a consequence of the Income Tax distribution between the legal entities we have in different countries) and a positive change in the permanent differences of $1.9 million.

See Note 16 to our consolidated financial statements for additional information

Net Income Attributable to Non-controlling Interests

Net income attributable to non-controlling interests was $1.1 million in the full year ended December 31, 2023.

Net Income Attributable to Arcos Dorados Holdings Inc.

As a result of the foregoing, net income attributable to Arcos Dorados Holdings Inc. increased by $41 million from a gain of $140.3 million in 2022, to a gain of $181.3 million in 2023.

B. Liquidity and Capital Resources

Financial strategy overview

As part of our day-to-day operations, we manage our financial strategy considering, among other things, our liquidity risk and refinancing risk, our debt profile (including our indebtedness level and leverage ratios), the market risk and interest rate risk of our treasury investments as well as our financial debt and our foreign exchange risk.

In order to achieve our financial strategy, we hold several assets on our balance sheet, mainly cash positions in foreign currencies needed to support operations in each of the markets where we operate, treasury investments to reduce the negative carry of our debt, derivatives positions to hedge our exposure to foreign exchange risks, and other non-material financial assets.

We also have several key processes to address macroeconomic and financial challenges such as multi-year planning, periodic re-projections, internal reporting, and key human resources to supervise the outcomes of the financial strategy. While these processes cannot predict or fully mitigate any risk we may encounter in the future, we believe they help us adapt to different circumstances and more effectively implement our financial strategy.

Cash position, credit lines and liquidity risk

We generate significant cash from operations and, consistent with prior years, we expect existing cash flows from operations, working capital and our ability to issue debt or incur additional indebtedness will continue to be sufficient to fund our operating, investing and financing activities, including the day-to-day operations of our business, our credit profile to enter in new commercial agreements, the payment of the interests generated by our financial agreements and notes outstanding, the payment of dividends, and our capital expenditures plan.

To further support our cash position, we have maintained a revolving credit facility with JPMorgan since 2019 for a total amount of $25 million. This revolving credit facility can be drawn at any time and was renewed in December 2022 with its maturity date extended to February 2024. On February 15, 2024, the Company renewed it upon the same terms and conditions maturing on February 17, 2026. In addition, on April 15, 2025, our subsidiary Arcos Dorados B.V. entered into a revolving credit facility with Itaú Unibanco S.A., Nassau Branch for a total of $25 million. This revolving credit facility will mature on April 14, 2026. Furthermore, on October 31, 2024, we and our subsidiary Arcos Dorados B.V. entered into a new revolving credit facility with Banco Santander (Brasil) S.A. for a total amount of $25 million, maturing on October 31, 2026. In total, we have $75 million in committed credit lines at the holding level. See "—Revolving Credit Facilities".

We are comfortable we maintain sufficient uncommitted credit facilities in excess of our daily cash needs as of the end of 2024. As of December 31, 2024, we had a total cash, cash equivalents and short-term investments position of $138.6 million, which is more than three times the annual interest payment due on our outstanding senior notes. Furthermore, considering the committed credit lines available to us, we have more than five times the annual interest payment on our outstanding senior notes in available cash under such credit lines.

As of December 31, 2024 our cash position (cash and cash equivalents and short-term investments) in Argentina and Venezuela, which are considered highly inflationary markets represented 20% and 3.1%, respectively, of our consolidated cash position. Although these markets are subject to restrictions on cash remittances, these limitations did not materially affect our operations, as both countries have in place alternative legal mechanisms to obtain U.S. dollars. See "Item 3. Key Information—A. Selected Financial Data—Exchange Rates and Exchange Controls" for further information regarding exchange controls for Argentina. In addition, over the years we have been able to mitigate cost increases tied to inflation in these markets through our revenue management strategy. Moreover, in case we need to incur indebtedness in these markets, we also have available sufficient instruments to fund such incurrence.

Debt Profile

We evaluate our debt profile considering the following variables:

- Total indebtedness level
- Total senior notes annual interest payments and yield
- Total cash and equivalents position
- Debt maturities and average life of debt
- Gross and net leverage
- Interest coverage
- Other financial covenants including in financial arrangements

Through these variables, we evaluate our liquidity and refinancing risk. For more information on liquidity risk, see above "—Cash position, credit lines and liquidity risk." As of the date of this report, regarding refinancing risk, the Company faces the following material maturities:

	Maturity date	Outstanding amount (in thousands of U.S. Dollars)	Interest rate	
2027 Notes	April 4, 2027	—	5.875	%
2029 Notes	May 27, 2029	334,200	6.125	%
2032 Notes	January 29, 2032	600,000	6.375	%

In January 2025, we announced a tender offer to repurchase any and all of our $385,986,000 2027 notes outstanding, as a result of which we repurchased $136,145,000 of our 2027 notes, plus accrued and unpaid interest. On April 4, 2025, we redeemed the entirety of the 2027 notes then outstanding at 100% of the aggregate principal amount outstanding, plus accrued and unpaid interest, as a result of which the 2027 notes have been cancelled.

Therefore, the refinancing risk as a whole is considerably reduced in the short and medium term. Additionally, the notes' maturities are denominated in U.S. dollars with a fixed interest rate, which mitigates our interest rate risk exposure.

Derivatives

An important part of our financial strategy is the analysis of our foreign exchange risk, given that a substantial part of the cash flow we generate is denominated in local currencies such as Brazilian *reais*, Chilean *pesos*, Euros, Uruguayan *pesos*, Argentinian *pesos*, Colombian *pesos* and Mexican *pesos*, among others. Conversely, part of our liabilities are denominated in U.S. dollars. To help reduce our exposure to foreign exchange risk, we focus on purchasing locally sourced products to the extent possible. With respect to the products and supplies that are not locally sourced, we have a risk management policy to

hedge our exposure with a rolling hedges strategy, taking hedges of nine months or more, of up to 50% of our projected exposure.

Furthermore, we are subject to foreign exchange risk because most of our debt is denominated in U.S. dollars. See "—2029 Sustainability-Linked Notes" and "—2032 Notes". To mitigate this exposure, we entered into a series of long-term derivative instruments (See Note 13 to our consolidated financial statements for more detail.). This allows us to synthetically convert U.S. dollar denominated debt into local currency denominated debt, such as Brazilian *reais*. While this generates an additional interest payment (due to local currency rates being higher than U.S. dollar interest rates), it reduces the refinancing risk in events of sudden currency depreciation. Our derivatives portfolio is intended to balance the cost of hedging and the resulting risk mitigation.

Overview

Net cash provided by operations decreased by $115.2 million, from $382 million in 2023 to $266.8 million in 2024. Cash used in our investing activities was $280.3 million in 2024, compared to $380.3 million in 2023. Cash used in financing activities was $37.2 million in 2024, compared to cash used in financing activities of $11.8 million in 2023. In 2024, Cash used in financing activities included $15.3 million deriving from the payment of derivative instruments and derivative premiums, and dividend payments of $50.6 million.

Net cash provided by operations increased by $36.5 million, from $345.4 million in 2022 to $382 million in 2023. Cash used in our investing activities was $380.3 million in 2023, compared to $259.6 million in 2022. Cash used in financing activities was $11.8 million in 2023, compared to cash used in financing activities of $60 million in 2022. In 2023, Cash used in financing activities included $22.9 million deriving from financing results related to the payment of the 2023 notes and repurchases of the 2027 and 2029 notes, and dividend payments of $40 million.

As of December 31, 2024, our total financial debt was $707.6 million (including interest payable), consisting of $718.6 million in long-term debt (of which $378.3 million related to the 2027 notes, including the original issue discount, $331.2 million related to the 2029 notes, including the original issue discount, and $9.1 million in finance lease obligations, partially offset by $2.8 million related to deferred financing costs), $7.8 million in interest payable and $60.3 million in short-term debt, the amount of which was offset by $79 million related to the fair market value of our outstanding net derivative instruments position.

As of December 31, 2023, our total financial debt was $728.1 million (including interest payable), consisting of $714.9 million in long-term debt (of which $377.8 million related to the 2027 notes, including the original issue discount, $330.5 million related to the 2029 notes, including the original issue discount, and $8.5 million in finance lease obligations, partially offset by $3.7 million related to deferred financing costs), $7.4 million in interest payable and $29.5 million in short-term debt, the amount of which was offset by $23.7 million related to the fair market value of our outstanding derivative instruments.

Cash and cash equivalents were $135.1 million at December 31, 2024 and $196.7 million at December 31, 2023.

Comparative Cash Flows

The following table sets forth our cash flows for the periods indicated:

	For the Years Ended December 31,		
	2024	**2023**	**2022**
		(in thousands of U.S. dollars)	
Net cash provided by operating activities	$ 266,847	$ 381,965	$ 345,437
Net cash used in investing activities	(280,331)	(380,349)	(259,649)
Net cash used in financing activities	(37,162)	(11,823)	(59,978)
Effect of exchange rate changes on cash and cash equivalents	(10,951)	(60,069)	(37,703)
Decrease in cash and cash equivalents	**(61,597)**	**(70,276)**	**(11,893)**

Operating Activities

	For the Years Ended December 31,		
	2024	2023	2022
	(in thousands of U.S. dollars)		
Net income attributable to Arcos Dorados Holdings Inc.	$ 148,759	$ 181,274	$ 140,343
Non-cash charges and credits	178,399	178,074	120,778
Changes in assets and liabilities	(60,311)	22,617	84,316
Net cash provided by operating activities	**266,847**	**381,965**	**345,437**

For the year ended December 31, 2024, net cash provided by operating activities was $266.8 million, compared to $382 million in 2023. The $115.2 million decrease is attributable to the decrease of net income net of non-cash charges and credits contributed by $32.2 million, and the decrease of the change in assets and liabilities of $82.9 million.

For the year ended December 31, 2023, net cash provided by operating activities was $382 million, compared to $345.4 million in 2022. The $36.6 million increase is attributable to the increase in net income, mainly due to a sustainable business improvement in terms of volume and financial results, the increase in non-cash charges contributed by $57.3 million, and the decrease of the change in assets and liabilities of $61.7 million.

Investing Activities

Investments in new restaurants and the modernization of existing restaurants are primarily concentrated in markets with opportunities for long-term growth and returns on investment above a pre-defined threshold that is significantly above our cost of capital. Average development costs vary widely by market depending on the types of restaurants built and the real estate and construction costs within each market and are affected by foreign currency fluctuations. These costs, which include land, buildings and equipment, are managed through the use of optimally sized restaurants, construction and design efficiencies and the leveraging of best practices.

The following table presents our cash used in by investing activities by type:

	For the Years Ended December 31,		
	2024	2023	2022
	(in thousands of U.S. dollars)		
Property and equipment expenditures	$ (327,636)	$ (360,097)	$ (217,115)
Purchases of restaurant businesses paid at acquisition date	(6,083)	(2,081)	(4,800)
Proceeds from sales of property and equipment, restaurant businesses and related advances	8,210	2,540	2,714
Proceeds from short-term investments	76,114	66,735	—
Acquisitions of short-term investments	(30,000)	(86,719)	(41,083)
Other investing activity	(936)	(727)	635
Net cash used in investing activities	**(280,331)**	**(380,349)**	**(259,649)**

The following table presents our property and equipment expenditures by type:

	For the Years Ended December 31,		
	2024	2023	2022
	(in thousands of U.S. dollars)		
New restaurants	$ 127,109	$ 141,591	$ 72,332
Existing restaurants	141,036	162,393	89,183
Other(1)	59,491	56,113	55,600
Total property and equipment expenditures	**327,636**	**360,097**	**217,115**

(1) Primarily software and information technology expenditures.

In 2024, net cash used in investing activities was $280.3 million, compared to $380.3 million in 2023. This $100 million decrease was primarily attributable to a decrease in property and equipment expenditures of $32.5 million, to the acquisition of short-term investments amounting to $56.7 million, and the increase of proceeds from short-term investments of $9.4 million in comparison with 2023.

Property and equipment expenditures decreased by $32.5 million, from $360.1 million in 2023 to $327.6 million in 2024. The decrease in property and equipment expenditures is explained by a decrease in existing restaurants of $21.4 million, a decrease in investment in new restaurants of $14.5 million partially offset by an increase in software and information technology expenditures of $3.4 million. In 2024, we opened 85 restaurants and closed 18 restaurants.

Other investing activities increased by $0.2 million in 2024, mainly due to less proceeds from franchised notes in 2024.

In 2023, net cash used in investing activities was $380.3 million, compared to $259.6 million in 2022. This $120.7 million increase was primarily attributable to an increase in property and equipment expenditures of $143 million, to the acquisition of short-term investments amounting to $45.6 million, partially offset by proceeds from short-term investments of $66.7 million in comparison with 2022.

Property and equipment expenditures increased by $143 million, from $217.1 million in 2022 to $360.1 million in 2023. The increase in property and equipment expenditures is explained by an increase in existing restaurants of $73.2 million, and an increase in investment in new restaurants of $69.3 million as well as in corporate equipment and other office expenditures of $0.5 million. In 2023, we opened 81 restaurants and closed 32 restaurants.

Other investing activities increased by $1.4 million in 2023, mainly due to less proceeds from franchised notes in 2023.

Financing Activities

	For the Years Ended December 31,		
	2024	**2023**	**2022**
	(in thousands of U.S. dollars)		
Collection of derivative instruments	$ 331	$ 30,880	$ —
Payments related to derivative instruments and derivative premiums	(15,274)	(3,296)	—
Issuance of 2029 Notes	—	—	349,969
Open Market Repurchases of 2029 Senior Notes	—	(2,813)	(12,014)
Cash Tender & Open Market Repurchases of 2027 Senior Notes	—	(1,904)	(159,034)
Settlement at maturity, Cash Tender, Partial Redemption & Open Market Repurchases of 2023 Senior Notes	—	(18,224)	(192,380)
Dividend payments to Arcos Dorados Holdings Inc. shareholders	(50,557)	(40,022)	(31,587)
Net short-term borrowings	34,168	29,384	359
Payments of other Long-term Debt	(500)	(800)	(8,327)
Other financing activities	(5,330)	(5,028)	(6,964)
Net cash used in financing activities	**(37,162)**	**(11,823)**	**(59,978)**

Net cash used in financing activities was $37.2 million in 2024, compared to $11.8 million in 2023. The $25.4 million increase in the amount of cash used in financing activities was primarily attributable to the payments related to derivative instruments and derivative premiums of $12 million, to the dividends paid in cash of $10.6 million, and the decrease of the collection of derivative instruments of $30.6 million, partially offset by the settlement at maturity of the 2023 senior notes during 2023 for $18.2 million.

Net cash used in financing activities was $11.8 million in 2023, compared to $60 million in 2022. The $48.2 million decrease in the amount of cash used in financing activities was primarily attributable to the collection of derivative instruments of $30.2 million, to short-term borrowings of $29.4 million, partially offset by the increase in dividends paid in cash of $8.4 million compared with 2022.

The company may opportunistically seek to incur new debt to refinance any of its existing debt or for other corporate purposes, including potential capital expenditure requirements, from time to time, if market conditions permit.

Revolving Credit Facilities

JPMorgan

On February 14, 2024, the Company entered into an amendment to its existing revolving credit facility with JPMorgan for up to $25 million maturing on December 11, 2020. Pursuant to this amendment, the maturity date was extended to February 17, 2026. Pursuant to this agreement, as amended, we are required to comply with a net indebtedness (including interest payable) to EBITDA ratio of less than 3.00 to 1.00 as of the last day of each fiscal quarter. Each loan made to the Company under this amended and restated agreement bears interest at an annual rate equal to a Term SOFR base rate plus 3.10%.

The obligations of Company under the revolving credit facility are jointly and severally guaranteed by certain of the Company's subsidiaries on an unconditional basis. Furthermore, the revolving credit facility includes customary covenants including, among others, restrictions on the ability of the Company, the guarantors and certain material subsidiaries to: (i) incur liens, (ii) enter into any merger, consolidation or amalgamation; (iii) sell, assign, lease or transfer all or substantially all of the borrower's or guarantor's business or property; (iv) enter into transactions with affiliates; (v) engage in substantially different lines of business; and (vi) engage in transactions that violate certain anti-terrorism laws. The revolving credit facility provides for customary events of default, which, if any of them occurs, would permit or require JPMorgan to terminate its obligation to provide loans under the revolving credit facility and/or to declare all sums outstanding under the loan documents immediately due and payable.

As of December 31, 2024, our net indebtedness (including interest payable) to EBITDA ratio was 1.14x and as such we were in compliance with such ratio.

Banco Santander (Brasil) S.A.

On October 31, 2024, we and our subsidiary Arcos Dorados B.V. entered into a revolving credit facility with Banco Santander (Brasil) S.A., Grand Cayman Branch, for up to $25 million maturing on October 31, 2026. Each loan made to us or Arcos Dorados B.V. under this agreement will bear interest at an annual rate equal to Term SOFR plus a range between 3.20% and 3.60% per annum.

Our and Arcos Dorados B.V.'s obligations under the loans granted pursuant to the revolving credit facility are guaranteed by Arcos Dourados Comércio de Alimentos S.A. on an unconditional basis. Furthermore, the revolving credit facility includes customary covenants including, among others, restrictions on our ability, the guarantors and certain material subsidiaries to: (i) incur liens, (ii) enter into any merger, consolidation or amalgamation; (iii) sell, assign, lease or transfer all or substantially all of the borrower's or guarantor's business or property; (iv) enter into transactions with affiliates; (v) engage in substantially different lines of business; and (vi) engage in transactions that violate certain anti-terrorism laws. The revolving credit facility provides for customary events of default, which, if any of them occurs, would permit or require Banco Santander (Brasil) S.A. to terminate its obligation to provide loans under the revolving credit facility and/or to declare all sums outstanding under the loan documents immediately due and payable.

Itaú Unibanco

On April 15, 2025, our subsidiary Arcos Dorados B.V. entered into a revolving credit facility with Itaú Unibanco S.A., Nassau Branch, for up to $25 million maturing on April 14, 2026. Each loan made to Arcos Dorados B.V. under this agreement will bear interest at an annual rate equal to Term SOFR plus a range between 2.80% and 4.90% per annum.

The obligations of Arcos Dorados B.V. under the loans granted pursuant to the revolving credit facility are guaranteed by Arcos Dourados Comércio de Alimentos S.A. on an unconditional basis. Furthermore, the agreement includes customary covenants including, among others, restrictions on the ability of Arcos Dorados B.V. to: (i) incur liens, (ii) enter into any merger, consolidation or amalgamation; (iii) sell, lease, transfer or otherwise dispose of all or substantially all of its assets; (iv) make any material change in the nature of its business or operations as carried out on the date of the agreement; and (v) engage in transactions that violate certain sanctions and anti-terrorism laws. The revolving credit facility provides for customary events of default. In the event of the occurrence of any such event of default, the lender's obligation to make loans under the revolving credit facility could be terminated and/or all loans outstanding and any other amounts owed could become immediately due and payable.

2027 Notes

In April 2017, we issued senior notes for an aggregate principal amount of $265.0 million under an indenture dated April 4, 2017, which we refer to as the 2027 notes. The 2027 notes mature on April 4, 2027 and bear interest of 5.875% per year. Interest is paid semiannually on April 4 and October 4, commencing on October 4, 2017. The proceeds from the issuance of the 2027 notes were used to repay the 2016 Secured Loan Agreement and unwind the related derivative instruments, to pay the principal and premium on the 6.625% Senior Notes due 2023 in connection with the March 2017 tender offer to purchase for cash up to $80 million aggregate principal amount of the properly tendered (and not validly withdrawn) outstanding 2023 notes and for general corporate purposes.

In September 2020, we announced a reopening of the 2027 notes and issued an additional $150.0 million in aggregate principal amount of the 2027 notes. The notes were issued at a price of 102.250% plus accrued interest from April 4, 2020 and will mature, along with the previously issued 2027 notes, on April 24, 2027. The proceeds from the issuance of the additional 2027 notes were used to repay short-term indebtedness and for general corporate purposes. In addition, on September 15, 2020, we announced the commencement of the 2020 Exchange Offer. In connection with the 2020 Exchange Offer, we issued an additional $138.4 million in aggregate principal amount of the 2027 notes.

From June 2021 to September 2021, we repurchased through open market repurchases and cancelled $17.3 million of the outstanding principal amount of 2027 notes at a price equal to 105.74% (equivalent to $18.3 million) plus accrued and unpaid interest.

On April 18, 2022, we launched a tender offer to purchase for cash up to $150 million aggregate principal amount of the properly tendered (and not validly withdrawn) outstanding 2027 notes for a total consideration of $1,029.38 (expressed as a whole a number) per $1,000 (expressed as a whole number) principal amount of 2027 notes validly tendered and accepted for purchase plus accrued interest, which expired on April 29, 2022. As a result of the tender offer, we repurchased 27.99% of the outstanding principal amount of the 2027 notes. The total payment was $154.4 million plus accrued and unpaid interest. All tendered 2027 notes were cancelled on May 4, 2022.

During 2022, we repurchased through open market repurchases $4.7 million of the outstanding principal amount of 2027 notes at a price equal to 98.01% (equivalent to $4.6 million) plus accrued and unpaid interest. As of December 31, 2022, $381.3 million aggregate principal amount of the 2027 notes was outstanding.

During 2023, we repurchased through open market repurchases $2 million of the outstanding principal amount of 2027 notes at a price equal to 95.20% (equivalent to $1.9 million) plus accrued and unpaid interest. As of December 31, 2023, $379.3 million aggregate principal amount of the 2027 notes was outstanding.

As of December 31, 2024, $379.3 million aggregate principal amount of the 2027 notes was outstanding.

On January 15, 2025, we launched a tender offer to purchase for cash any and all outstanding 2027 notes for a total consideration of $1,000 (expressed as a whole a number) per $1,000 (expressed as a whole number) principal amount of 2027 notes validly tendered and accepted for purchase plus accrued interest, which expired on January 23, 2025. As a result of the tender offer, we repurchased 35.27% of the outstanding principal amount of the 2027 notes. The total payment was $136.1 million plus accrued and unpaid interest. All tendered 2027 notes were cancelled on January 29, 2025.

On April 4, 2025, we exercised our right to redeem all of the outstanding principal amount outstanding of the 2027 notes at a redemption price equal to 100% of the principal amount of the 2027 notes outstanding, plus accrued and unpaid interest thereon. As a consequence of the redemption, all 2027 notes have been cancelled.

The 2027 notes were fully and unconditionally guaranteed on a senior unsecured basis by certain of our subsidiaries. The 2027 notes and guarantees (i) were senior unsecured obligations and ranked equal in right of payment with all of our and the guarantors' existing and future senior unsecured indebtedness; (ii) were effectively junior to all of our and the 'guarantors' existing and future secured indebtedness to the extent of the assets securing that indebtedness; and (iii) were structurally subordinated to all obligations of our subsidiaries that are not guarantors.

The indenture governing the 2027 notes limited our and our subsidiaries' ability to, among other things, (i) incur additional indebtedness; (ii) make certain restricted payments; (iii) create certain liens; (iv) enter into sale and lease-back transactions; and (v) consolidate, merge or transfer assets. These covenants were subject to important qualifications and exceptions. The indenture governing the 2027 notes also provided for events of default which would permit or require the principal, premium, if any, and interest on all of the then-outstanding 2027 notes to be due and payable immediately.

2029 Sustainability-Linked Notes

In April 2022, our subsidiary Arcos Dorados B.V. issued sustainability-linked senior notes for an aggregate principal amount of $350 million under an indenture dated April 27, 2022, which we refer to as the 2029 sustainability-linked notes. The 2029 sustainability-linked notes mature on May 27, 2029 and bear interest of 6.125% per year. Interest on the notes will accrue at a rate of 6.125% per annum from April 27, 2022, payable semi-annually in arrears on May 27 and November 27, commencing on November 27, 2022, and, from and including May 27, 2026 (the "Interest Rate Step-Up Date"), the interest rate payable on the notes may be increased to 6.250% per annum or 6.375% per annum if either or both sustainability performance targets (as described below), respectively, have not been satisfied by December 31, 2025.

During 2022, we repurchased through open market repurchases $12.8 million of the outstanding principal amount of 2029 sustainability-linked notes at a price equal to 93.87% (equivalent to $12 million) plus accrued and unpaid interest. As of December 31, 2022, $337.2 million aggregate principal amount of the 2029 sustainability-linked notes was outstanding.

During 2023, we repurchased through open market repurchases $3 million of the outstanding principal amount of 2029 sustainability-linked notes at a price equal to 93.75% (equivalent to $2.8 million) plus accrued and unpaid interest. As of December 31, 2023, $334.2 million aggregate principal amount of the 2029 sustainability-linked notes was outstanding.

For purposes of the 2029 sustainability-linked notes, Arcos Dorados B.V. selected each of the Scope 1 and 2 2025 sustainability target (the "Scope 1 and 2 2025 Sustainability Target") and the Scope 3 2025 sustainability target (the "Scope 3 2025 Sustainability Target" and, together with the Scope 1 and 2 2025 Sustainability Target, the "Sustainability Performance Targets") as the sustainability performance targets, as updated in October 2023.

Under the terms of the notes, if (1) Arcos Dorados B.V. delivers a satisfaction notification in accordance with the indenture to the trustee on or prior to April 27, 2026 (the "Notification Date") certifying that each Sustainability Performance Target was satisfied at or prior to the Notification Date, and that the satisfaction of each Sustainability Performance Target was confirmed by the external verifier in accordance with its customary procedures prior to the Notification Date, the interest rate payable on the notes will remain at the initial rate of interest of 6.125% per annum from and including the Interest Rate Step-Up Date to, and including, the maturity date; (2) Arcos Dorados B.V. delivers a satisfaction notification to the trustee on or prior to the Notification Date certifying that only the greenhouse gas (GHG) emission intensity reduction (Scope 3) Sustainability Performance Target was satisfied at or prior to the Notification Date, and that the satisfaction of the greenhouse gas (GHG) emission intensity reduction (Scope 3) Sustainability Performance Target was confirmed by the external verifier in accordance with its customary procedures, the interest rate payable on the notes will be increased by 12.5 basis points to 6.250% per annum (the "First Step-Up Interest Rate"), which First Step-Up Interest Rate will apply for each interest period from and including the Interest Rate Step-Up Date to, and including, the maturity date; (3) Arcos Dorados B.V. delivers a satisfaction notification to the trustee on or prior to the Notification Date certifying that only the absolute greenhouse gas (GHG) emissions reduction (Scope 1 and 2) Sustainability Performance Target was satisfied at or prior to the Notification Date, and that the satisfaction of the absolute greenhouse gas (GHG) emissions reduction (Scope 1 and 2) Sustainability Performance Target was confirmed by the external verifier in accordance with its customary procedures, the interest rate payable on the notes will be increased by 12.5 basis points to 6.250% per annum (the "Second Step-Up Interest Rate"), which Second Step-Up Interest Rate will apply for each interest period from and including the Interest Rate Step-Up Date to, and including, the maturity date or (4) (i) Arcos Dorados B.V. delivers a satisfaction notification to the trustee on or prior to the Notification Date certifying that neither Sustainability Performance Target was satisfied at or prior to the Notification Date and/or that the external verifier has not confirmed satisfaction of both Sustainability Performance Targets by the Notification Date, or (ii) Arcos Dorados B.V. fails, or is unable, to provide the satisfaction notification to the trustee by the Notification Date, the interest rate payable on the notes will be increased by 25 basis points to 6.375% per annum (the "Third Step-Up Interest Rate" and, together with the First Step-Up Interest Rate and the Second Step-Up Interest Rate, the "Subsequent Rate of Interest"), which Third Step-Up Interest Rate will apply for each interest period from and including the Interest Rate Step-Up Date to, and including, the maturity date.

In October 2023, we re-issued our Sustainability-Linked Financing Framework 2022, which contains a new set of improved methodologies to track our progress with respect to our sustainability plan, including the Sustainability Performance Targets set under Arcos Dorados B.V.'s 2029 sustainability-linked notes. The revised Sustainability-Linked Financing Framework 2022 does not change our improvement targets, when measured as a percentage compared to the baseline, but adjusts the underlying calculations to provides a better base for performance comparability and consistency between years as we keep progressing in our decarbonization strategy.

To maintain the measurability of our progress towards our sustainable performance targets, including those included in Arcos Dorados B.V.'s 2029 sustainability-linked notes, we applied these changes and performed a re-baseline that contains: i) an update of our 2021 emissions inventory, ii) a recalculation of our sustainable performance targets in order to maintain ambitious sustainability goals, while adjusting for the new baseline figures to maintain comparability. We are maintaining the targeted reduction percentages and, all the inventory re-baseline figures have been audited by a third party as required by the International Capital Markets Association ("ICMA"). The 2021 rebaseline figures for our key performance indicators have been prepared by South Pole Carbon Asset Management Ltd. ("South Pole").

The changes implemented to our Sustainability-Linked Financing Framework 2022 are in line with the Greenhouse Gas Protocol as well as the Sustainability-Linked Bond Principles 2020 ("SLBP"), published by the ICMA, given that the changes implemented were made retrospectively in order to maintain the comparability with past figures.

Under the terms of the re-issued Sustainability-Linked Financing Framework 2022, the new sustainability targets that will be used to track our performance are the following:

a. Scope 1 And 2 2025 Sustainability Target: absolute greenhouse gas (GHG) emissions to be equal to or lower than 231,791 tCO2e by the end of 2025.

b. Scope 3 2025 Sustainability Target: reduce greenhouse gas (GHG) emission intensity to be equal to or lower than 8.67 tCO2e per total annual tonnes of food and packaging by the end of 2025.

The proceeds from the issuance of the 2029 sustainability-linked notes were used to fund the tender offers for the 2023 and 2027 notes that were properly tendered (and not validly withdrawn) for cash, the further redemption of 2023 notes, and the remainder, if any, for general corporate purposes.

The 2029 sustainability-linked notes are redeemable at our option at any time at the applicable redemption prices set forth in the indenture.

The 2029 sustainability-linked notes are fully and unconditionally guaranteed on a senior unsecured basis by us and certain of our subsidiaries. The 2029 sustainability-linked notes and guarantees (i) are senior unsecured obligations and rank equal in right of payment with all of our and the guarantors' existing and future senior unsecured indebtedness; (ii) will be effectively junior to all of our and the guarantors' existing and future secured indebtedness to the extent of the assets securing that indebtedness; and (iii) are structurally subordinated to all obligations of our subsidiaries that are not guarantors.

The indenture governing the 2029 sustainability-linked notes limits Arcos Dorados B.V., our and our subsidiaries' ability to, among other things, (i) incur additional indebtedness; (ii) make certain restricted payments; (iii) create certain liens; (iv) enter into sale and lease-back transactions; and (v) consolidate, merge or transfer assets. These covenants are subject to important qualifications and exceptions.

Additionally, as a result of our credit rating increasing to investment grade, as of January 16, 2025, covenants in our indenture related to the incurrence of additional indebtedness and making restricted payment, among others, have been suspended. If our credit rating were to be downgraded again, these covenants shall be reinstated.

The indenture governing the 2029 sustainability-linked notes also provides for events of default, which, if any of them occurs, would permit or require the principal, premium, if any, and interest on all of the then-outstanding 2029 sustainability-linked notes to be due and payable immediately.

2032 Notes

In January 2025, our subsidiary Arcos Dorados B.V. issued senior notes for an aggregate principal amount of $600 million under an indenture dated January 29, 2025, which we refer to as the 2032 notes. The 2032 notes mature on January 29, 2032 and bear interest of 6.375% per year. Interest is paid semiannually on January 29 and July 29, commencing on July 29, 2025. The proceeds from the issuance of the 2032 notes were used to fund the tender offer for cash of any and all of our 2027 notes and for general corporate purposes.

The 2032 notes are redeemable at our option under certain circumstances as set forth in the indenture at the applicable redemption prices set forth therein.

The 2032 notes are fully and unconditionally guaranteed on a senior unsecured basis by certain of our subsidiaries. The 2032 notes and guarantees (i) are senior unsecured obligations and rank equal in right of payment with all of our and the guarantors' existing and future senior unsecured indebtedness; (ii) will be effectively junior to all of our and the 'guarantors' existing and future secured indebtedness to the extent of the assets securing that indebtedness; and (iii) are structurally subordinated to all obligations of our subsidiaries that are not guarantors.

The indenture governing the 2032 notes limits our and our subsidiaries' ability to, among other things, (i) create certain liens; (ii) enter into sale and lease-back transactions; and (iii) consolidate, merge or transfer assets. These covenants are subject to important qualifications and exceptions. The indenture governing the 2032 notes also provides for events of default, which, if any of them occurs, would permit or require the principal, premium, if any, and interest on all of the then-outstanding 2032 notes to be due and payable immediately.

Contractual Obligations

The following table presents information relating to our contractual obligations as of December 31, 2024.

	Payment Due by Period						
Contractual Obligations	**Total**	**2025**	**2026**	**2027**	**2028**	**2029**	**Thereafter**
				(in thousands of U.S. dollars)			
Finance lease obligations(1)	$ 12,858	$ 1,990	$ 1,430	$ 1,431	$ 1,431	$ 1,322	$ 5,254
Operating lease obligations	$ 1,874,969	149,581	143,072	137,374	130,669	124,585	1,189,688
Contractual purchase obligations(2)	$ 222,148	122,915	38,486	21,345	9,715	9,769	19,918
2027 and 2029 notes(1) (3)	$ 861,283	42,750	42,752	410,876	20,470	344,435	—
Other long term borrowings	$ 2,791	1,375	—	—	3	59	1,354
Derivative instruments	$ 81,091	1,218	522	52,923	1,545	24,883	—
Total (4)	**$ 3,055,140**	**$ 319,829**	**$ 226,262**	**$ 623,949**	**$ 163,833**	**$ 505,053**	**$ 1,216,214**

(1) Includes interest payments.

(2) Includes automatic annual renewals, which contains only enforceable and legally binding unconditional obligations corresponding to prevailing agreements without considering future undefined renewals when the agreement is cancellable by us. This type of purchase obligation represents $9.1 million of contractual obligations for 2024 only.

(3) Does not include the impact of the deferred financing costs and the net discount related to the issue of the 2027 and 2029 notes. Does not reflect the redemption of all of the aggregate principal amount of the 2027 notes outstanding on April 4, 2025.

(4) Total amounts do not reflect payment obligations pursuant to our 2032 notes, which were issued on January 29, 2025. See "—2032 Notes" for further detail.

The table set forth above excludes projected payments on our restaurant opening plans and reinvestment plans pursuant to the MFAs in respect of which we do not yet have any contractual commitments. For a description of our restaurant opening and reinvestment plans, see "Item 4. Information on the Company—A. History and Development of the Company—Capital Expenditures and Divestitures."

Off-balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

C. Research and Development, Patents and Licenses, etc.

We have not had significant research and development activities for the past three years because we rely primarily on McDonald's research and development. McDonald's operates research and development facilities in the United States, Europe and Asia, and independent suppliers also conduct research activities that benefit McDonald's and us. Within Arcos Dorados, we also have a "Menu Innovation Team" that develops new menu items at a divisional/local level.

D. Trend Information

Our business and results of operations have also recently experienced the following material trends, which we expect will continue in the near term:

- *Social upward mobility in Latin America and the Caribbean:* Historically, our sales have benefited, and we expect to continue to benefit, from our Territories' population size, younger age profile and improving socio-economic conditions when compared to more developed markets. This has led to a modernization of consumption patterns and increased affordability of our products across socio-economic segments, leading to greater demand for our products. While consumer behavior will continue to be cyclical and dependent on macroeconomic activity, we expect to continue to benefit from this trend in the long term.
- *Nutrition & Healthier products*: Consumers are increasingly seeking healthier products and showing greater interest in understanding their nutritional content. Additionally, they are demanding more transparency about the origin of our products and how they are sourced.
- *Product offerings:* Our beverages, core meals, desserts, breakfast items, reduced-calorie and sodium products, and value menu offerings have been popular among customers. Combined with our revenue management, these offerings have helped us remain relevant to our customers, especially as many are increasingly choosing products with offer prices, particularly through our digital channels.
- *Increased competition in some markets:* The popularity of the QSR concept in Latin America has attracted new competitors. Even though we have been able to protect our market share in many of these markets, mergers and acquisitions or additional funding by some of our competitors could lead them to expand, which might bring additional pressure to our market leadership and affect gross margins.
- *Inflationary environment:* Over the last few years, we have been able through our revenue management strategy to partially mitigate cost increase tied to inflation. However, inflation has been, and will continue to be, an important factor affecting our results of operations, specifically impacting our labor costs, supply chain, food and paper costs, occupancy and other operating expenses and general administrative expenses.
- *Increased volatility of foreign exchange rates and impact of currency controls:* Our results of operations have been impacted by increased volatility in foreign exchange rates in many of the Territories, particularly the significant devaluation of local currencies against the U.S. dollar. We expect that foreign exchange rates will continue to be an important factor affecting our foreign currency exchange results and the "Accumulated other comprehensive income (loss)" component of shareholders' equity and, consequently, our results of operations and financial condition.
- *Social unrest:* The recent politically and economically complex scenario in the world, and specifically in Latin America has sparked social unrest in several countries, including Argentina, Brazil, Perú, Venezuela and Ecuador. Some of those protests caused disruption of our services, due to road blocks, curfews and labor issues, and we have also suffered property damages in some cases. Any continuation of or increase in social unrest in 2025 could lead to additional operational costs, a decline in sales or other negative impacts on our results.
- *Environmental Consciousness*: Over the last few years, our customers have demonstrated a growing interest in sustainable practices, including as it relates to limiting food waste and sourcing our ingredients and paper and packaging costs. In particular, movements such as the anti-plastic movement have gained momentum in recent years and caused us to make changes in the sourcing of our raw materials. We may need to make further changes in our supply chain and food and paper costs in the future in order to adequately respond to our customers' focus on sustainability.

- *Changing Consumer Trends*: In 2023, the industry witnessed a blending of 'dining out' and 'ordering in,' as more consumers sought to replicate the restaurant experience at home. This shift was a natural extension of the post-pandemic habits developed over the past few years. While people still craved the dining experience, their spending behaviors adapted accordingly. In 2024, consumers are increasingly returning to their pre-pandemic habits, although some behaviors have been permanently transformed. The balance between seeking value and indulging in splurges, the demand for personalization, and the need for a seamless mobile ordering experience are all shaping the restaurant industry, as diner expectations and experiences continue to evolve.
- *Diversity & Inclusion Consciousness*: There has been a growing consciousness in Latin American and Caribbean societies generally in living in a more respectful and tolerant environment. Activism on this matter has been growing, increasing the visibility and awareness of companies' diversity and inclusion policies and activities. In particular, there has been a growing focus on activism in support of gender equality. We are making some changes in our operations, in line with our support of more gender equality, including, but not limited to, the implementation of gender neutral bathrooms in our restaurants.
- *Artificial Intelligence*: The rapid spread of the AI tools and their usage is changing the world and redefining many aspects of business. This brings many opportunities to manage the business more efficiently, also providing customers with more convenient, superior experiences. We are already using and testing several AI-generated tools in many aspects of the business to capture their full potential.

E. Critical Accounting Estimates

See "Item 5. Operating and Financial Review and Prospects—A. Operating Results—Critical Accounting Estimates."

F. Safe Harbor

See "Forward-Looking Statements."

ITEM 6. DIRECTORS, EXECUTIVE OFFICERS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors, Executive Officers and Senior Management

Board of Directors

Our Board of Directors currently consists of eleven members, seven of whom are independent directors. In case of a tie vote by the Board of Directors, the Executive Chairman will have the deciding vote. Our memorandum and articles of association authorize us to have eight members, and the number of authorized members may be increased or decreased by a resolution of shareholders or by a resolution of directors.

Pursuant to our articles of association, our Board of Directors is divided into three classes. There is no distinction in the voting or other powers and authorities of directors of different classes. The members of each class serve staggered, three-year terms. Upon the expiration of the term of a class of directors, directors in that class will be elected for three-year terms at the annual meeting of shareholders in the year in which their term expires. At our most recent annual general meeting of shareholders, held on April 25, 2025, our shareholders re-elected Mrs. Annette Franqui, Mr. Hernández-Artigas, Mr. Marcelo Rabach and Mrs. Cristina Presz Palmaka De Luca to serve as Class II directors.

The classes are currently composed as follows:

- Mr. Woods Staton, Mr. Alonso and Mr. Francisco Staton are Class I directors, whose term will expire at the annual meeting of shareholders to be held in 2027;
- Mr. Hernández-Artigas, Mrs. Franqui, Mr. Rabach and Mrs. Presz Palmaka De Luca are Class II directors, whose term will expire at the annual meeting of shareholders to be held in 2028; and
- Mr. Chu, Mr. Vélez, Mr. Fernández and Ms. Berman are Class III directors, whose term will expire at the annual meeting of shareholders to be held in 2026;

Any additional directorships resulting from an increase in the number of directors and any directors elected to fill vacancies on the board will be distributed among the three classes so that, as nearly as possible, each class will consist of one third of our directors. This classification of our Board of Directors may have the effect of delaying or preventing changes in control of our company. Any director may be removed, with or without cause, by a resolution of shareholders or a resolution of directors. Our directors do not have a retirement age requirement under our memorandum and articles of association.

The following table presents the names of the members of our Board of Directors:

Name	Position	Age
Woods Staton	Executive Chairman	75
Marcelo Rabach	CEO	55
Sergio Alonso	Director	62
Annette Franqui	Director	63
Carlos Hernández-Artigas	Director	60
Michael Chu	Director	76
José Alberto Vélez	Director	75
José Fernández	Director	62
Francisco Staton	Director	44
Cristina Presz Palmaka De Luca	Director	57
Karla Berman	Director	45

The following is a brief summary of the business experience of our directors. Unless otherwise indicated, the current business addresses for our directors is Río Negro 1338, First Floor, Montevideo, Uruguay (CP 11100) and Roque Saenz Peña 432, Olivos, Buenos Aires, Argentina (B1636 FFB).

Woods Staton. Mr. Woods Staton is the founder and controlling shareholder of Arcos Dorados as well as the Executive Chairman of the Company's Board of Directors. Mr. Staton previously served as the Company's first CEO, holding the position from the Company's founding in 2007 until October 2015. Mr. Staton began his career in the McDonald's system in the mid-1980s, as Country Manager for Argentina. Shortly thereafter, he became McDonald's Joint Venture partner for Argentina and, in 1986, opened the country's first McDonald's restaurant in Buenos Aires. During his tenure as JV partner, he was closely involved with the opening of both the Chilean and Uruguayan markets, later becoming President of McDonald's South Latin American Division (SLAD). He founded Arcos Dorados after acquiring the Master Franchise rights, along with three private equity partners, for the territories across Latin America and the Caribbean that comprise the Company's operating footprint. Mr. Staton is a co-founder of Endeavor Argentina, a foundation that promotes entrepreneurship in that country and has since expanded to several other countries. He is on the Latin America Advisory Board of Harvard Business School and is a Supervisory Board Member of IMD in Switzerland. He was recently invited to be on the Board of Trustees of Ronald McDonald House Charities (RMHC) in Chicago. He has also served as the Chair of the Advisory Board of the Woodrow Wilson Center for Latin America for eight years. Mr. Staton holds an MBA from the International Institute for Management Development (IMD) in Switzerland and a bachelor's degree in economics from Emory University in Atlanta, Georgia (USA).

Marcelo Rabach. Mr. Rabach, has been our Chief Executive Officer since July 2019. Prior to his appointment, he was the Chief Operating Officer from August 2015 to July 2019, Divisional President for NOLAD from 2013 to August 2015, Vice President of Operations Development since 2012 and Divisional President in Brazil since 2008. He began his career at McDonald's Argentina in 1990 and has over 20 years of line operations experience, starting as a crew employee and steadily advancing into larger operational roles. From 1999 until his appointment as McDonald's Chief Operating Officer in Venezuela in 2005, Mr. Rabach was responsible for the operations, real estate, construction, human resources, local store marketing, and training and franchising of a region within Argentina, holding the positions of Operations Manager and Operations Director. He was the Chief Operating Officer in Venezuela from 2005 until 2008. Mr. Rabach graduated with a degree in Business Administration from Universidad Argentina de la Empresa in 2002.

Sergio Alonso. Mr. Alonso has been a member of our board of directors since 2010. Mr. Alonso was our Chief Executive Officer from 2015 to 2019 after serving as our Chief Operating Officer from 2007 to 2015. Prior to that, he was McDonald's Divisional President in Brazil. Mr. Alonso began his career at McDonald's as Accounting Manager and subsequently moved to the operations area, being promoted to Vice President of Operations after six years. From 1999 until 2003, Mr. Alonso was involved in the development of the Aroma Café brand in Argentina. In addition, in July 2017, Mr. Alonso was appointed as a member of the board of directors of Loma Negra Compañía Industrial Argentina S.A., a leading cement producer in Argentina, where Mr. Alonso chairs the Audit Committee. In February 2023, Mr. Alonso was appointed as a Member of the Board of Directors of Universidad Austral, one of the most prestigious private universities in Argentina, where he also chairs the Finance and Administration Committee. Mr. Alonso graduated with a degree in Accounting from Universidad de Buenos Aires in 1986. Mr. Alonso has completed the Corporate Director Certification Program at Harvard Business School.

Annette Franqui. Mrs. Franqui has been a member of our board of directors since 2007. She is the Chair of the Finance Committee and is also a member of the Compensation and Nomination Committee of the Board of Directors of Arcos Dorados. She graduated with a Bachelor of Science degree in Economics from the Wharton School of the University of Pennsylvania in 1984 and an MBA from the Stanford Graduate School of Business in 1986. She is also a Chartered Financial Analyst. Mrs. Franqui has significant experience serving on public boards as well as a finance executive in the region. Mrs. Franqui began her career in 1986 with J.P. Morgan and joined Goldman Sachs in 1989. In 1994, she returned to J.P. Morgan where she became a Managing Director and the Head of the Latin America Research Department. Mrs. Franqui joined Panamerican Beverages Inc. (NYSE: PB) in 2001 as Vice President of Corporate Finance and became the Chief Financial Officer in 2002. She is one of the founding partners of Forrestal Capital, a business and investment advisory firm formed in 2003 to service the original Latin American founding families of Panamerican Beverages Inc. Mrs. Franqui also serves on the boards of directors of Affiliated Managers Group, Inc. (NYSE: AMG), where she is a member of the Audit Committee, and OFG Bancorp (NYSE: OFG), where she is a member of both the Compensation Committee and the Corporate Governance and Nominating Committee. She also served on the board of directors of the not-for-profit AARP, from 2014 to 2023, serving as Chair during her last three years.

Carlos Hernández-Artigas. Mr. Hernández-Artigas is an independent member of our board of directors. He joined our board in 2007 and is Chairman of the Compensation and Nomination Committee. Mr. Hernández-Artigas worked as a lawyer for several years in Mexico and as a foreign attorney in Dallas, Texas and New York. He served as the General Counsel, Chief Legal Officer and Secretary of Panamco for ten years. He is an advisor at Big Sur Partners in Miami, Florida and is currently a board member of MAC Hospitales in Mexico. He graduated from the Escuela de Derecho at Universidad Panamericana, in 1987 and University of Texas at Austin, School of Law in 1988. He received an MBA from IPADE in Mexico City in 1996.

Michael Chu. Mr. Chu has been an independent member of our board of directors since April 2011 and is a member of our Audit Committee. He graduated with honors from Dartmouth College in 1968 and received an MBA with highest distinction from the Harvard Business School in 1976. From 1989 to 1993, Mr. Chu served as an executive and limited partner in the New York office of the private equity firm Kohlberg Kravis Roberts & Co. From 1993 to 2000, Mr. Chu was with ACCION International, a nonprofit corporation dedicated to microfinance, where he served as President and CEO and participated in the founding and governance of various banks in Latin America. Mr. Chu currently holds an appointment as Executive Fellow at the Harvard Business School, after retiring from 21 years on the Faculty where he served as Chair for Latin America. He is also Partner Emeritus and cofounder of the IGNIA Fund, a venture capital firm dedicated to investing in disruptive business models serving the emerging middle class and low-income populations in Mexico and Latin America. He was a founding partner of, and continues to serve as Senior Advisor to, Pegasus Group, a private equity firm in Buenos Aires.

José Alberto Vélez. Mr. Vélez has been an independent member of our board of directors since June 2011 and is a member of our Audit Committee. Mr. Vélez received a Master of Science degree in Engineering from the University of California, Los Angeles, and a degree in Administrative Engineering from Universidad Nacional de Colombia. Mr. Vélez previously served as the CEO of Suramericana de Seguros, the leading insurance company in Colombia, and as the CEO of Inversura, a holding company that integrates the leading insurance and social security companies in Colombia. He was the Chief Executive Officer of Cementos Argos S.A. between 2003 and 2012. From 2012 until March 2016, he was the President of Grupo Argos, a holding group with investments in cement, energy and infrastructure concessions (roads and airports). He is currently a member of the Boards of Directors of Grupo Crystal, Grupo Daabon in Colombia and the Board of Trustees of the Universidad EAFIT in Colombia. Mr. Vélez is also a member of the Latin American Chapter of the Wilson Center in Washington D.C. In addition, Mr. Velez has been a member of the Board of Trustees of the "Fundacion Fraternidad" since 1998, a non-profit organization that grants college scholarships for students from rural areas in Colombia.

José Fernández. Mr. Fernandez is an independent member of our board of directors. He joined our board on October 1, 2013 and is currently a member of our Audit Committee. He also previously served as a member of the Compensation and Nomination Committee. Mr. Fernández was the Divisional President for SLAD until 2013. He held the positions of Development Director, Development Vice President and Managing Director of McDonald's Argentina before becoming the Divisional President for SLAD. In August 2019, Mr. Fernández was appointed as a member of the board of directors of Cencosud Shopping S.A. (CENCOMALLS.SN) in Chile and he has been a member of the board of directors of The Fresh Market Inc., NC, USA since July 2022.Mr. Fernández is a Mechanical Engineer with a degree from Instituto Tecnológico Buenos Aires and began his career at McDonald's in 1986.

Francisco Staton. Mr. Staton, has been a member of our board of directors since April 2018. Mr. Staton served in several leadership positions at Arcos Dorados, including Divisional President for SLAD, Divisional President for the Caribbean Division and Managing Director for Colombia, Aruba, Curaçao and Trinidad & Tobago. He joined the Arcos Dorados executive team in 2013 as Senior Manager of Business Development for our NOLAD Division. Prior to serving as Senior Manager of Business Development for our NOLAD Division, he held different operating roles within the organization and also worked as a consultant at the Boston Consulting Group office in Buenos Aires. Mr. Staton completed his undergraduate studies at Princeton University in 2003, and subsequently earned an MBA from Columbia Business School in 2010. He has served on the board of Princeton in Latin America since 2015. Mr. Staton is the son of our Executive Chairman, Woods Staton.

Cristina Presz Palmaka De Luca. Ms. Palmaka has been an independent member of our board of directors since November 12, 2019. Ms. Palmaka has been the President of SAP Latin America since August 2020, following 7 years as President of SAP Brazil. Ms. Palmaka also sits on the board of directors of C&A and Eurofarma. Ms. Palmaka holds an accounting degree from Fundação Álvares Penteado (Brazil) and received her MBA from Fundação Getúlio Vargas (Brazil). She also holds a master's degree in International Business & Marketing from the University of Texas.

Karla Berman Martin. Ms. Berman has been an independent member of our board of directors since 2023. Ms. Berman has an Industrial Engineering degree from Universidad Iberoamericana of Mexico City, Mexico, and has an MBA from Harvard Business School. Ms. Berman began her career in Mexico as a reporter for the newspaper Reforma in 2002. She then worked at McKinsey & Company in Mexico from 2003 until 2005. From 2006 until 2012 she joined Grupo Expansion (Time Inc.) as Digital Director. In 2012, Ms. Berman joined Google Mexico, working as head of branding solutions for Spanish Latam and held this role until 2015 and was a CPG Sales Director from 2016 to 2020. From 2020 until November 2021, Ms. Berman was VP of sales and Chief Marketing Officer for Yalo Mexico, and most recently she was a Director for Softbank in Mexico. Ms. Berman was a former board member of Mezcal Amarás and of the investment committee of IGNIA. She currently is a board member for Mendel, a board member for Endeavor Mexico and member of the Latin America Advisory Board for Harvard Business School. Ms. Berman is an angel investor, non-executive co-founder of NaranXadul.com, the largest Mommy blog in Mexico, and participates in the Mexican version of the TV show Shark Tank.

Executive Officers

Our executive officers are responsible for the overall management and representation of our company. All of our executive officers have worked in the food service industry for several years. Our executive officers were appointed by our Board of Directors for an indefinite term.

The following table lists our current executive officers:

Name	Position	Initial Year of Appointment	At Arcos Dorados Since
Woods Staton	Executive Chairman	2007	1986
Marcelo Rabach	Chief Executive Officer	2019	1990
Luis Raganato	Chief Operating Officer	2019	1991
Mariano Tannenbaum	Chief Financial Officer	2017	2008

The following is a brief summary of the business experience of our executive officers who are not also directors. Unless otherwise indicated, the current business addresses for our executive officers is Roque Saenz Peña 432, Olivos, Buenos Aires, Argentina (B1636 FFB) and Río Negro 1338, First Floor, Montevideo, Uruguay (CP 11100).

Luis Raganato. Mr. Raganato, 55, has been our Chief Operating Officer since July 2019. Prior to his appointment as such, he was the Divisional President for the Caribbean, and before that, the General Director of Arcos Dorados in Peru. Mr. Raganato began his career at Arcos Dorados in 1991 as a Trainee in the Nuevocentro Shopping location in the province of Córdoba, Argentina and has held various positions in Operations Management over the years. Mr. Raganato holds a Bachelor's degree in Business Administration from Instituto Aeronáutico de Argentina, a Master's degree in Marketing and Business Development from Escuela Superior de Estudios de Marketing de Madrid and an MBA from Universidad de Piura, Peru.

Mariano Tannenbaum. Mr. Tannenbaum, 51, is our Chief Financial Officer. He joined Arcos Dorados in 2008 and has held several positions at the corporate level, with his last position being Senior Director of Corporate Finance. Previously, Mr. Tannenbaum had a long international career in Europe and the United States. He worked for the IFG Group in Switzerland, for Tyco International in Switzerland and Princeton, New Jersey and for Sabre Holdings in London. He began his career working for an economic consulting firm in Argentina as well as for the Argentine government, as part of the Ministry of Treasury and Public Finances. Mr. Tannenbaum has an economics degree from the Universidad de Buenos Aires, a Master's in finance from the Universidad Torcuato Di Tella and an MBA with a concentration in finance from the London Business School.

Senior Management

We have a strong centralized management team led by Mr. Woods Staton, our Executive Chairman, and Mr. Marcelo Rabach, our CEO, with broad experience in development, revenue, supply chain management, operations, finance, marketing, legal affairs, human resources, communications, sustainability, training, information and technology, among others. Our senior management team (which includes our executive officers) is responsible for the day-to-day management of our operations. Most of our senior management team has worked in the food service industry for several years. Many of the members of the management team have a long history with McDonald's operations in Latin America and the Caribbean and with Mr. Rabach, as they have worked together as a team for many years.

The following table lists our current senior management:

Name	Position	Initial Year of Appointment	At Arcos Dorados Since
Carlos Gonzalez	Divisional President—SLAD	2024	2000
Rogerio De Moraes Barreira	Divisional President—Brazil	2022	1984
Gustavo Pascualino	Divisional President—NOLAD	2021	1989
Juan David Bastidas	Chief Legal Counsel	2010	2010
Sebastian Magnasco	Vice President of Development	2007	1994
Santiago Blanco	Chief Marketing and Digital Officer	2019	2019
Luana Matos	Vice President of People and Culture	2023	2023
Karina Montiel	Vice President of Supply Chain	2021	1996
Marlene Fernandez del Granado	Vice President of Government Relations	2011	2009
David Grinberg	Vice President of Corporate Communications	2018	2010
Magdalena Gonzalez Victorica	Chief Technology Officer	2021	1999
Daniel Schleiniger	Vice President of Investor Relations	2015	2014
Gabriel Serber	Vice President of Social Impact and Sustainable Development	2021	1990

The following is a brief summary of the business experience of our senior management team who are not also executive officers. Unless otherwise indicated, the current business addresses for our senior management team is Roque Saenz Peña 432, Olivos, Buenos Aires, Argentina (B1636 FFB) and Río Negro 1338, First Floor, Montevideo, Uruguay (CP 11100).

Carlos Gonzalez. Mr. Gonzalez, 60, was appointed Divisional President for SLAD in November 2024. Prior to his appointment, Mr. Gonzalez served as Arcos Dorados' Managing Director for Chile, beginning in 2011. He began his career in the financial and automotive sectors before joining McDonald's Chile in 2000. During his tenure, Mr. Gonzalez held various operational and leadership roles within the Company. He has a degree in Public Administration from the University of Chile in 1989 and has completed various postgraduate studies in marketing and management as well as a Masters in Business Management from Adolfo Ibáñez University.

Rogerio Barreira. Mr. Barreira, 56, was appointed Divisional President for Brazil in July 2022. Prior to his appointment, Mr. Barreira served as Vice President of Operations for the Brazil Division. He also served as Divisional President for NOLAD, from October 2015 to March 2021. Mr. Barreira began his career at McDonald's Brazil in 1984, starting as a crew employee and steadily advancing into more senior operational roles in Brazil. Mr. Barreira holds an MBA from Fundação Getulio Vargas in Brazil and also holds a degree in Marketing and Business Planning from Anhembi-Morumbi University in Brazil. Additionally, he received executive training from IAE Business School in Argentina and IPADE Business School in Mexico and the U.S.

Gustavo Pascualino. Mr. Pascualino, 56, was appointed Divisional President for NOLAD in April 2021. Prior to his promotion, Mr. Pascualino served as Operations Vice President for the Brazil Division, beginning in 2016. He began his career in 1989 as a crew member in Buenos Aires, Argentina. In addition to his most recent role in Brazil, Mr. Pascualino held various leadership positions in operations, including Operations Director for Puerto Rico and the Caribbean Division and Corporate Operations Development Director. Mr. Pascualino has a degree in Marketing from Universidad de Morón in Buenos Aires, Argentina, and has also received executive training from the IAE Business School in Argentina and the University of Miami.

Juan David Bastidas. Mr. Bastidas, 57, is our Chief Legal Counsel. He attended Universidad Pontificia Bolivariana in Colombia, where he received a Law Degree in 1989. He graduated in 1990 as a Business Law Specialist from the same university. He also pursued postgraduate studies in Business Administration at New York University, which he completed in 1994. He also graduated in 2000 from the International Business program at EAFIT University and from the Senior Management Program at Los Andes University, which he completed in 2009 in Colombia. He also attended the Executive Directors Training Program from IAE Business School in Argentina (2017). Mr. Bastidas worked from 1994 to 1995 as an international operations lawyer for Banco Industrial Colombiano (Bancolombia). He served as Chief Legal Counsel and Secretary of the board of directors of Interconexión Electrica S.A. E.S.P.–ISA from 1995 to 2010 before joining us in July 2010.

Sebastian Magnasco. Mr. Magnasco, 55, is our Vice President of Development and served, prior to his appointment as such in 2007, in the same capacity in SLAD. He graduated in 1990 with a degree in Engineering from Instituto Tecnológico Buenos Aires and completed a post graduate Management Development Program in Business from I.A.E. Management and Business School in 2001. He began his career at McDonald's in 1994 and held the positions of Real Estate & Equipment Director of Argentina and IT, Real Estate and Equipment Director of Argentina until his appointment as Vice President of Development of SLAD in 2005.

Santiago Blanco. Mr. Blanco, 54, is our Chief Marketing and Digital Officer. He joined the company in 2019 and is responsible for designing and implementing the marketing and digital strategy. Prior to joining Arcos Dorados, he served as Chief Marketing, Digital & Communications Officer at ALSEA from 2017 to 2019. Mr. Blanco holds a Bachelor's degree in Marketing from the Instituto Tecnológico de Monterrey and an MBA from University of Texas at Austin.

Luana Matos. Mrs. Matos, 51, was appointed as our Vice President of People and Culture on April 17, 2023. She has extensive experience in leading organizational transformations and has held several leadership roles in fast-paced industries throughout her 30-year career. Mrs. Matos rejoined Arcos Dorados in April 2023. Previously, she served as HR Director for International Markets at BRF, based in Dubai. Prior to that, she acted as HR Director for Arcos Dorados in Brazil, CHRO at Nextel Telecommunications, and held talent leadership positions at IBM Latin America, having started her career as a management consultant at PwC. She holds a degree in Economics from FAAP – Fundação Armando Alvares Penteado, an MBA in Communications from ESPM and specialization in HR from the London Business School.

Marlene Fernandez. Mrs. Fernandez, 63, is Corporate Vice President for Government Relations and Leader of the Diversity and Inclusion Committee. Prior to joining Arcos Dorados in 2009, she served as an elected Member of the House of Representatives in Bolivia where she held various leadership positions, including Ambassador of Bolivia to the United States of America, Ambassador to the Organization of American States, Ambassador to the Government of Italy and Representative of Bolivia to different specialized agencies of the United Nations. She was also Bureau Chief and Main Political Correspondent for CNN Spanish in Washington, D.C. Ms. Fernandez holds a Master of Science in Broadcast Journalism from Boston University, graduated Summa Cum Laude from the Universidad Argentina John. F. Kennedy and has completed courses in Finance for Executives, Strategic Communications, Conflict Resolution and Negotiations in Conflict at Harvard University.

David Grinberg. Mr. Grinberg, 46, is our Vice President of Corporate Communications. Mr. Grinberg joined Arcos Dorados in 2010, as Sports Marketing Director to coordinate our sponsorship of the FIFA World Cup Brazil 2014 and 2016 Rio Olympic Games. He later served as Corporate Communications Director for the Brazil Division, before assuming his current role. Mr. Grinberg came from Samsung of Brazil where he led the Sports Marketing and Communications team. Prior to that, he served as Corporate Communications Director, Brazil Division of Nike. Mr. Grinberg holds a Bachelor's Degree in Social Communication from FIAM in São Paulo, Brazil and a Master's Degree in Corporate Communication & Public Affairs from the Cásper Líbero Foundation, also in São Paulo, Brazil.

Daniel Schleiniger. Mr. Schleiniger, 51, is our Vice President of Investor Relations. He joined Arcos Dorados in 2014 and, after leaving us to serve as Vice President of Investor Relations for BrightView Holdings, Inc. from October 2018 to December 2019, Mr. Schleiniger rejoined the Company in January 2020. Prior to joining Arcos Dorados, he worked at the Cisneros Group from 2000 to 2014, holding positions in investor relations, finance and treasury. Mr. Schleiniger's experience also includes equity research at Morgan Stanley, corporate banking with Unibanco and consulting work for Wharton Econometric Forecasting Associates (WEFA). He holds a Bachelor of Science degree in chemistry as well as an MBA with a concentration in finance, both from the University of Delaware.

Gabriel Serber. Mr. Serber, 53, is our Vice President of Social Impact and Sustainable Development. He started his career in 1990 as a crew member in one of our restaurants in Buenos Aires, Argentina. He rose through the operation's ranks until 2002, where he moved to McDonald's global headquarters in Chicago to work as an operations manager, among other roles. He continued his tenure in Europe based in Paris where he was responsible for leading the deployment of several operational programs in Spain, Italy, Belgium, Holland, Portugal, Switzerland, Morocco and Greece. In 2008, he returned to Argentina in the role of Corporate Director of Operations Development. In 2013, he was transferred to Puerto Rico, where he was promoted to Managing Director for the Caribbean Region. In 2017, he returned to Argentina as Managing Director for that market. Finally, in 2019, he assumed the leadership of our Social Impact and Sustainable Development team, where he oversees all ESG matters for Arcos Dorados. Mr. Serber is a business graduate from Universidad Nacional de General San Martin in Buenos Aires, Argentina and has completed post graduate studies at the IAE Business School.

Karina Montiel. Mrs. Montiel, 52, is our Vice President of Supply Chain, having been appointed to the position in July 2021. She joined Arcos Dorados in 1996 as an administrative assistant while she completed her university studies. Since then, she began a path of constant growth within the Company, beginning with various positions within the finance department. In 2014, Mrs. Montiel took on a new role when she became Managing Director for the Uruguay market and, four years later, she became Finance Director for the Brazil Division. She has been recognized for her achievements and commitment to Arcos Dorados as a President's Award recipient in 2012 and also by McDonald's Corporation's Global Women's Leadership Network in 2018. She is also the President of the Asociación Casa Ronald in Uruguay. Mrs. Montiel holds a degree in accounting from the Universidad de la República de Uruguay and a Senior MBA from the IEEM of the Universidad de Montevideo.

Magdalena Gonzalez Victorica. Mrs. Gonzalez Victorica, 50, is our Chief Technology Officer, having been appointed to this position in October 2021. She joined the Company's Finance Department in Argentina in September 1999 and, after the formation of Arcos Dorados, she was involved in implementing and/or leading information technology projects in Mexico and Puerto Rico as well as establishing and then leading the Company's Shared Services Center. In January 2011, she assumed the position of Business Services Director, responsible for Technology, Projects and the Shared Services Center. Mrs. Gonzalez Victorica was later appointed to lead the Company's Experience of the Future (EOTF) restaurant modernization initiative, with the first EOTF restaurant opening at the end of 2016. Beginning in 2019, she became responsible for the Digital Factory "ADvance," which was created to accelerate the Company's digital transformation. Mrs. Gonzalez Victorica holds a Bachelor's Degree in Accounting from the Universidad Católica Argentina.

B. Compensation

Long-term and Equity Incentive Plans

Equity Incentive Plans

The 2011 Plan

In March 2011, we adopted an Equity Incentive Plan (the "2011 Plan"), to attract and retain the most highly qualified and capable professionals and to promote the success of our business. The 2011 Plan is being used to reward certain employees for the success of our business through an annual award program. The 2011 Plan permits grants of awards relating to class A shares, including awards in the form of share (also referred to as stock) options, restricted shares, restricted share units, share appreciation rights, performance awards and other share-based awards as will be determined by our Board.

The maximum number of shares that may be issued under the 2011 Plan is 5,238,235 class A shares, equal to 2.5% of our total outstanding class A and class B shares immediately following our initial public offering on April 14, 2011. In 2024, 8,088 class A shares were issued pursuant to the 2011 Plan. As of December 2024, no shares remain available for issuance under this plan.

We carried out a special grant of stock options and restricted share units in 2011 in connection with our initial public offering, which are fully vested. We also made recurring grants of stock options and restricted share units in each of the fiscal years from 2011 to 2019 (from 2015 to 2019 only restricted share units). Units granted from 2011 to 2019 are fully vested. Both types of these recurring annual awards vested as follows: 40% on the second anniversary of the date of grant and 20% on each of the following three anniversaries, except for the 2019 award which vested on May 10, 2020. In the event of death, disability or retirement of the employee, any unvested portion of the annual award will fully vest. For all grants, each stock option granted represents the right to acquire one class A share at its strike price equal to fair market value, while each restricted share unit represents the right to receive one class A share when vested.

Phantom RSU Award

In May 2019, we implemented a new long-term incentive plan (the "Phantom RSU Plan") to provide employees the opportunity to share in the success of the Company. Through this plan, we grant phantom restricted share units ("Phantom RSUs"). When vested, Phantom RSUs entitle the employee to a cash payment equal to the closing price of one class A shares on the date of vesting, including any dividends declared and paid on the class A shares, if any, since the grant date. In the event of death, disability or retirement of the employee, any unvested portion of the annual amount will fully vest.

There are four types of Phantom RSUs:

- Type one Phantom RSUs vest over a requisite service period of five years as follows: 40% at the second anniversary of the date of grant and 20% at each of the following three years.
- Type two Phantom RSUs vest 100% on the fifth anniversary of the grant date.
- Type three Phantom RSUs vest 100% on the third anniversary of the grant date.
- Type four Phantom RSUs vest 100% on April 30 of the year after the grant day.

We recognize compensation expense related to these benefits on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in substance, multiple awards. The total compensation cost as of December 31, 2024, 2023 and 2022, relating to the Phantom RSUs amounted to $1.0 million, $15.6 million and $7.4 million, respectively, and is recorded under "General and administrative expenses" within the consolidated statement of income. The accrued liability is remeasured at the end of each reporting period until settlement.

The following table shows Phantom RSUs outstanding as of December 31, 2024:

Date of the grant	Phantom RSU, Type 1	Phantom RSU, Type 2	Phantom RSU, Type 3	Phantom RSU, Type 4
May 10, 2022	—	—	795,013	—
May 10, 2023	—	—	733,972	—
May 10, 2024	—	—	620,529	28,800

See Note 17 to our consolidated financial statements for additional information.

Compensation of Directors and Officers

General

The approximate aggregate annual total cash compensation for our executive officers and senior management team in 2024, was $13.4 million. The approximate annual total cash compensation for our directors in 2024 was $1.1 million. We also issued an aggregate of 28,800 Phantom RSUs to our directors in 2024.

We have not entered into any service contracts with our directors to provide for benefits upon termination of employment.

C. Board Practices

Our Committees

Audit Committee

Our audit committee consists of three directors, Mr. Michael Chu (chairman of the committee), Mr. José Alberto Vélez and Mr. José Fernández, who are independent within the meaning of the SEC and NYSE corporate governance rules applicable to foreign private issuers. Our Board of Directors has determined that Mr. Chu, Mr. Vélez and Mr. Fernández are also "audit committee financial experts" as defined by the SEC.

The charter of the audit committee states that the purpose of the audit committee is to assist the Board of Directors in its oversight of:

- the integrity of our financial statements;
- the annual independent audit of our financial statements, the engagement of the independent auditor and the evaluation of the qualifications, independence and performance of our independent auditor;
- the performance of our internal audit function; and
- our compliance with legal and regulatory requirements.

Compensation and Nomination Committee

Our compensation and nomination committee consists of Mr. Carlos Hernández-Artigas (chairman of the committee), Ms. Annette Franqui and Mr. Sergio Alonso. Pursuant to its charter, the compensation and nomination committee is responsible for, among other things:

- approving corporate goals and objectives relevant to compensation, evaluating the performance of executives in light of such goals and objectives and recommending compensation based on such evaluation, recommending any long-term incentive component of compensation and approving the compensation of our executive officers;
- reviewing and reporting to the board of directors on our management succession plan and on compensation for directors;
- evaluating our compensation and benefits policies;
- evaluating the structure of our board of directors;
- nominating candidates to executive positions and to the board of directors; and
- reporting to the board periodically.

Finance Committee

Our Finance committee was created by the Board of Directors in December, 2021. The Finance Committee consists of Mrs. Annette Franqui (chair of the committee), Mr. Sergio Alonso and Mr. Woods Staton. Pursuant to its charter, the Finance committee is responsible for, among other things:

- reviewing and making recommendations to the Board with respect to the Company's capital structure, indebtedness, debt management and capital markets operations;
- recommending to the Board of Directors dividends to shareholders and other shareholder actions;
- reviewing policies with respect to financial risk assessment and financial risk management, when deem necessary;
- reviewing any significant financial exposure and contingent liabilities of the Company, including foreign exchange, interest rate, and commodities exposure and the use of derivatives to hedge those risks; and
- reviewing the financial aspects of insurance programs with management.

D. Employees

Our employees are a crucial component of our customers' restaurant service experience. As such, we consistently train our employees to deliver fast and friendly service through a series of training programs. We support our McDonald's-based training programs with an extensive set of quality controls throughout production, processing and distribution and also in our restaurants, where we monitor restaurant managers' performance and use ongoing external customer satisfaction opportunity reports that analyze key operating indicators.

Our employees can be divided into three different categories: crew, restaurant managers and professional staff. Due to the different tasks of each of these categories of employees, turnover rates differ significantly. Crew turnover is considerably higher than turnover for managers and professional staff.

As of December 31, 2024, we had a total of approximately 98,615 employees in Company-operated restaurants and staff throughout the Territories. Of this number, 83% were crew, 14% were restaurant managers and the remainder were professional staff. Approximately 41% of our employees were located in Brazil.

We have various types of employment arrangements with our employees in Brazil. Some of our employees receive monthly wages whereas others are paid by the hour, and all of our employees have fixed work schedules due to a settlement signed with Labor Prosecutor Office of the State of Pernambuco. A portion of our employees in Brazil, in particular part-time employees, students and apprentices, work schedules of less than 180 hours per month. Brazilian law requires that employers provide a minimum monthly wage, which, in the case of employees who are paid by the hour, is prorated in terms of wages per hour.

The following table illustrates the distribution of our employees by division and employee category as of December 31, 2024.

Division	Crew	Restaurant Managers	Professional Staff	Total
Brazil	32,942	6,923	992	40,857
NOLAD	17,394	3,165	674	21,233
SLAD	31,084	4,027	963	36,074
Corporate and other	0	0	451	451
Total	**81,420**	**14,115**	**3,080**	**98,615**

Restaurant managers are responsible for the daily management of our restaurants. As such, we have a comprehensive training program for them that is focused on customer management practices, food preparation and other operational procedures. Standards are taught and continuously reinforced through the use of such training programs. We also use performance measurements on a continual basis, both internally and externally in connection with all our restaurants. Our internal on-site visit restaurant operations improvement process evaluates operational standards, which are compared globally to assure continuous improvement. We also contract third parties, which we refer to as third-party shoppers, to visit our

restaurants anonymously and report on our performance. Our external third-party shopper measurements and customer satisfaction opportunity reports help maintain our competitiveness. In addition, Hamburger University provides restaurant managers, mid-managers and owner/operators with training on best practices in different aspects of our business. In 2024, approximately 86,000 people attended different courses or events, in person or online, organized by Hamburger University in areas such as restaurant and customer management, sales, diversity and inclusion, leadership and digital transformation.

The role performed by our crew is of critical importance in our interactions with our customers. Employee relations are thus key to maintaining the level of motivation and enthusiasm on the part of our crew that help differentiate our restaurants from those of our competitors. We have been recognized by many independent organizations for being a "great place to work."

Although we have unions in some of our most important markets, including Brazil, Argentina and Mexico, the unions only have an active role in our Brazil restaurants. In these markets, the restaurant industry is unionized by law. However, in Brazil every employee and company are necessarily represented by unions. Workers unions can negotiate directly with companies through Collective Bargaining Agreements ("CBAs"), or with the company's union through Collective Convention. Under Brazilian law, employees or groups of employees cannot opt-out of the terms under union agreements, which integrate the employment contract for all legal purposes. In Brazil, the CBA or the Collective Convention should provide, on a yearly basis, the salary adjustment to be afforded by all employees, and may also provide certain additional guarantees or rights, to be applicable to all employees, regardless of their unit or position in the company, during a certain term (maximum of two years). All collective agreements are mandatory in Brazil.

On November 11, 2017, an overhaul in the labor laws in Brazil (the "Labor Overhaul") entered into effect and brought significant changes to labor relations and labor law itself. The Labor Overhaul introduces and changes several articles of the Consolidated Labor Statutes aiming to give more flexibility and legal certainty to the legal framework around labor relations thus meeting current demands of modern society. Out of several changes made in the Labor Overhaul, the most relevant for us is a change providing that collective labor agreements (CBAs or Collective Convention) will now prevail over statutory law in certain circumstances, giving priority to what has been agreed over what has been legislated and providing greater autonomy to the parties.

E. Share Ownership

The following table presents the beneficial ownership of our shares owned by our directors, officers and senior management as of the date of this annual report. Other than those persons listed below, none of our directors, officers or senior management beneficially own any of our shares.

Shareholder	Class A Shares	Percentage of Outstanding Class A Shares[1]	Class B Shares	Percentage of Outstanding Class B Shares[1]	Total Economic Interest[1]	Total Voting Interest[1][2]
Los Laureles Ltd.[3][4]	—	—	80,000,000	100.00 %	37.98 %	75.38 %
Woods Staton[4]	106,129	*	—	—	*	*
Sergio Alonso	*	*	—	—	*	*
Annette Franqui	*	*	—	—	*	*
Carlos Hernández-Artigas	*	*	—	—	*	*
Michael Chu	*	*	—	—	*	*
José Alberto Vélez	*	*	—	—	*	*
Cristina Presz Palmaka De Luca	*	*	—	—	*	*
Karla Berman	*	*	—	—	*	*
Juan David Bastidas	*	*	—	—	*	*
Karina Montiel	*	*	—	—	*	*
José Fernández	*	*	—	—	*	*
Marcelo Rabach	*	*	—	—	*	*
Mariano Tannenbaum	*	*	—	—	*	*
Sebastian Magnasco	*	*	—	—	*	*
Luana Matos	*	*	—	—	*	*
Marlene Fernandez	*	*	—	—	*	*
Luis Raganato	*	*	—	—	*	*
Gustavo Pascualino	*	*	—	—	*	*
Rogerio De Moraes Barreira	*	*	—	—	*	*
Santiago Blanco	*	*	—	—	*	*
David Grinberg	*	*	—	—	*	*
Francisco Staton	*	*	—	—	*	*
Magdalena Gonzalez Victorica	*	*	—	—	*	*
Daniel Schleiniger	*	*	—	—	*	*
Gabriel Serber	*	*	—	—	*	*

* Each of these directors, officers or senior management members beneficially owns less than 1% of the total number of outstanding class A shares.

(1) Percentages are based on 130,663,057 class A shares issued and outstanding as of the date of this annual report and exclude 2,309,062 class A shares issued and held in treasury.

(2) Class A shares are entitled to one vote per share and class B shares are entitled to five votes per share.

(3) Los Laureles Ltd. is beneficially owned by Mr. Woods Staton, our Executive Chairman. See "Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders—Los Laureles Ltd."

(4) In addition to the class B shares he beneficially owns through Los Laureles Ltd., Mr. Woods Staton beneficially owns 106,129 class A shares directly, and indirectly through Chablais Investments S.A. ("Chablais"). On a combined basis, Mr. Woods Staton is the beneficial owner of an aggregate of 37.98% of the total economic interests of Arcos Dorados and 75.38% of its total voting interests. The address of Mr. Woods Staton is Mantua No. 6575 (esquina Potosí), Montevideo, Uruguay 11500. The address of Chablais is Level 1, Palm Grove House, Wickham's Cay 1, Road Town, Tortola, BVI.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

As of the date of this annual report, under our memorandum and articles of association, we are authorized to issue a maximum of 420,000,000 class A shares, no par value per share, and 80,000,000 class B shares, no par value per share. Each of our class A shares entitles its holder to one vote. Each of our class B shares entitles its holder to five votes. Los Laureles Ltd., our controlling shareholder, owns 37.98% of our issued and outstanding share capital, and 75.38% of our voting power by virtue of its ownership of 100% of our class B shares. The following table presents the beneficial ownership of our shares based on the most recent information available as of the date of this annual report:

Shareholder	Class A Shares	% of Outstanding Class A Shares	Class B Shares[1]	% of Outstanding Class B Shares[1]	Total Economic Interest[1]	Total Voting Interes
Los Laureles Ltd[3][4]	—	—	80,000,000	100.0 %	37.98 %	75.38
Woods Staton[4]	106,129	0.08 %	—	—	0.05 %	0.02
TIAA Board of Overseers[5]	13,725,604	10.50 %	—	—	6.52 %	2.59
T. Rowe Price Associates, Inc. [6]	13,666,166	10.46 %	—	—	6.49 %	2.58
Remaining Public Shareholders	103,165,158	78.96 %	—	—	48.97 %	19.44
Total[7][8]	**130,663,057**	**100.00%**	**80,000,000**	**100.00 %**	**100.00 %**	**100.00**

(1) Percentages are based on 130,663,057 class A shares issued and outstanding as of the date of this annual report and exclude 2,309,062 class A shares issued and held in treasury.

(2) Class A shares are entitled to one vote per share and class B shares are entitled to five votes per share.

(3) The address of Los Laureles Ltd. is 325 Waterfront Drive, Omar Hodge Building, 2nd Floor, Wickham's Cay 1, Road Town, Tortola, British Virgin Islands. Los Laureles Ltd. is beneficially owned by Mr. Woods Staton, our Executive Chairman. Los Laureles Ltd. established a voting trust with respect to the voting interests in us held by Los Laureles Ltd. Los Laureles Ltd. is the beneficiary of the voting trust. See "—Los Laureles Ltd."

(4) In addition to the class B shares he beneficially owns through Los Laureles Ltd., Mr. Woods Staton beneficially owns 106,129 class A shares directly, and indirectly through Chablais Investments S.A. ("Chablais"). On a combined basis, Mr. Woods Staton is the beneficial owner of an aggregate of 37.98% of the total economic interests of Arcos Dorados and 75.38% of its total voting interests. The address of Mr. Woods Staton is Mantua No. 6575 (esquina Potosí), Montevideo, Uruguay 11500. The address of Chablais is Level 1, Palm Grove House, Wickham's Cay 1, Road Town, Tortola, BVI.

(5) TIAA Board of Overseers is the ultimate parent of three funds, which filed Form 13F with the SEC on December 31, 2024: Nuveen Asset Management LLC, Teachers Advisors, LLC and TIAA-CREF Investment Management LLC. Based solely on the disclosure set forth in such Form 13F, as of December 31, 2024, these three funds together had sole voting power with respect to 13,725,604 class A shares and sole dispositive power with respect to 13,725,604 class A shares. The address of TIAA Board of Overseers is 730 Third Avenue, New York, NY 10017-3206.

(6) Based solely on the disclosure of the Form 13G filed with the SEC on December 31, 2024, T. Rowe Price Associates, Inc. had sole voting power with respect to 13,666,166 class A shares and sole dispositive power with respect to 13,666,166 class A shares. The address of T. Rowe Price Associates, Inc. is 100 E. Pratt Street, Baltimore, MD 21202, Maryland.

(7) Numbers do not sum to 100% due to the effects of rounding.

(8) Excludes 2,309,062 class A shares issued and held in treasury.

As of April 25, 2025, there were 8 class A shareholders of record. We believe the number of beneficial owners is substantially greater than the number of record holders because a large portion of class A shares is held in "street name" by brokers.

Los Laureles Ltd.

Los Laureles Ltd. is our controlling shareholder and is beneficially owned by Mr. Woods Staton, our Executive Chairman. Los Laureles Ltd. currently owns 37.98% of the economic interests of Arcos Dorados and 75.38% of its voting interests. Los Laureles Ltd. has established a voting trust with respect to the voting interests in us held by Los Laureles Ltd. Los Laureles Ltd. is the beneficiary of the voting trust. The voting trust exercises the vote of the class B shares through a voting committee, which consists of only Mr. Woods Staton. The decision of the voting committee must be approved by Los Laureles (PTC) Limited, a British Virgin Islands company that is a wholly owned subsidiary of Los Laureles Limited. Mr. Woods Staton is the sole director of Los Laureles (PTC) Limited. Without the consent of McDonald's, Mr. Woods Staton may add any one or more of his descendants, certain other relatives, any board member of Arcos Dorados and the chief executive officer, chief operating officer or chief financial officer of Arcos Dorados to the committee.

Following Mr. Woods Staton's death or during Mr. Woods Staton's incapacity, the voting committee will consist of (1) certain officers or directors of Arcos Dorados, (2) certain descendants of Mr. Woods Staton or their representatives, and (3) other persons appointed by Los Laureles (PTC) Limited, subject to McDonald's consent if such person is not one of Mr. Woods Staton's descendants and is not the chief executive officer, chief operating officer or chief financial officer of Arcos Dorados. For the first five years from the date of the execution of the voting trust, the officers and directors of Arcos Dorados on the voting committee will have the tie-breaking vote (if any). Thereafter, Mr. Woods Staton's descendants will have the tie-breaking vote.

B. Related Party Transactions

Our Board of Directors has created and adopted a related party transactions policy for the purpose of assisting the Board of Directors in reviewing, approving and ratifying related party transactions. This Policy is intended to supplement, and not to supersede, our other policies that may be applicable to or involve transactions with related parties, such as our Standards of Business Conduct. In addition, McDonald's has the right to review and approve certain related party transactions pursuant to the MFA.

The Axionlog Split-off

On March 16, 2011, we effected a split-off of Axionlog (formerly known as Axis) to our principal shareholders. The split-off was effected through the redemption of 41,882,966 shares (25,129,780 class A shares and 16,753,186 class B shares). As consideration for the redemption, the Company transferred to its principal shareholders its equity interests in the operating subsidiaries of the Axionlog business totaling a net book value of $15.4 million and an equity contribution that was made to the Axionlog holding company amounting to $29.8 million. Following the split-off, Los Laureles Ltd. acquired the Axionlog shares held by Gavea Investment AD, L.P. and investment funds controlled by Capital International, Inc. and DLJ South American Partners L.L.C. (through its affiliates). The split-off of Axionlog did not have a material effect on our results of operations or financial condition.

Since the split-off, Axionlog has provided us with comprehensive 3PL services, including storage (dry, frozen and chilled), transportation, planning, and logistics management services pursuant to a master commercial agreement with Axionlog on arm's-length terms. Axionlog currently provides us some or all of these services in the following Territories: Argentina, Aruba, Chile, Colombia, Curaçao, Ecuador, French Guiana, Guadeloupe, Martinique, Mexico, Peru, Saint Croix, Saint Thomas, Trinidad and Tobago, Uruguay and Venezuela.

Pricing under the agreement is determined pursuant to an agreed-upon formula that is considered standard in the distribution services industry. The pricing formula considers certain variables to determine the applicable fees, including (i) cost inputs (i.e., transportation expenses and salaries); (ii) time required for completion; (iii) storage requirements; (iv) merchandise volume; and (v) inflation and exchange rate adjustments. This standard formula (with certain modifications to account for country specific variables) is used with distribution service providers throughout the McDonald's system around the world. Under the terms of the agreement, the pricing formula is reviewed on a yearly basis. During these reviews, we work with Axionlog to find potential cost efficiencies and savings. In addition, we or Axionlog may request a renegotiation of the pricing formula in the event that factors outside of our or their control (such as fuel costs) substantially alter the price of Axionlog's services.

During 2024, we incurred $67.3 million in total distribution fees payable to Axionlog, which accounted for approximately 4.5% of our total food and paper costs. Additionally, Axionlog must comply with McDonald's Distributor Quality Management System (DQMP) and other supplier requirements to maintain its status as a McDonald's-approved supplier pursuant to the MFA.

See Note 24 to our consolidated financial statements for details of the outstanding balances and transactions with related parties as of December 31, 2024 and 2023 and for the fiscal years ended December 31, 2024, 2023 and 2022.

Employment of Francisco Staton

Mr. Francisco Staton, Woods Staton's son, is a member of our board of directors. Francisco Staton was most recently re-elected as a Board Member, Class I, at out Annual General Shareholders' Meeting held on April 26, 2024.

Mexican Sub-Franchisee Joint Venture

In November 2021, a joint venture was formed with a Mexican sub-franchisee in which the Company is a minority stakeholder. We consider these restaurants to be franchised restaurants.

For purposes of this annual report, a joint venture is an entity that operates certain restaurants in the Company's territory in which the Company is a stakeholder together with a third party. This third party is always a sub-franchisee of the Company. Although in most joint ventures the Company exercises control or significant influence over the entity's operating and financial policies, the third party is responsible for the day-to-day operation of the entity's restaurants. Restaurants operated by entities in which the Company has a majority stake are considered to be Company-operated; whereas, entities in which the Company holds a minority stake are considered to be franchised.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

Financial statements

See "Item 18. Financial Statements," which contains our financial statements prepared in accordance with U.S. GAAP.

Legal Proceedings

Sinthoresp – Brasília

On February 23, 2015, a coalition of labor unions filed a lawsuit against us, alleging that we have defaulted on our obligations to our employees with a variety of inadequate working conditions such as an unhealthy working environment, failure to pay the legal minimum wage or wages established through collective bargaining agreements, time-card fraud, failure to grant legally-mandated meal and rest periods and failure to pay corresponding overtime, among other claims.

The plaintiffs have requested an order requiring: (i) immediate rectification of the alleged practices; (ii) an injunction against opening any new restaurants until compliance with the labor practices is demonstrated; (iii) damages for pain and suffering equal to an amount between 1% and 30% of gross income; (iv) that the Economic Defense Administrative Council (*Conselho Administrativo de Defesa Econômica* or "CADE") be placed on notice of these conditions; and (v) service of process to the Labor Prosecutor to require it to follow up on the lawsuit.

The lawsuit is currently before the 22nd DF Labor Court in Brasilia. On March 27, 2017, the Labor Court entered a judgment rejecting all claims made by the coalition of labor unions and affirmed that the coalition was not able to prove its allegations. The coalition filed an appeal against it, and the Regional Labor Court determined to reopen the discovery phase for the parties to take depositions of witnesses, after which the 22nd DF Labor Court in Brasilia (first instance) will judge the claim again. We presented an appeal against this decision that was denied, and the discovery phase was reopened. A new discovery hearing was scheduled for May 4, 2020 but, due to the COVID-19 pandemic, the hearing was cancelled. The hearing occurred on August 2021, and on October 2021 we were notified of the decision that rejected all claims made by the coalition of labor unions. The labor prosecutor and labor union appealed the court's decision and the Regional Labor Court denied all the appeals. Against this decision, labor prosecutor and labor union appealed to the Superior Labor Court but those appeals were rejected due to non-compliance with legal requirements. Against this decision, labor prosecutor and labor union presented a new appeal to the Superior Labor Court that was denied on March 26, 2025. The labor prosecutor and/or labor union may file an extraordinary appeal to the Federal Supreme Court. If no appeal were filed, this claim will be definitively closed.

Complaint 0528900-98.2006.5.02.0080

On December 13, 2006, a civil complaint was filed by the Labor Prosecutor's Office in São Paulo, questioning our compliance with rules related to sanitary surveillance, workers' health and safety, work ergonomics and working hours. After a preliminary injunction was granted for compliance with issues related to relevant rules cited in the complaint, an agreement (the "TAC") was entered into between the Company and the Labor Prosecutor's Office that provides for a daily fine of R$5,000 for non-compliance with the TAC provisions. The full contents of the TAC were ratified by the Labor Court on March 16, 2007.

On October 18, 2010, we entered into a new agreement with the Labor Prosecutor's Office in São Paulo, which maintained the previous commitments assumed by us in the TAC, but also included an obligation to annually pay R$1,300,000 (as adjusted on a yearly basis from 2011 to 2019) towards the financing of campaigns against child labor and to make a one-time contribution in the amount of R$1,500,000 to the São Paulo's Medical University's Foundation. Furthermore, according to the agreement, the company was required to file a schedule for the compliance with the obligations set forth in the TAC. The company has been in compliance with this agreement, and the final payment of the annual R$1,300,000 obligatory contribution to help finance campaigns against child labor was made in 2019. While we have paid all fines due under the agreement, our agreement with the Labor Prosecutor's Office remains in effect and we must continue to comply with the other requirements thereunder.

In parallel with the judicial lawsuit's developments, the Labor Prosecutor's Office initiated an administrative audit regarding the company's compliance with the TAC. On November 2016, the Labor Prosecutor's Office claimed that it had identified violations of the TAC and demanded R$13 million in connection with such violations. On April 3, 2017, we submitted a petition and documents as evidence that we have complied with the settlement, rejecting the Labor Prosecutor's claims. We attended a series of hearings with the Labor Prosecutor's Office to discuss TAC compliance, Arcos' petition, and the possibility of entering into a new settlement in order to reduce the previous commitments and the fines assumed by us. On March 24, 2023, the Labor Prosecutor's Office requested that we present evidence of compliance with the obligations negotiated on TAC and Arcos presented it in April 2023. The Labor Prosecutor requested an expert to verify compliance with the TAC and said expert requested additional information and documents from us, which were presented during the course of 2024. A hearing to discuss compliance with the TAC was held on March 31, 2025, in which the prohibited activities for employees under 18 years old were addressed by the Labor Prosecutor. Due to this discussion, Arcos assumed the obligation to implement and submit to the Labor Prosecutor, within the next 30 days, an internal campaign aimed at clarifying the permitted and prohibited activities for employees under 18 years old across all restaurants in Brazil.

Administrative Investigation under Labor Prosecutor's Office

The Labor Prosecutor's Office in Curitiba initiated an administrative procedure to investigate our Brazilian Subsidiary in May 2019, based on a complaint made by the General Union of Workers ("UGT") that alleged systematic workplace harassment, moral and sexual harassment and racial discrimination. On July 2020, another administrative procedure was initiated by the Labor Prosecutor's Office in São Paulo, based on a compliant made by UGT, the Central Workers Union (CUT) and other workers unions that also alleged systematic workplace harassment. The procedures have now been joined under the second administrative procedure. In response to the allegations, our Brazilian Subsidiary has presented evidence of its good practices related to the subject, which it believes disproves the allegations of systematic discrimination, moral and sexual harassment. The first hearing was held on January 25, 2021 and a second hearing was held on March 8, 2022. At the second hearing, parties discussed the possibility of settlement with an agreement to improve internal procedures and training to avoid sexual harassment, moral and racial discrimination in the restaurants, without any payment of damages. UGT is expected to present additional comments regarding the proposed settlement, after which Arcos will also have the opportunity to provide its own comments. We attended hearings with the Labor Prosecutor and presented our comments on the Labor Prosecutor's settlement proposal. At the end of December 2022, the Labor Prosecutor did not agree with our comments and presented a recommendation, which contains a list of procedures to be adopted by Arcos. Additionally, the Labor Public Prosecutor determined that Arcos must prove the adoption of those procedures by the end of March 2023. On March 20, 2023, we presented documentation (e.g., presentations, trainings, Company policies, evidence of communications with employees, internal procedures of hotline investigations, among others) to the Labor Prosecutor to evidence that we are improving our internal procedures and trainings in compliance with all the obligations established in the recommendation. The Labor Prosecutor decided to suspend the procedure for the next six months, due to Arcos' collaborative behavior and the documents that evidenced the Company is in compliance with the recommendation. In addition, the Labor Prosecutor determined and Arcos evidenced, in October 2023, the adoption of procedures that were implemented as we indicated in our petition. In the beginning of 2024, the Labor Public Prosecutor asked UGT to provide its comments regarding Arcos's petition and during the course of 2024 Arcos and UGT presented petitions about the compliance with the recommendation.

On January 2025, the Labor Prosecutor decided to archive the case, as he understood that Arcos demonstrated the compliance with all procedures indicated in the recommendation. On February 2025, UGT appealed from this decision and we presented our counterarguments. At this moment, we are waiting for the judgement of the appeal by the Labor Public Ministry in Brasilia. Note that isolated cases alleging discrimination and/or moral and sexual harassment are also being discussed within minor administrative investigations and individual labor claims filed in Brazil.

Brazilian Administrative Council for Economic Defense Procedure

In August 2024, the Administrative Council for Economic Defense (CADE) notified our Brazilian Subsidiary of a preliminary proceeding in relation to alleged anti-competitive conduct involving the exchange of sensitive commercial information related to the Brazilian labor market, along with many other multinational companies. Subsequently, in October 2024, CADE decided to initiate administrative proceedings to investigate such allegations. The decision to initiate the administrative proceedings was published by CADE in the Official Gazette in October 2024. Currently, although our Brazilian subsidiary has been formally notified by CADE of the existence of the administrative proceedings, the deadline for submitting its defense will only begin once all the investigated parties have been notified, which, as of the date of this report, has not yet occurred.

Brazilian Federal Custom Authorities Infraction Notices

As of August 2021, our Brazilian Subsidiary became aware of notices of infraction presented by Brazilian federal customs authorities (*Alfândega da Receita Federal*) alleging improprieties by a supplier of our Subsidiary, related to the importation of certain products in 2017, 2018 and 2019. We believe these charges are improper and, together with our supplier, we have submitted the appropriate administrative defense of our position. This matter is ongoing and in a preliminary administrative phase and, as of the date of this annual report, a ruling by the administrative authorities is pending. We will defend ourselves vigorously in this and any related proceedings. Our defense was judged by CARF (Administrative Council of Tax Appeals), the trial ended in a tie; however, due to the casting vote, the infraction notice was upheld. Another appeal was presented to CARF, which is currently pending judgment.

Retained Lawsuits and Contingent Liabilities

We have certain contingent liabilities with respect to existing or potential claims, lawsuits and other proceedings, including those involving labor, tax and other matters. As of December 31, 2024 we maintained a provision for contingencies amounting to $36.7 million ($59.2 million as of December 31, 2023) and judicial deposits amounting to $6.3 million ($8.6 million as of December 31, 2023) in connection with the proceedings. As of December 31, 2024, the net amount of $30.4 million included $29.2 million as a non-current liability. See Note 18 to our consolidated financial statements for more details.

Pursuant to the Acquisition, McDonald's Corporation indemnifies us for certain Brazilian claims. As of December 31, 2024, the provision for contingencies included $1.2 million ($1.5 million as of December 31, 2023) related to a Brazilian claim that is covered by the indemnification agreement. As a result, we have recorded a non-current asset in respect of McDonald's Corporation's indemnity within "Miscellaneous" in our consolidated balance sheet.

Several of these proceedings have already been resolved successfully, either by a judicial decision or a cash settlement. The cash settlements were made pursuant to the reopening of a 2009 amnesty granted by the Brazilian federal government, in which McDonald's opted to participate. The amnesty was originally granted in 2009 as a way to reduce litigation with federal authorities and increase tax collection during the financial crisis. The amnesty allowed Brazilian taxpayers to settle federal tax debts under favorable conditions, including reduced penalties and interest and the ability to pay principal in up to 180 installments. In 2014, pursuant to an additional amnesty, such outstanding Brazilian federal tax debts were paid in full using mainly applicable tax loss carryforwards. The remaining retained proceedings are pending a final decision.

As of December 31, 2024, there are certain matters related to the interpretation of income tax laws which could be challenged by tax authorities in an amount of $165 million, related to assessments for the fiscal years 2009 to 2017. No formal claim has been made for fiscal years within the statute of limitation by Tax authorities in any of the mentioned matters, however those years are still subject to audit and claims may be asserted in the future.

In addition, there are certain matters related to the interpretation of other tax, customs (including the alleged infraction mentioned above), labor and civil laws for which there is a reasonable possibility that a loss may have been incurred in accordance with ASC 450-20-50-4 in a range of $429 million and $468 million. In accordance with ASC 450-20-50-6, unasserted claims or assessments that do not meet the conditions mentioned have not been included.

Other Proceedings

In addition to the matters described above, we are from time to time subject to certain claims and party to certain legal proceedings incidental to the normal course of our business. In view of the inherent difficulty of predicting the outcome of legal matters, we cannot state with confidence what the eventual outcome of these pending matters will be, what the timing of the ultimate resolution of these matters will be or what the eventual loss, fines or penalties related to each pending matter may be. We believe that we have made adequate reserves related to the costs anticipated to be incurred in connection with these various claims and legal proceedings and believe that liabilities related to such claims and proceedings should not have, in the aggregate, a material adverse effect on our business, financial condition, or results of operations. However, in light of the uncertainties involved in these claims and proceedings, there is no assurance that the ultimate resolution of these matters will not significantly exceed the reserves currently accrued by us; as a result, the outcome of a particular matter may be material to our operating results for a particular period, depending upon, among other factors, the size of the loss or liability imposed and the level of our income for that period.

Dividends and Dividend Policy

Our Board of Directors considers the legal requirements with regard to our net income and retained earnings and our cash flow generation, targeted leverage ratios and debt covenant requirements in determining the amount of dividends to be paid, if any. Dividends may only be paid in accordance with the provisions of our memorandum and articles of association and Section 57 of the BVI Business Companies Act (As Revised) and after having fulfilled our capital expenditures program and after satisfying our indebtedness and liquidity thresholds, in that order. Pursuant to our memorandum and articles of association, all dividends unclaimed for three years after having been declared may be forfeited by a resolution of directors for the benefit of the Company.

Holders of common shares will be entitled to receive dividends, if any, paid on the common shares. In 2024, our Board of Directors declared a cash dividend of $0.24 per share to all class A and B shareholder of the Company, paid in four quarterly installments of $0.06 per share on March 28, 2024, June 28, 2024 and September 27, 2024 and December 27, 2024. On March 11, 2025, the Board of Directors announced a $0.24 per share dividend to all class A and B shareholders of the Company to be paid in four quarterly installments of $0.06 per share on March 27, 2025, June 27, 2025, September 26, 2025 and December 26, 2025.

The amounts and dates of future dividend payments, if any, will be subject to, among other things, the discretion of our Board of Directors. Accordingly, there can be no assurance that any future distributions will be made, or, if made, as to the amount of such distributions.

B. Significant Changes

Except as otherwise disclosed in this annual report, we are not aware of any significant changes that have occurred since December 31, 2024.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

See "—C. Markets."

B. Plan of Distribution

Not applicable.

C. Markets

Our class A shares have been listed on the NYSE, since April 14, 2011 under the symbol "ARCO."

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

General

We are a BVI business company limited by shares incorporated in the British Virgin Islands and our affairs are governed by the provisions of our memorandum and articles of association, as amended and restated from time to time, and by the provisions of applicable British Virgin Islands law, including the BVI Business Companies Act (As Revised) or the "BVI Act."

Our company number in the British Virgin Islands is 1619553. As provided in sub-regulation 4.1 of our memorandum of association, subject to British Virgin Islands law, we have full capacity to carry on or undertake any business or activity, do any act or enter into any transaction and, for such purposes, full rights, powers and privileges. Our registered office is at Maples Corporate Services (BVI) Limited, Kingston Chambers, P.O. Box 173, Road Town, Tortola, British Virgin Islands.

The transfer agent and registrar for our class A and class B shares is Continental Stock Transfer & Trust Company, which maintains the share registrar for each class in New York, New York.

As of the date of this annual report, under our memorandum and articles of association, we are authorized to issue up to 420,000,000 class A shares and 80,000,000 class B shares. As of the date of this annual report, 130,663,057 class A shares and 80,000,000 class B shares are issued, fully paid and outstanding. In addition, 2,309,062 class A shares are issued and being held in treasury.

The maximum number of shares that we are authorized to issue may be changed by resolution of shareholders amending our memorandum and articles of association. Shares may be issued from time to time only by resolution of shareholders.

Our class A shares are listed on the NYSE under the symbol "ARCO."

The following is a summary of the material provisions of our memorandum and articles of association.

Class A Shares

Holders of our class A shares may freely hold and vote their shares.

The following summarizes the rights of holders of our class A shares:

- each holder of class A shares is entitled to one vote per share on all matters to be voted on by shareholders generally, including the election of directors;
- holders of class A shares vote together with holders of class B shares;
- there are no cumulative voting rights;
- the holders of our class A shares are entitled to dividends and other distributions, *pari passu* with our class B shares, as may be declared from time to time by our board of directors out of funds legally available for that purpose, if any, and pursuant to our memorandum and articles of association, all dividends unclaimed for three years after having been declared may be forfeited by a resolution of directors for the benefit of the Company;

- upon our liquidation, dissolution or winding up, the holders of class A shares will be entitled to share ratably, *pari passu* with our class B shares, in the distribution of all of our assets remaining available for distribution after satisfaction of all our liabilities; and
- the holders of class A shares have preemptive rights in connection with the issuance of any securities by us, except for certain issuances of securities by us, including (i) pursuant to any employee compensation plans; (ii) as consideration for (a) any merger, consolidation or purchase of assets or (b) recapitalization or reorganization; (iii) in connection with a pro rata division of shares or dividend in specie or distribution; or (iv) in a bona fide public offering that has been registered with the SEC, but they are not entitled to the benefits of any redemption or sinking fund provisions.

Class B Shares

All of our class B shares are owned by Los Laureles Ltd. Holders of our class B shares may freely hold and vote their shares.

The following summarizes the rights of holders of our class B shares:

- each holder of class B shares is entitled to five votes per share on all matters to be voted on by shareholders generally, including the election of directors;
- holders of class B shares vote together with holders of class A shares;
- class B shares may not be listed on any U.S. or foreign national or regional securities exchange or market;
- there are no cumulative voting rights;
- the holders of our class B shares are entitled to dividends and other distributions, *pari passu* with our class A shares, as may be declared from time to time by our board of directors out of funds legally available for that purpose, if any, and pursuant to our memorandum and articles of association, all dividends unclaimed for three years after having been declared may be forfeited by a resolution of directors for the benefit of the Company;
- upon our liquidation, dissolution or winding up, the holders of class B shares will be entitled to share ratably, *pari passu* with our class A shares, in the distribution of all of our assets remaining available for distribution after satisfaction of all our liabilities;
- the holders of class B shares have preemptive rights in connection with the issuance of any securities by us, except for certain issuances of securities by us, including (i) pursuant to any employee compensation plans; (ii) as consideration for (a) any merger, consolidation or purchase of assets or (b) recapitalization or reorganization; (iii) in connection with a pro rata division of shares or dividend in specie or distribution; or (iv) in a bona fide public offering that has been registered with the SEC, but they are not entitled to the benefits of any redemption or sinking fund provisions;
- each class B share is convertible into one class A share at the option of the holder at any time, subject to the prior written approval of McDonald's; and
- each class B share will convert automatically into one class A share at such time as the holders of class B shares cease to hold, directly or indirectly, at least 20% of the aggregate number of outstanding class A and class B shares.

Limitation on Liability and Indemnification Matters

Under British Virgin Islands law, each of our directors and officers, in performing his or her functions, is required to act honestly and in good faith with a view to our best interests and exercise the care, diligence and skill that a reasonably prudent director would exercise in comparable circumstances. Our memorandum and articles of association provide that, to the fullest extent permitted by British Virgin Islands law or any other applicable laws, our directors will not be personally liable to us or our shareholders for any acts or omissions in the performance of their duties. This limitation of liability does not affect the availability of equitable remedies such as injunctive relief or rescission. These provisions will not limit the liability of directors under United States federal securities laws.

Our memorandum and articles of association provide that we shall indemnify any of our directors or anyone serving at our request as a director of another entity against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings or suits. We may pay any expenses, including legal fees, incurred by any such person in defending any legal, administrative or investigative proceedings in advance of the final disposition of the proceedings. If a person to be indemnified has been successful in defense of any proceedings referred to above, the director is entitled to be indemnified against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred by the director or officer in connection with the proceedings.

We may purchase and maintain insurance in relation to any of our directors, officers, employees, agents or liquidators against any liability asserted against them and incurred by them in that capacity, whether or not we have or would have had the power to indemnify them against the liability as provided in our memorandum and articles of association.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, or the "Securities Act," may be permitted to our directors, officers or controlling persons pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable as a matter of United States law.

Shareholders' Meetings and Consents

The following summarizes certain relevant provisions of British Virgin Islands law and our articles of association in relation to our shareholders' meetings:

- the directors of the Company may convene meetings of shareholders at such times and in such manner and places within or outside the British Virgin Islands as the directors consider necessary or desirable; provided that at least one meeting of shareholders be held each year;
- upon the written request of shareholders entitled to exercise 30 percent or more of the voting rights in respect of the matter for which the meeting is requested, the directors are required to convene a meeting of the shareholders. Any such request must state the proposed purpose of the meeting;
- the directors convening a meeting must give not less than ten days' notice of a meeting of shareholders to: (i) those shareholders whose names on the date the notice is given appear as shareholders in the register of members of our company and are entitled to vote at the meeting, and (ii) the other directors;
- a meeting of shareholders held in contravention of the requirement to give notice is valid if shareholders holding at least 90 percent of the total voting rights on all the matters to be considered at the meeting have waived notice of the meeting and, for this purpose, the presence of a shareholder at the meeting shall constitute waiver in relation to all the shares that such shareholder holds;
- a shareholder may be represented at a meeting of shareholders by a proxy who may speak and vote on behalf of the shareholder;
- a meeting of shareholders is duly constituted if, at the commencement of the meeting, there are present in person or by proxy not less than 50 percent of the votes of the shares or class or series of shares entitled to vote on resolutions of shareholders to be considered at the meeting;
- if within two hours from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of shareholders, shall be dissolved; in any other case it shall be adjourned to the next business day in the jurisdiction in which the meeting was to have been held at the same time and place or to such other date, time and place as the directors may determine, and if at the adjourned meeting there are present within one hour from the time appointed for the meeting in person or by proxy not less than one third of the votes of the shares or each class or series of shares entitled to vote on the matters to be considered by the meeting, those present shall constitute a quorum, but otherwise the meeting shall be dissolved. Notice of the adjourned meeting need not be given if the date, time and place of such meeting are announced at the meeting at which the adjournment is taken;

- a resolution of shareholders is valid (i) if approved at a duly convened and constituted meeting of shareholders by the affirmative vote of a majority of the votes of the shares entitled to vote thereon which were present at the meeting and were voted, or (ii) if it is a resolution consented to in writing by a majority of the votes of shares entitled to vote thereon; and

- an action that may be taken by the shareholders at a meeting may also be taken by a resolution of shareholders consented to in writing by a majority of the votes of shares entitled to vote thereon, without the need for any notice, but if any resolution of shareholders is adopted otherwise than by unanimous written consent of all shareholders, a copy of such resolution shall forthwith be sent to all shareholders not consenting to such resolution.

Compensation of Directors

The compensation of our directors is determined by our Board of Directors, and there is no requirement that a specified number or percentage of "independent" directors must approve any such determination.

Differences in Corporate Law

We were incorporated under, and are governed by, the laws of the British Virgin Islands. The corporate statutes of the State of Delaware and the British Virgin Islands in many respects are similar, and the flexibility available under British Virgin Islands law has enabled us to adopt a memorandum of association and articles of association that will provide shareholders with rights that, except as described in this annual report, do not vary in any material respect from those they would enjoy if we were incorporated under the Delaware General Corporation Law, or Delaware corporate law. Set forth below is a summary of some of the differences between provisions of the BVI Act applicable to us and the laws applicable to companies incorporated in Delaware and their shareholders.

Director's Fiduciary Duties

Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director act in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, a director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

British Virgin Islands law provides that every director of a British Virgin Islands company, in exercising his powers or performing his duties, shall act honestly and in good faith and in what the director believes to be in the best interests of the company. Additionally, the director shall exercise the care, diligence, and skill that a reasonable director would exercise in the same circumstances, taking into account the nature of the company, the nature of the decision and the position of the director and his responsibilities. In addition, British Virgin Islands law provides that a director shall exercise his powers as a director for a proper purpose and shall not act, or agree to the company acting, in a manner that contravenes British Virgin Islands law or the memorandum association or articles of association of the company.

Amendment of Governing Documents

Under Delaware corporate law, with very limited exceptions, a vote of the shareholders is required to amend the certificate of incorporation. In addition, Delaware corporate law provides that shareholders have the right to amend the bylaws, and the certificate of incorporation also may confer on the directors the right to amend the bylaws. Our memorandum of association may only be amended by a resolution of shareholders, provided that any amendment of the provision related to the prohibition against listing our class B shares must be approved by not less than 50% of the votes of the class A shares entitled to vote that were present at the relevant meeting and voted. Our articles of association may also only be amended by a resolution of shareholders.

Written Consent of Directors

Under Delaware corporate law, directors may act by written consent only on the basis of a unanimous vote. Similarly, under our articles of association, a resolution of our directors in writing shall be valid only if consented to by all directors or by all members of a committee of directors, as the case may be.

Written Consent of Shareholders

Under Delaware corporate law, unless otherwise provided in the certificate of incorporation, any action to be taken at any annual or special meeting of shareholders of a corporation may be taken by written consent of the holders of outstanding stock having not less than the minimum number of votes that would be necessary to take that action at a meeting at which all shareholders entitled to vote were present and voted. As permitted by British Virgin Islands law, shareholders' consents need only a majority of shareholders signing to take effect. Our memorandum and articles of association provide that shareholders may approve corporate matters by way of a resolution consented to at a meeting of shareholders or in writing by a majority of shareholders entitled to vote thereon.

Shareholder Proposals

Under Delaware corporate law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings. British Virgin Islands law and our memorandum and articles of association provide that our directors shall call a meeting of the shareholders if requested in writing to do so by shareholders entitled to exercise at least 30% of the voting rights in respect of the matter for which the meeting is requested. Any such request must state the proposed purpose of the meeting.

Sale of Assets

Under Delaware corporate law, a vote of the shareholders is required to approve the sale of assets only when all or substantially all assets are being sold. In the British Virgin Islands, shareholder approval is required when more than 50% of the Company's total assets by value are being disposed of or sold if not made in the usual or regular course of the business carried out by the company. Under our memorandum and articles of association, the directors may by resolution of directors determine that any sale, transfer, lease, exchange or other disposition is in the usual or regular course of the business carried on by us and such determination is, in the absence of fraud, conclusive.

Dissolution; Winding Up

Under Delaware corporate law, unless the board of directors approves the proposal to dissolve, dissolution must be approved in writing by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware corporate law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board. As permitted by British Virgin Islands law and our memorandum and articles of association, we may be voluntarily liquidated under Part XII of the BVI Act by resolution of directors and resolution of shareholders if we have no liabilities or we are able to pay our debts as they fall due.

Redemption of Shares

Under Delaware corporate law, any stock may be made subject to redemption by the corporation at its option, at the option of the holders of that stock or upon the happening of a specified event, provided shares with full voting power remain outstanding. The stock may be made redeemable for cash, property or rights, as specified in the certificate of incorporation or in the resolution of the board of directors providing for the issue of the stock. As permitted by British Virgin Islands law and our memorandum and articles of association, shares may be repurchased, redeemed or otherwise acquired by us. However, the consent of the shareholder whose shares are to be repurchased, redeemed or otherwise acquired must be obtained, except as described under "—Compulsory Acquisition" below. Moreover, our directors must determine that immediately following the redemption or repurchase we will be able to pay our debts as they become due and that the value of our assets will exceed our liabilities.

Compulsory Acquisition

Under Delaware General Corporation Law § 253, in a process known as a "short form" merger, a corporation that owns at least 90% of the outstanding shares of each class of stock of another corporation may either merge the other corporation into itself and assume all of its obligations or merge itself into the other corporation by executing, acknowledging and filing with the Delaware Secretary of State a certificate of such ownership and merger setting forth a copy of the resolution of its board of directors authorizing such merger. If the parent corporation is a Delaware corporation that is not the surviving corporation, the merger also must be approved by a majority of the outstanding stock of the parent corporation. If the parent corporation does not own all of the stock of the subsidiary corporation immediately prior to the merger, the minority shareholders of the subsidiary corporation party to the merger may have appraisal rights as set forth in § 262 of the Delaware General Corporation Law.

Under the BVI Act, subject to any limitations in a Company's memorandum or articles, members holding 90% of the votes of the outstanding shares entitled to vote, and members holding 90% of the votes of the outstanding shares of each class of shares entitled to vote, may give a written instruction to the company directing the company to redeem the shares held by the remaining members. Upon receipt of such written instruction, the company shall redeem the shares specified in the written instruction, irrespective of whether or not the shares are by their terms redeemable. The company shall give written notice to each member whose shares are to be redeemed stating the redemption price and the manner in which the redemption is to be effected. A member whose shares are to be so redeemed is entitled to dissent from such redemption, and to be paid the fair value of his shares, as described under "—Shareholders' Rights under British Virgin Islands Law Generally" below.

Variation of Rights of Shares

Under Delaware corporate law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of that class, unless the certificate of incorporation provides otherwise. As permitted by British Virgin Islands law and our memorandum of association, we may vary the rights attached to any class of shares only with the consent in writing of holders of not less than 50% of the issued shares of that class and of holders of not less than 50% of the issued shares of any other class which may be adversely affected by such variation.

Removal of Directors

Under Delaware corporate law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Our memorandum and articles of association provide that directors may be removed at any time, with or without cause, by a resolution of shareholders or a resolution of directors.

In addition, directors are subject to rotational retirement every three years. The initial terms of office of the Class I, Class II and Class III directors have been staggered over a period of three years to ensure that all directors of the company do not face reelection in the same year.

Mergers

Under Delaware corporate law, one or more constituent corporations may merge into and become part of another constituent corporation in a process known as a merger. A Delaware corporation may merge with a foreign corporation as long as the law of the foreign jurisdiction permits such a merger. To effect a merger under Delaware General Corporation Law § 251, an agreement of merger must be properly adopted and the agreement of merger or a certificate of merger must be filed with the Delaware Secretary of State. In order to be properly adopted, the agreement of merger must be adopted by the board of directors of each constituent corporation by a resolution or unanimous written consent. In addition, the agreement of merger generally must be approved at a meeting of stockholders of each constituent corporation by a majority of the outstanding stock of the corporation entitled to vote, unless the certificate of incorporation provides for a supermajority vote. In general, the surviving corporation assumes all of the assets and liabilities of the disappearing corporation or corporations as a result of the merger.

Under the BVI Act, two or more BVI companies may merge or consolidate in accordance with the statutory provisions. A merger means the merging of two or more constituent companies into one of the constituent companies, and a consolidation means the uniting of two or more constituent companies into a new company. In order to merge or consolidate, the directors of each constituent BVI company must approve a written plan of merger or consolidation which must be authorized by a resolution of shareholders. One or more BVI companies may also merge or consolidate with one or more

companies incorporated under the laws of jurisdictions outside the BVI, if the merger or consolidation is permitted by the laws of the jurisdictions in which the companies incorporated outside the BVI are incorporated. In respect of such a merger or consolidation a BVI company is required to comply with the provisions of the BVI Act, and a company incorporated outside the BVI is required to comply with the laws of its jurisdiction of incorporation.

Shareholders of BVI companies not otherwise entitled to vote on the merger or consolidation may still acquire the right to vote if the plan of merger or consolidation contains any provision which, if proposed as an amendment to the memorandum of association or articles of association, would entitle them to vote as a class or series on the proposed amendment. In any event, all shareholders must be given a copy of the plan of merger or consolidation irrespective of whether they are entitled to vote at the meeting or consent to the written resolution to approve the plan of merger or consolidation.

Inspection of Books and Records

Under Delaware corporate law, any shareholder of a corporation may for any proper purpose inspect or make copies of the corporation's stock ledger, list of shareholders and other books and records. Under British Virgin Islands law, members of the general public, on payment of a nominal fee, can obtain copies of the public records of a company available at the office of the British Virgin Islands Registrar of Corporate Affairs which will include the company's certificate of incorporation, its memorandum and articles of association (with any amendments), a list of the names of the company's directors and records of license fees paid to date, and will also disclose any articles of dissolution, articles of merger and a register of registered charges if such a register has been filed in respect of the company.

A member of a company is entitled, on giving written notice to the company, to inspect:

(a) the memorandum and articles;

(b) the register of members;

(c) the register of directors; and

(d) the minutes of meetings and resolutions of members and of those classes of members of which he is a member; and to make copies of or take extracts from the documents and records referred to in (a) to (d) above. Subject to the memorandum and articles, the directors may, if they are satisfied that it would be contrary to the company's interests to allow a member to inspect any document, or part of a document, specified in (b), (c) or (d) above, refuse to permit the member to inspect the document or limit the inspection of the document, including limiting the making of copies or the taking of extracts from the records.

Where a company fails or refuses to permit a member to inspect a document or permits a member to inspect a document subject to limitations, that member may apply to the court for an order that he should be permitted to inspect the document or to inspect the document without limitation.

A company is required to keep at the office of its registered agent the memorandum and articles of the company; the register of members maintained or a copy of the register of members; the register of directors or a copy of the register of directors; and copies of all notices and other documents filed by the company in the previous ten years.

Where a company keeps a copy of the register of members or the register of directors at the office of its registered agent, it is required to notify any changes to the originals of such registers to the registered agent, in writing, within 15 days of any change; and to provide the registered agent with a written record of the physical address of the place or places at which the original register of members or the original register of directors is kept. Where the place at which the original register of members or the original register of directors is changed, the company is required to provide the registered agent with the physical address of the new location of the records within fourteen days of the change of location.

A company is also required to keep at the office of its registered agent or at such other place or places, within or outside the British Virgin Islands, as the directors determine, the minutes of meetings and resolutions of members and of classes of members; and the minutes of meetings and resolutions of directors and committees of directors. If such records are kept at a place other than at the office of the company's registered agent, the company is required to provide the registered agent with a written record of the physical address of the place or places at which the records are kept and to notify the registered agent, within 14 days, of the physical address of any new location where such records may be kept.

A company is further required to:

(a) keep at the office of its registered agent or at such other place or places, within or outside the British Virgin Islands, as the directors may determine, the records and underlying documentation of the company;

(b) retain the records and underlying documentation for a period of at least five years from the date: (i) of completion of the transaction to which the records and underlying documentation relate; or (ii) the company terminates the business relationship to which the records and underlying documentation relate; and

(c) provide its registered agent without delay any records and underlying documentation in respect of the company that the registered agent requests pursuant to the entitlement of the company's registered agent to make such a request where the registered agent is required to do so by the British Virgin Islands Financial Services Commission or any other competent authority in the British Virgin Islands acting pursuant to the exercise of a power under an enactment.

The records and underlying documentation of the company are required to be in such form as:

(a) are sufficient to show and explain the company's transactions; and

(b) will, at any time, enable the financial position of the company to be determined with reasonable accuracy.

Where the records and underlying documentation of a company are kept at a place or places other than at the office of the company's registered agent, the company is required to provide the registered agent with a written:

(a) record of the physical address of the place at which the records and underlying documentation are kept; and

(b) record of the name of the person who maintains and controls the company's records and underlying documentation.

Where the place or places at which the records and underlying documentation of the company, or the name of the person who maintains and controls the company's records and underlying documentation, change, the company must within 14 days of the change, provide:

(a) its registered agent with the physical address of the new location of the records and underlying documentation; or

(b) the name of the new person who maintains and controls the company's records and underlying documentation.

For the foregoing purposes:

(a) "business relationship" means a continuing arrangement between a company and one or more persons with whom the company engages in business, whether on a one-off, regular or habitual basis; and

(b) "records and underlying documentation" includes accounts and records (such as invoices, contracts and similar documents) in relation to: (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Conflict of Interest

Under Delaware corporate law, a contract between a corporation and a director or officer, or between a corporation and any other organization in which a director or officer has a financial interest, is not void as long as the material facts as to the director's or officer's relationship or interest are disclosed or known and either a majority of the disinterested directors authorizes the contract in good faith or the shareholders vote in good faith to approve the contract. Nor will any such contract be void if it is fair to the corporation when it is authorized, approved or ratified by the board of directors, a committee or the shareholders.

The BVI Act provides that a director shall, forthwith after becoming aware that he is interested in a transaction entered into or to be entered into by the company, disclose that interest to the board of directors of the company. The failure of a director to disclose that interest does not affect the validity of a transaction entered into by the director or the company, so long as the director's interest was disclosed to the board prior to the Company's entry into the transaction or was not required to be disclosed because the transaction is between the company and the director himself and is otherwise in the ordinary course of business and on usual terms and conditions. As permitted by British Virgin Islands law and our memorandum and

articles of association, a director interested in a particular transaction may vote on it, attend meetings at which it is considered and sign documents on our behalf which relate to the transaction, provided that the disinterested directors consent.

Transactions with Interested Shareholders

Delaware corporate law contains a business combination statute applicable to Delaware public corporations whereby, unless the corporation has specifically elected not to be governed by that statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that the person becomes an interested shareholder. An interested shareholder generally is a person or group that owns or owned 15% or more of the target's outstanding voting stock within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which the shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction that resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware public corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

British Virgin Islands law has no comparable provision. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although British Virgin Islands law does not regulate transactions between a company and its significant shareholders, it does provide that these transactions must be entered into bona fide in the best interests of the company and not with the effect of constituting a fraud on the minority shareholders.

Independent Directors

There are no provisions under Delaware corporate law or under the BVI Act that require a majority of our directors to be independent.

Cumulative Voting

Under Delaware corporate law, cumulative voting for elections of directors is not permitted unless the Company's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. There are no prohibitions to cumulative voting under the laws of the British Virgin Islands, but our memorandum of association and articles of association do not provide for cumulative voting.

Shareholders' Rights under British Virgin Islands Law Generally

The BVI Act provides for remedies which may be available to shareholders. Where a company incorporated under the BVI Act or any of its directors engages in, or proposes to engage in, conduct that contravenes the BVI Act or the Company's memorandum and articles of association, the BVI courts can issue a restraining or compliance order. Shareholders cannot also bring derivative, personal and representative actions under certain circumstances. The traditional English basis for members' remedies has also been incorporated into the BVI Act: where a shareholder of a company considers that the affairs of the company have been, are being or are likely to be conducted in a manner likely to be oppressive, unfairly discriminatory or unfairly prejudicial to him, he may apply to the court for an order based on such conduct.

Any shareholder of a company may apply to court for the appointment of a liquidator of the company and the court may appoint a liquidator of the company if it is of the opinion that it is just and equitable to do so.

The BVI Act provides that any shareholder of a company is entitled to payment of the fair value of his shares upon dissenting from any of the following: (a) a merger, if the company is a constituent company, unless the company is the surviving company and the member continues to hold the same or similar shares; (b) a consolidation, if the company is a constituent company; (c) any sale, transfer, lease, exchange or other disposition of more than 50% in value of the assets or business of the company if not made in the usual or regular course of the business carried on by the company but not including (i) a disposition pursuant to an order of the court having jurisdiction in the matter, (ii) a disposition for money on terms requiring all or substantially all net proceeds to be distributed to the shareholders in accordance with their respective interest within one year after the date of disposition, or (iii) a transfer pursuant to the power of the directors to transfer assets for the protection thereof; (d) a redemption of 10% or fewer of the issued shares of the company required by the holders of 90% or more of the shares of the company pursuant to the terms of the BVI Act; and (e) an arrangement, if permitted by the court.

Generally any other claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the British Virgin Islands or their individual rights as shareholders as established by the Company's memorandum and articles of association.

C. Material Contracts

The MFAs

Master Franchise Rights

We hold exclusive master franchising rights from McDonald's for Argentina, Aruba, Brazil, Chile, Colombia, Costa Rica, Curaçao, Ecuador, French Guiana, Guadeloupe, Martinique, Mexico, Panama, Peru, Puerto Rico, Trinidad and Tobago, Uruguay, Venezuela and the U.S. Virgin Islands of St. Thomas and St. Croix (collectively, the "Territories") pursuant to an amended and restated Master Franchise Agreement for all of the Territories except Brazil, entered into by us, Arcos Dorados B.V. (the "Master Franchisee"), Arcos Dorados Group B.V. (together with us, the "Owner Entities"), certain of our subsidiaries, Los Laureles, Ltd. (the "Beneficial Owner") and McDonald's Latin America, LLC ("McDonald's") (the "MFA"), and an amended and restated Master Franchise Agreement for Brazil, entered into by Arcos Dourados Comercio de Alimentos S.A. (the "Brazilian Master Franchisee") and McDonald's (the "Brazil MFA" and, together with the MFA and related documents, the "MFAs").

The material provisions of the MFAs are set forth below.

Term

The term of the franchise granted pursuant to the MFAs is 20 years (commencing January 1, 2025) for all of the Territories other than French Guiana, Guadeloupe and Martinique. The initial term of the franchise for French Guiana, Guadeloupe and Martinique is 10 years and we have the right to extend the term of the MFA with respect to all or none of these three territories for an additional term of 10 years. After the expiration of the term, McDonald's may grant us an option to enter into a new agreement to continue the franchise for an additional term of (a) 20 years with respect to all Territories other than French Guiana, Guadeloupe and Martinique and (b) 10 years with respect to French Guiana, Guadeloupe and Martinique, with an option to extend the term with respect to such territories for an additional term of 10 years.

Our Right to Own and Operate McDonald's-Branded Restaurants

Under the MFAs, in the Territories, we have the exclusive right to (i) own and operate, directly or indirectly, McDonald's restaurants, (ii) license and grant franchises with respect to McDonald's-branded restaurants, (iii) adopt and use, and to grant the right and license to sub-franchisees to adopt and use, the McDonald's operations system in our restaurants, (iv) advertise to the public that we are a franchisee of McDonald's, and (v) to use, and to sublicense to our sub-franchisees the right to use, the McDonald's intellectual property solely in connection with the development, ownership, operation, promotion and management of our restaurants, and to engage in related advertising, promotion and marketing programs and activities.

Under the MFAs, McDonald's cannot grant the rights described in clauses (i), (ii) and (iii) of the preceding paragraph to any other person while the MFAs are in effect. Notwithstanding the foregoing, McDonald's has reserved, with respect to the McDonald's restaurants located in the Territories, all rights not specifically granted to us, including the right, directly or indirectly, to (i) use and sublicense the McDonald's intellectual property for all other purposes and means of distribution, (ii) sell, promote or license the sale of products or services under the intellectual property and (iii) use the intellectual property in connection with all other activities not prohibited by the MFAs.

In addition, under the MFAs, McDonald's provides us with know-how and new developments, techniques and improvements in the areas of restaurant management, food preparation and service, and operations manuals that contain the standards and procedures necessary for the successful operation of McDonald's-branded restaurants.

Initial Franchise Fees

Under the MFAs, we are responsible for the payment to McDonald's of initial franchise fees, royalties, transfer fees and system support fees.

The initial franchise fee is payable (i) for each franchised restaurant in operation as of January 1, 2025 (which will be payable in two installments of 50% each (one on August 1, 2027, and the other on August 1, 2037)), and (ii) upon the opening of a new restaurant and the extension of the term of any existing franchise agreement. The initial fee for a new restaurant (or extension of the term of any existing restaurant) is equal to $2,250, and, in the case of any Satellite, $1,125, multiplied by, in each case, the lesser of (a) 20; or (b) the number of years remaining in the applicable term applicable in such Territory (with any partial remaining year rounded up to one full year). For our sub-franchisees' restaurants, we receive an initial fee from such sub-franchisee based on the greater of (a) the number of years remaining in the applicable term and (b) the number of years included in the term of the franchise agreement (generally 20 years) (in each case with any partial remaining year rounded up to one full year), and pay 50% of this fee to McDonald's.

Royalties

During the first ten years of the MFAs, the royalties payable to McDonald's for our restaurants, with respect to each calendar month, is in an amount equal to 6% of the U.S. dollar equivalent of the gross sales of such restaurants for such calendar month (or such ratable portion thereof) (the "Royalty Amount"). The Royalty Amount will increase to (i) 6.25% during years 11 through 15 of the MFAs, and (ii) 6.5% during years 16 through 20 of the MFAs.

We are responsible for collecting royalties from our sub-franchisees and must pay that amount to McDonald's. In the event that a sub-franchisee does not pay the full amount of the fee or any of our subsidiaries are unable to transfer funds to us due to currency restrictions or otherwise, we are responsible for any resulting shortfall. See "Item 3. Key Information—D. Risk Factors-Risks Related to Our Business and Operations—Our financial condition and results of operations depend, to a certain extent, on the financial condition of our sub-franchisees and their ability to fulfill their obligations under their franchise agreements," "—Risks Related to Our Results of Operations and Financial Condition—We are subject to significant foreign currency exchange controls, currency devaluation and cross-border money transfer controls and restrictions in certain countries in which we operate, which could affect our ability to move our cash flow and pay dividends out from those countries," and "—Risks Related to Our Business and Operations—Our business activity and results of operations may be negatively affected by unforeseen events, such as disruptions, natural disasters, adverse weather conditions, wars, such as the Russia-Ukraine war and the ongoing conflicts in the Middle East, pandemics or other catastrophic events, such as hurricanes, earthquakes and floods."

In the event of a voluntary or involuntary transfer of any of the McDonald's restaurants located in the Territories to a person other than a subsidiary of ours or an affiliate of one of our sub-franchisees, we must charge a transfer fee of not less than $10,000 and must pay to McDonald's an amount equal to 50% of the fee charged.

All payments to McDonald's must be made in U.S. dollars, but are based on local currency exchange rates at the time of payment.

Material Breach

A material breach under the MFAs would occur if we, our subsidiaries that are a party to the MFAs, or Beneficial Owner materially breached any of the representations or warranties or obligations under the MFAs and, to the extent the MFAs provide for a cure period, not cured within such specified time. In addition, the following events, among others, constitute a material breach under the MFAs:

- our noncompliance with anti-terrorism or anti-corruption policies and procedures required by applicable law;
- our, certain of our subsidiaries' or Beneficial Owner's bankruptcy, insolvency, voluntary filing or filing by any other person of a petition in commercial insolvency;
- our indictment or conviction or that of Mr. Woods Staton, our subsidiaries, Beneficial Owner or of our or their agents or employees for certain crimes, including a crime or offense that is punishable by incarceration for more than one year or a felony, or involves terrorist financing, financial crimes, bribery or corruption, or fraudulent or dishonest activity, or is otherwise likely to adversely affect the reputation of such person, any franchised restaurant or McDonald's;
- the entry of any judgment against us, Beneficial Owner or our subsidiaries in excess of $5,000,000 that is not duly paid or otherwise discharged within 30 days (unless such judgment is being contested on appeal in good faith);

- our default, or the default by our subsidiaries, under any financing agreement which continues beyond any applicable cure period set forth in any such financing agreement which is deemed to materially and adversely affect each of the Territories;
- our engagement or any of our respective affiliates, or any managing director, senior executive or chief financial officer in any Territory or Territories in public conduct that reflects materially and unfavorably upon the operation of McDonald's restaurants or the system or the goodwill associated with the intellectual property, and the failure of such relevant party or person to cease such conduct within five days after receipt of notice thereof from McDonald's;
- our failure or the failure by our subsidiaries or Beneficial Owner to comply with any provision under the MFA other than those specifically defined as a material breach more than once in any 12 consecutive month period;
- our failure to comply with certain targets under the restaurant opening plan and reinvestment plan then in effect;
- our failure to pay any amount required to paid to McDonald's under the MFAs (including overdue interest) that in the aggregate exceeds $80,000,000; or
- any breach of Beneficial Owner's obligation to own not less than 51% of our voting interests and 30% of our economic interest.

In addition to the rights and remedies available to McDonald's in the event of a material breach, including the right to terminate the MFAs, exercise the Call Option (as defined below) or terminate our exclusivity in certain cases, McDonald's also has the right to restrict us from declaring or paying dividends or making any other distribution in respect of our shares if we fail to pay amounts due under the MFAs or if we fail to comply with the financial covenants set forth in the MFAs, in each case following certain specified cure periods.

Mandatory Closure of Franchised Restaurants

In addition to the rights and remedies available to McDonald's in the event of a material breach, McDonald's has the right to demand the closure of any of our restaurants, effective upon notice to us and without any opportunity to cure, upon the occurrence of one or more of the following: (i) failure to maintain possession or occupation of the real estate on which the restaurant is located, (ii) suspension, revocation or non-renewal of licenses or permits necessary for the proper operation of the restaurant, or (iii) a material breach by us of any obligation under the MFAs with respect to the relevant restaurant, including the obligation to maintain and operate the restaurant in a clean manner in compliance with the MFAs.

Business of the Company and the Other Owner Entities

In addition to the payment of franchise fees and other amounts described above, we and the other Owner Entities are subject to a variety of obligations and restrictions under the MFAs.

Under the MFAs, we cannot, directly or indirectly, enter into any other local or international informal eating out or quick-service restaurants or any business other than the operation of McDonald's-branded restaurants in the Territories. Neither we nor the other Owner Entity can engage in a business other than holding, directly or indirectly, our or the other Owner Entity's equity interests. In addition, neither we nor Mr. Woods Staton, the Beneficial Owner or the other Owner Entity can engage in any activity or participate in any business that competes with McDonald's business.

Under the MFAs, the Beneficial Owner, which is beneficially owned by Mr. Woods Staton, our Executive Chairman and controlling shareholder, is required to own not less than 30% of our economic interests and 51% of our voting interests. Also, under the MFAs, subject to certain limited exceptions, we are required to own, directly or indirectly, 100% of the equity interests of our subsidiaries and cannot enter into any partnership, joint venture or similar arrangement without McDonald's consent. In addition, at least 50% of all McDonald's-branded restaurants in the Territories must be Company-operated restaurants.

Real Estate

Under the MFAs, we must own, lease or license the real estate property where all of our Company-operated restaurants are located. In addition, we cannot transfer or encumber a significant portion of the real estate properties that we own without McDonald's consent. Due to the geographic and commercial importance of certain restaurants, we may not sell certain "iconic" properties without the prior written consent of McDonald's. For certain of these selected properties, we must perfect a first priority lien on these properties in favor of McDonald's no later than twelve months following the effective date of the MFA.

Under the MFAs, no more than 50% of the total number of restaurants in each Territory, and no more than 10% of the total number of restaurants in all the Territories, can be located on real estate property that is owned, held or leased by our sub-franchisees.

Transfer of Equity Interests or Significant Assets

Under the MFAs, neither we nor any of our subsidiaries can transfer or pledge any equity interests in ourselves or any of our subsidiaries, or any significant portion of our or their assets, without McDonald's consent.

Operational Control

Under the MFAs, McDonald's is entitled to approve the appointment of our chief executive officer and our chief operating officer, but their approval may not be unreasonably withheld.

We must comply with the technology standards provided by McDonald's. If McDonald's modifies its standards applicable to technology and related equipment, we must update, purchase or license for use any new or modified technology, software, hardware or equipment necessary to comply with the modified standards.

Restaurant Opening Plan and Reinvestment Plan

Under the MFAs, we are required to agree with McDonald's on a restaurant opening plan. Under the terms of the plan we have agreed, we expect to open 90-100 restaurants in 2025. In addition, we have agreed to use our best efforts to reimage at least 10% of our eligible restaurants. We may also propose, subject to McDonald's consent, amendments to any restaurant opening plan and/or reinvestment plan to adapt to changes in economic or political conditions.

Advertising and Promotion Plan

Under the MFAs, we must develop and implement a marketing plan with respect to each Territory that must be approved in advance by McDonald's and be in accordance with guidelines provided by McDonald's. The MFAs require us to spend at least 5% of our gross sales on advertisement and promotion activities, unless otherwise agreed with McDonald's. Our advertising and promotion activities are guided by our overall marketing plan, which identifies the key strategic platforms that we aim to leverage in order to drive sales.

Insurance

Under the MFAs, we are required to acquire and maintain a variety of insurance policies with certain minimum coverage limits, including commercial general liability insurance, local obligatory insurance with respect to employees and employers liability insurance, business automobile insurance, umbrella or excess liability insurance, cyber liability insurance, "all risk" property and business interruption insurance, crime insurance, and "construction all-risk" or "all-risk builder's risk" insurance, among others.

Call Option Right and Security Interest in Equity Interests of the Company

Under the MFAs, McDonald's has the right, or "Call Option", to acquire all, but not less than all, of our non-public shares or, in certain circumstances as further described below, our interests in one or more Territories (i) upon expiration of the two and a half-year period beginning on either (x) the date when McDonald's notifies us of its election to not renew the MFAs or (y) if McDonald's notifies us of an offer to renew the MFAs and we do not accept such offer, the date of such offer notice from McDonald's, in each case, to and including the expiration or termination of the MFA, (ii) within 30 days after the termination of the MFAs for any reason other than for a material breach, (iii) during the twelve-month period following the earlier of: (x) the eighteen-month anniversary of the death or permanent incapacity of Mr. Woods Staton, our Executive Chairman and controlling shareholder, during which period no successor to Mr. Staton has been nominated or appointed, and

(y) the receipt by McDonald's of notice from the beneficiaries of Mr. Woods Staton's estate that such beneficiaries have elected to have such twelve-month period commence as of a date specified in such notice, which date shall be after the receipt of such notice, or (iv) following the occurrence of a material breach of the MFAs.

In the case of a material breach of our obligations under the MFAs, McDonald's generally has the right either to exercise the Call Option with respect to all of the Territories, or, in its sole discretion, with respect to the Territory or Territories identified by McDonald's as being affected by such material breach or to which such material breach may be attributable except upon the occurrence of an initial material breach relating to any Territory or Territories in which there are less than 100 restaurants in operation. In such case, McDonald's only has the right to acquire the equity interests of any of our subsidiaries in the relevant Territory or Territories. As of December 31, 2024, we had more than 100 restaurants in operation in each of Brazil, Mexico, Argentina and Chile. In Puerto Rico, we had 94 restaurants in operation, and no other Territory had more than 90 restaurants in operation.

If McDonald's exercises the Call Option upon the occurrence of the events described in clause (i), (ii) or (iii) of the second preceding paragraph, it must pay a purchase price equal to 100% of the fair market value of our non-public shares. If the Call Option is exercised upon the occurrence of a material breach, however, the purchase price is reduced to 80% of the fair market value of all of our non-public shares or of all of the equity interests of the subsidiaries operating restaurants in the Territory related to such material breach, as applicable. The purchase price paid by McDonald's upon exercise of the Call Option is, in all events, reduced by the amount of debt and contingencies and increased by the amount of cash attributable to the entity whose equity interests are being acquired pursuant to the Call Option. In the event McDonald's were to exercise its right to acquire all of our non-public shares, McDonald's would become our controlling shareholder.

If McDonald's exercises the Call Option with respect to any of our subsidiaries (but not all of them) and the amount of debt and contingencies (minus cash) attributable to the equity interests of those subsidiaries is greater than the fair market value of those equity interests, we must, at our election, either (i) assume the debts and contingencies (minus cash) and deliver the equity interests to McDonald's free of any obligations with respect thereto or (ii) pay to McDonald's the absolute value of that amount. The fair market value of any of the equity interests is to be determined by internationally recognized investment banks selected by us and McDonald's.

In order to secure McDonald's right to exercise the Call Option, McDonald's was granted a perfected security interest in the equity interests of the Master Franchisee, the Brazilian Master Franchisee and our subsidiaries other than our subsidiaries organized in Costa Rica, Mexico, French Guiana, Guadeloupe and Martinique. The equity interests of our subsidiaries organized in Costa Rica and Mexico were transferred to a trust for the benefit of McDonald's. McDonald's does not have a security interest in the equity interests of our subsidiaries organized in French Guiana, Guadeloupe and Martinique.

The equity interests were transferred to Citibank, N.A., acting as escrow agent. Subject to the terms of the Escrow Agreement, upon McDonald's exercise of the Call Option and its payment of the respective purchase price, the escrow agent or the applicable trustee must transfer the equity interests, free of any liens or encumbrances, to McDonald's.

Upon the expiration or termination of the MFAs, in the event McDonald's does not exercise its Call Option, the MFAs would expire and we would be required, among other obligations, to cease operating McDonald's-branded restaurants, identifying our business with McDonald's and using any of McDonald's intellectual property. Although we would retain our real estate and our rights therein, the MFAs prohibit us from engaging in certain competitive businesses, including any local or international informal eating out or quick-service restaurants, or duplicating the McDonald's system at another restaurant or business during the two-year period following the expiration of the MFAs. Moreover, McDonald's would have the option to purchase the furniture, fixtures, signs, equipment, leasehold improvements and other similar fixed property or any portion thereof held by the franchised restaurant(s) designated by McDonald's, for a sum equal to the fair market value of such property, by delivering a written notice to us within 60 days following any such termination or expiration.

Limitations on Indebtedness

Under the MFAs, we cannot incur certain indebtedness, without McDonald's consent.

Under the MFAs, we must maintain a fixed charge coverage ratio (as defined therein) at least equal to 1.50 and a leverage ratio (as defined therein) not in excess of 4.25. If we are unable to comply with our original commitments under the MFAs or to obtain a waiver for any non-compliance in the future, we could be in material breach. Our breach of the MFAs would give McDonald's certain rights, including the ability to acquire all or portions of our business. See "—Material Breach."

Letters of Credit

As security for the performance of our obligations under the MFAs, we have obtained letters of credit in favor of McDonald's in the aggregate amount of $80.0 million from various banks and are required to maintain these letters of credit in effect.

The letters of credit contain a limited number of customary affirmative and negative covenants and benefit from guarantees from certain subsidiaries.

Although we do not have any amounts outstanding under our letters of credit at this time, any default under the letters of credit would also result in a material breach of our obligations under the MFAs.

Termination

The MFAs automatically terminate without the need for any party to it to take any further action if any type of insolvency or similar proceeding in respect of us, any of our subsidiaries or Beneficial Owner commences.

In the event of the occurrence of any material breach—other than our failure to achieve certain targeted openings—McDonald's has the right to terminate the MFAs. If we fail to achieve such targeted openings, McDonald's has the right to terminate our exclusive right to exploit the rights granted under the MFAs with respect to each Territory to which such failure may be attributable.

We must pay to McDonald's any amounts owed under the MFAs within ten business days of the termination of the MFA. In addition, McDonald's has the right to exercise its Call Option.

McDonald's also has the option to purchase certain fixed property or any portion thereof for a sum equal to the fair market value of such property, by delivering a written notice within 60 days following any termination of the MFA. If we and McDonald's fail to agree on the fair market value of the property being purchased, the fair market value of such property will be determined by a reputable international accounting firm designated by McDonald's.

The 2027 Notes, the 2029 Sustainability-Linked Notes and the 2032 Notes

For a description of the 2027 notes, the 2029 Sustainability-Linked notes and the 2032 notes, see "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources."

The Revolving Credit Facilities

For a description of the revolving credit facilities entered into by the Company with JPMorgan and Banco Santander (Brasil) S.A., as well as those entered into by Arcos Dorados B.V. with Itaú Unibanco S.A., Nassau Branch, and Banco Santander (Brasil) S.A., Grand Cayman Branch, see "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Revolving Credit Facilities."

D. Exchange Controls

There are currently no exchange control regulations in the BVI applicable to us or our shareholders. For information about any exchange controls or restrictions in Argentina, Brazil and Mexico, see "Item 3. Key Information—A. Selected Financial Data—Exchange Rates and Exchange Controls."

E. Taxation

British Virgin Islands Tax Considerations

The following summary contains a general description of certain British Virgin Islands tax consequences of the acquisition, ownership and disposition of class A shares, but it does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to hold class A shares. The general summary is based upon the tax laws of the British Virgin Islands and regulations thereunder as of the date hereof, which are subject to change.

We are not liable to pay any form of corporate taxation in the BVI and all dividends, interests, rents, royalties, compensations and other amounts paid by us to persons who are not persons resident in the BVI or providing services in the BVI are exempt from all forms of taxation in the BVI and any capital gains realized with respect to any shares, debt obligations, or other securities of ours by persons who are not persons resident in the BVI are exempt from all forms of taxation in the BVI.

No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not persons resident in the BVI with respect to any shares, debt obligation or other securities of ours.

Subject to the payment of stamp duty on the acquisition or certain leasing of property in the BVI by us (and in respect of certain transactions in respect of the shares, debt obligations or other securities of BVI incorporated companies owning land in the BVI), all instruments relating to transfers of property to or by us and all instruments relating to transactions in respect of the shares, debt obligations or other securities of ours and all instruments relating to other transactions relating to our business are exempt from payment of stamp duty in the BVI.

There are currently no withholding taxes or exchange control regulations in the BVI applicable to us or our shareholders who are not providing services in the BVI.

The BVI has signed an inter-governmental agreement to improve international tax compliance and the exchange of information with the United States (the "U.S. IGA"). The BVI has also signed, along with over 100 other countries, a multilateral competent authority agreement to implement the Organization for Economic Co-Operation and Development (OECD) Standard for Automatic Exchange of Financial Account Information - Common Reporting Standard (the "CRS" and together with the U.S. IGA, "AEOI").

Amendments have been made to the Mutual Legal Assistance (Tax Matters) Act 2003 and orders have been made pursuant to this statute (the "BVI Legislation") to give effect to the terms of the U.S. IGA under BVI law. Guidance notes were published by the government of the BVI in March 2015 to provide practical assistance to entities and others affected by the U.S. IGA and the BVI Legislation (the "FATCA Guidance Notes"). Further amendments have been made to the BVI Legislation to give effect to the terms of the CRS, which took effect on January 1, 2016. The implementing legislation makes it clear that the CRS commentary published by the OECD is an integral part of the CRS and applies for the purposes of the automatic exchange of financial account information. Additional guidance was issued by the BVI International Tax Authority (the "ITA") in October 2016 (and most recently updated by the ITA in August 2022) to aid with compliance with the BVI legislation relating to CRS (the "CRS Guidance Notes").

All BVI "Financial Institutions" are required to comply with the registration, due diligence and reporting requirements of the BVI Legislation, except to the extent that they can rely on an exemption that allows them to become a "Non-Reporting Financial Institution" (as defined in the relevant BVI Legislation) with respect to one or more of the AEOI regimes.

We do not believe we are classified as a "Foreign Financial Institution" or "Financial Institution" within the meaning of AEOI and the BVI Legislation. However, if we were to determine that our classification has changed, we may request additional information from any shareholder and its beneficial owners to identify whether shares in the Company are held directly or indirectly by "Reportable Persons" (as defined by AEOI). Information in respect of Reportable Persons would be disclosed to the ITA of the BVI. The ITA in turn is required under AEOI and the BVI Legislation to disclose information in respect of Reportable Persons to the foreign fiscal authorities relevant to such Reportable Persons.

There is no income tax treaty currently in effect between the United States and the BVI.

Material U.S. Federal Income Tax Considerations for U.S. Holders

The following summary describes the material U.S. federal income tax consequences of the ownership and disposition of class A shares, but it does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a particular person's decision to own such securities. This summary applies only to U.S. Holders (as defined below) that own class A shares as capital assets for U.S. federal income tax purposes. In addition, it does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including alternative minimum tax consequences, the potential application of the provisions of the Internal Revenue Code of 1986, as amended, (the "Code") known as the Medicare contribution tax, and tax consequences applicable to certain U.S. Holders subject to special rules, such as:

- certain financial institutions;
- dealers or traders in securities who use a mark-to-market method of tax accounting;
- persons holding class A shares as part of a hedge, "straddle," wash sale, conversion transaction or integrated transaction or persons entering into a constructive sale with respect to the class A shares;
- persons whose "functional currency" for U.S. federal income tax purposes is not the U.S. dollar;
- tax exempt entities, including "individual retirement accounts" and "Roth IRAs";
- entities classified as partnerships for U.S. federal income tax purposes;
- persons that own or are deemed to own ten percent or more of our shares, by vote or by value;
- persons who acquired our class A shares pursuant to the exercise of an employee stock option or otherwise as compensation; or
- persons holding class A shares in connection with a trade or business conducted outside the United States.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds class A shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding class A shares and partners in such partnerships should consult their tax advisers as to the particular U.S. federal income tax consequences of holding and disposing of the class A shares.

This discussion is based upon the Code, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury Regulations, all as of the date hereof, changes to any of which may affect the tax consequences described herein—possibly with retroactive effect.

A "U.S. Holder" is a holder who, for U.S. federal income tax purposes, is a beneficial owner of class A shares that is:

(1) a citizen or individual resident of the United States;

(2) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or

(3) an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

U.S. Holders should consult their tax advisers concerning the U.S. federal, state, local and foreign tax consequences of owning and disposing of class A shares in their particular circumstances.

This discussion assumes that we are not, and will not become, a "passive foreign investment company," as described below.

Taxation of Distributions

Distributions paid on class A shares, other than certain pro rata distributions of class A shares, will be treated as dividends to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because we do not maintain calculations of our earnings and profits under U.S. federal income tax principles, we expect that distributions generally will be reported to U.S. Holders as dividends. Subject to applicable limitations, dividends paid to certain non-corporate U.S. Holders may be eligible for taxation as "qualified dividend income" and therefore may be taxable at rates applicable to long-term capital gains. Non-corporate U.S. Holders should consult their tax advisers regarding the availability of the reduced tax rates on dividends in their particular circumstances. The amount of the dividend will be treated as foreign-source dividend income to U.S. Holders and will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. Dividends will be included in a U.S. Holder's income on the date of the U.S. Holder's receipt of the dividend.

Sale or Other Taxable Disposition of Class A Shares

For U.S. federal income tax purposes, gain or loss realized on the sale or other taxable disposition of class A shares will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder owned the class A shares for more than one year. The amount of the gain or loss will equal the difference between the U.S. Holder's tax basis in the class A shares disposed of and the amount realized on the disposition, in each case as determined in U.S. dollars. This gain or loss will generally be U.S.-source gain or loss for foreign tax credit purposes.

Passive Foreign Investment Company Rules

We believe that we were not a "passive foreign investment company" (a "PFIC") for U.S. federal income tax purposes for our 2024 taxable year. However, because the application of the Treasury Regulations is not entirely clear and because PFIC status depends on the composition of a company's income and assets and the market value of its assets from time to time, there can be no assurance that we will not be a PFIC for any taxable year.

If we were a PFIC for any taxable year during which a U.S. Holder owned class A shares, gain recognized by such U.S. Holder on a sale or other disposition (including certain pledges) of the class A shares would be allocated ratably over the U.S. Holder's holding period for the class A shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the resulting tax liability for each taxable year. Further, to the extent that any distribution received by a U.S. Holder on its class A shares exceeds 125% of the average of the annual distributions on the class A shares received during the preceding three years or such U.S. Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain on the disposition of a share of a PFIC, described immediately above. If we were a PFIC, certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the class A shares that differ from the treatment set forth in this paragraph.

In addition, if we were a PFIC or, with respect to any U.S. Holder, were treated as a PFIC for the taxable year in which we paid a dividend or for the prior taxable year, the preferential dividend rates discussed above with respect to dividends paid to certain non-corporate U.S. Holders would not apply.

If we are a PFIC for any taxable year during which a U.S. Holder owned our class A shares, the U.S. Holder will generally be required to file IRS Form 8621 (or any successor form) with their annual U.S. federal income tax returns, subject to certain exceptions.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting, and may be subject to backup withholding, unless (i) the U.S. Holder is an exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the IRS.

Certain U.S. Holders who are individuals (and specified entities that are formed or availed of for purposes of holding certain foreign financial assets) may be required to report information relating to their ownership of stock of a non-U.S. person, subject to certain exceptions (including an exception for stock held in certain accounts maintained by a U.S. financial institution). U.S. Holders should consult their tax advisers regarding the effect, if any, of these reporting requirements on their ownership and disposition of class A shares.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, or the "Exchange Act." Accordingly, we are required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. The SEC maintains an Internet website that contains reports and other information filed by us electronically with the SEC. The address of that website is www.sec.gov.

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

We will send the transfer agent a copy of all notices of shareholders' meetings and other reports, communications and information that are made generally available to shareholders. The transfer agent has agreed to mail to all shareholders a notice containing the information (or a summary of the information) contained in any notice of a meeting of our shareholders received by the transfer agent and will make available to all shareholders such notices and all such other reports and communications received by the transfer agent.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Risk Management

In the ordinary course of our business activities, we are exposed to various market risks that are beyond our control, including fluctuations in foreign exchange rates and the price of our primary supplies, and which may have an adverse effect on the value of our financial assets and liabilities, future cash flows and profit. As a result of these market risks, we could suffer a loss due to adverse changes in foreign exchange rates and the price of commodities in the international markets. In addition, we are subject to equity price risk relating to our share-based compensation plans. Our policy with respect to these market risks is to assess the potential of experiencing losses and the consolidated impact thereof, and to mitigate these market risks. We do not enter into market risk sensitive instruments for trading or speculative purposes.

Foreign Currency Exchange Rate Risk

Foreign Currency Exchange Rate Risk in 2024

We are exposed to foreign currency exchange rate risk primarily in connection with the fluctuation in the value of the local currencies of the countries in which we operate, such as the Brazilian *real* and the Mexican *peso*, among others. We generate revenues and cash from our operations in local currencies while a significant portion of our long-term debt is denominated in U.S. dollars. An adverse change in foreign currency exchange rates would therefore affect the generation of cash flow from operations in U.S. dollars, which could negatively impact our ability to pay amounts owed in U.S. dollars. In order to partially mitigate the foreign exchange rate risk related to our long-term debt, we entered into certain derivative instruments. See Note 13 to our consolidated financial statements for more detail. Moreover, our continuing royalty payments to McDonald's pursuant to the MFAs must be translated into and paid in U.S. dollars using the exchange rate of the last business day of the month, payable on the seventh day subsequent to each month-end. As such, in the intervening period we are subject to foreign exchange risk.

While substantially all our income is denominated in the local currencies of the countries in which we operate, our supply chain management involves the importation of various products, and some of our imports are denominated in U.S. dollars. Therefore, we are exposed to foreign currency exchange risk related to imports. We have entered into various forward contracts to hedge a portion of the foreign exchange risk associated with the forecasted imports of certain countries. See Note 13 to our consolidated financial statements for more details.

We are also exposed to foreign exchange risk related to U.S. dollar-denominated intercompany balances held by certain of our operating subsidiaries with our holding companies, and to foreign currency-denominated intercompany balances held by our holding companies with certain operating subsidiaries. Although these intercompany balances are eliminated through consolidation, a fluctuation in exchange rates could have a significant impact on our results through the recognition of foreign currency exchange losses in our consolidated income (loss) statement. To help mitigate some of these foreign currency exchange rate risks, we have entered into certain derivative instruments. See Note 13 to our consolidated financial statements for more details.

An appreciation of 10% in the value of the European *euro* against the U.S. dollar would result in a foreign exchange loss of $8.4 million mainly related to the outstanding U.S. dollar-denominated intercompany receivable held by our subsidiary in Martinique of $77.7 million as of December 31, 2024.

An appreciation of 10% in the value of the Costa Rican *colon* against the U.S. dollar would result in a foreign exchange loss of $6.7 million mainly related to the outstanding U.S. dollar-denominated intercompany receivable held by our subsidiary in Costa Rica of $61.6 million as of December 31, 2024.

An appreciation of 10% in the value of the Uruguayan *peso* against the U.S. dollar would result in a foreign exchange loss of $4.9 million mainly related to the outstanding U.S. dollar-denominated intercompany receivable held by our subsidiary in Uruguay of $44 million as of December 31, 2024.

A depreciation of 10% in the value of the Brazilian *real* against the U.S. dollar would result in a net foreign exchange loss totaling $1.7 million over (i) U.S. dollar-denominated intercompany loans held by our Brazilian subsidiary partially offset by derivatives of $18.0 million, (ii) the Brazilian *real*-denominated intercompany payable held by our subsidiary Arcos Dorados B.V. and Latam LLC of R$6.4 million, and (iii) the outstanding balance of the U.S. dollar-denominated intercompany net debt held by our Brazilian subsidiaries of $2.2 million as of December 31, 2024.

A depreciation of 10% in the value of the Peruvian *Soles* against the U.S. dollar would result in a foreign exchange loss of $0.8 million mainly related to the outstanding U.S. dollar-denominated intercompany loan held by our subsidiary in Peru of $8.5 million as of December 31, 2024.

Fluctuations in the value of the other local currencies against the U.S. dollar would not result in material foreign exchange gains or losses as of December 31, 2024 since there are no other significant intercompany balances exposed to foreign exchange risk.

Summary of Foreign Currency Exchange Rate Risk in 2023

We are exposed to foreign currency exchange rate risk primarily in connection with the fluctuation in the value of the local currencies of the countries in which we operate, such as the Brazilian *real* and the Mexican *peso*, among others. We generate revenues and cash from our operations in local currencies while a significant portion of our long-term debt is denominated in U.S. dollars. An adverse change in foreign currency exchange rates would therefore affect the generation of cash flow from operations in U.S. dollars, which could negatively impact our ability to pay amounts owed in U.S. dollars. In order to partially mitigate the foreign exchange rate risk related to our long-term debt, we entered into certain derivative instruments. See Note 13 to our consolidated financial statements for more detail. Moreover, our royalty payments to McDonald's pursuant to the MFAs must be translated into and paid in U.S. dollars using the exchange rate of the last business day of the month, payable on the seventh day subsequent to each month-end. As such, in the intervening period we are subject to foreign exchange risk.

While substantially all our income is denominated in the local currencies of the countries in which we operate, our supply chain management involves the importation of various products, and some of our imports are denominated in U.S. dollars. Therefore, we are exposed to foreign currency exchange risk related to imports. We have entered into various forward contracts to hedge a portion of the foreign exchange risk associated with the forecasted imports of certain countries. See Note 13 to our consolidated financial statements for more details. In addition, we attempt to minimize this risk also by entering into annual and semi-annual pricing arrangements with our main suppliers.

We are also exposed to foreign exchange risk related to U.S. dollar-denominated intercompany balances held by certain of our operating subsidiaries with our holding companies, and to foreign currency-denominated intercompany balances held by our holding companies with certain operating subsidiaries. Although these intercompany balances are eliminated through consolidation, a fluctuation in exchange rates could have a significant impact on our results through the recognition of foreign currency exchange losses in our consolidated (loss) income statement. To help mitigate some of these foreign currency exchange rate risks, we have entered into certain derivative instruments. See Note 13 to our consolidated financial statements for more details.

A depreciation of 10% in the value of the Brazilian *real* against the U.S. dollar would result in a net foreign exchange loss totaling $7.8 million over (i) U.S. dollar-denominated intercompany loans held by our Brazilian subsidiary partially offset by derivatives of $83 million, (ii) the Brazilian *real*-denominated intercompany payable held by our subsidiary Arcos Dorados B.V. and Latam LLC of R$6.2 million, (iii) the Brazilian *real*-denominated intercompany receivable held by our subsidiaries, Arcos Dorados Development B.V. and LatAm LLC of R$6.2 million, and (iv) the outstanding balance of the U.S. dollar-denominated intercompany net debt held by our Brazilian subsidiaries of $3.1 million as of December 31, 2023.

An appreciation of 10% in the value of the European euro against the U.S. dollar would result in a foreign exchange loss of $8.4 million mainly related to the outstanding U.S. dollar-denominated intercompany receivable held by our subsidiary in Martinique of $77.2 million as of December 31, 2023.

An appreciation of 10% in the value of the Costa Rican *colon* against the U.S. dollar would result in a foreign exchange loss of $6.5 million mainly related to the outstanding U.S. dollar-denominated intercompany receivable held by our subsidiary in Costa Rica of $58.6 million as of December 31, 2023.

An appreciation of 10% in the value of the Uruguayan *peso* against the U.S. dollar would result in a foreign exchange loss of $3.2 million mainly related to the outstanding U.S. dollar-denominated intercompany receivable held by our subsidiaries in Uruguay of $29 million as of December 31, 2023.

An appreciation of 10% in the value of the Mexican *peso* against the U.S. dollar would result in a foreign exchange loss of $1.7 million mainly related to the outstanding U.S. dollar-denominated intercompany receivable held by our subsidiaries in Mexico of $16.7 million as of December 31, 2023.

Fluctuations in the value of the other local currencies against the U.S. dollar would not result in material foreign exchange gains or losses as of December 31, 2023 since there are no other significant intercompany balances exposed to foreign exchange risk.

Commodity Price Risk

With respect to commodities exposure, given that we source beef, poultry, grains, shortening, dairy products, flours, cellulose, sugar, amongst other agricultural related products, we are exposed to commodities market risk due to changes in commodity prices that have a direct impact on our costs. We attempt to minimize this risk in a number of ways, including by: entering into commodity hedges through our suppliers (e.g., beef, grains and oil), entering into pricing agreements to lock in prices with key global suppliers for main cost drivers, and negotiating pricing protocol standards by working on open-book agreements with suppliers to have visibility and transparency on actual costs and adjust pricing accordingly. Arcos Dorados' volume also provides leverage and helps to mitigate impact and gain purchasing power above our competitors. Finally, a dedicated team is continuously seeking cost saving initiatives, such as productivity efficiencies and lower logistics, ingredients and/or formulation costs.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

A. Defaults

No matters to report.

B. Arrears and Delinquencies

No matters to report.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

A. Material Modifications to Instruments

None.

B. Material Modifications to Rights

None.

C. Withdrawal or Substitution of Assets

None.

D. Change in Trustees or Paying Agents

None.

E. Use of Proceeds

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures

As of December 31, 2024, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). There are inherent limitations to the effectiveness of any system of disclosure controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2024 in ensuring that information we are required to disclose in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

B. Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining an adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act.

Our internal control over financial reporting is a process designed by, or under the supervision of, our principal executive and principal financial officers, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external reporting purposes, in accordance with generally accepted accounting principles. These include those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements, in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorization of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, effective control over financial reporting cannot, and does not, provide absolute assurance of achieving our control objectives. Also, projections of, and any evaluation of effectiveness of the internal controls in future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

We have adapted our internal control over financial reporting based on the guidelines set by the Internal Control—Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework), or "COSO."

Under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2024, based on the guidelines set forth by the COSO.

Based on this assessment, management believes that, as of December 31, 2024, its internal control over financial reporting was effective based on those criteria.

C. Attestation Report of the Registered Public Accounting Firm

Pistrelli, Henry Martin y Asociados S.A., member firm of Ernst & Young Global Limited, independent registered public accounting firm, has audited and reported on the effectiveness of our internal controls over financial reporting as of December 31, 2024, as stated in their report which appears below.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
ARCOS DORADOS HOLDINGS INC.:

Opinion on Internal Control over Financial Reporting

We have audited Arcos Dorados Holdings Inc.'s internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Arcos Dorados Holdings Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2024 and 2023, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements") and our report dated March 12, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may became inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Pistrelli, Henry Martin y Asociados S.A.

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.A.
Member of Ernst & Young Global Limited

Buenos Aires, Argentina
March 12, 2025

D. Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15 or 15d-15 that occurred during the period covered by this annual report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our audit committee consists of three directors, Mr. Chu, Mr. Vélez and Mr. Fernandez, who are independent within the meaning of the SEC and NYSE corporate governance rules applicable to foreign private issuers. Our Board of Directors has determined that Mr. Chu, Mr. Vélez and Mr. Fernandez are also "audit committee financial experts" as defined by the SEC.

ITEM 16B. CODE OF ETHICS

Our Board of Directors has approved and adopted our Standards of Business Conduct, which are a code of ethics that applies to all employees of Arcos Dorados, including executive officers, and to our board members. Our Standards of Business Conduct are an exhibit to this annual report.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table describes the amounts billed to us by the principal accountant, for audit and other services performed in fiscal years 2024 and 2023.

	2024	2023
	(in thousands of U.S. dollars)	
Audit fees	$ 3,272	$ 2,574
Audit-related fees	4	10
Tax fees	507	440
All other fees	29	48

Audit Fees

Audit fees are fees billed for professional services rendered by the principal accountant for the audit of the registrant's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years. It includes the audit of our annual consolidated financial statements, the reviews of our quarterly consolidated financial statements submitted on Form 6-K (when required by management) and other services that generally only the independent accountant reasonably can provide, such as comfort letters, statutory audits, attestation services, consents and assistance with and review of documents filed with the Securities and Exchange Commission.

Audit-Related Fees

Audit-related fees are fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements for fiscal year 2024 and not reported under the previous category. These services would include, among others: employee benefit plan audits, due diligence related to mergers and acquisitions, accounting consultations and audits in connection with acquisitions, internal control reviews, attest services that are not required by statute or regulation and consultation concerning financial accounting and reporting standards.

Tax Fees

Tax fees are fees billed for professional services for tax compliance, tax advice and tax planning.

All Other Fees

All other fees are fees not reported under other categories.

Pre-Approval Policies and Procedures

Our audit committee charter requires the audit committee to pre-approve the audit services and non-audit services to be provided by our independent auditor before the auditor is engaged to render such services. The audit committee may delegate its authority to pre-approve services to the Chair of the audit committee, provided that such designees present any such approvals to the full audit committee at the next audit committee meeting.

All of the audit fees, audit-related fees, tax fees and all other fees described in this Item 16C have been pre-approved by the audit committee in accordance with these pre-approval policies and procedures.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

In 2024, the Company did not purchase any class A shares.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

None.

ITEM 16G. CORPORATE GOVERNANCE

Our class A shares are listed on the NYSE. We are therefore required to comply with certain of the NYSE's corporate governance listing standards, or the NYSE Standards. As a foreign private issuer, we may follow our home country's corporate governance practices in lieu of most of the NYSE Standards. Our corporate governance practices differ in certain significant respects from those that U.S. companies must adopt in order to maintain a NYSE listing and, in accordance with Section 303A.11 of the NYSE Listed Company Manual, a brief, general summary of those differences is provided as follows.

Director independence

The NYSE Standards require a majority of the membership of NYSE-listed company boards to be composed of independent directors. Neither British Virgin Islands law, the law of our country of incorporation, nor our memorandum and articles of association require a majority of our board to consist of independent directors. Our Board of Directors currently consists of eleven members, seven of whom are independent directors.

Non-management directors' executive sessions

The NYSE Standards require non-management directors of NYSE-listed companies to meet at regularly scheduled executive sessions without management. Our memorandum and articles of association do not require our non-management directors to hold such meetings.

Committee member composition

The NYSE Standards require NYSE-listed companies to have a nominating/corporate governance committee and a compensation committee that are composed entirely of independent directors. British Virgin Islands law, the law of our country of incorporation, does not impose similar requirements. We do not have a nominating/corporate governance committee.

Independence of the compensation and nomination committee and its advisers

NYSE listing standards require that the board of directors of a listed company consider two factors (in addition to the existing general independence tests) in the evaluation of the independence of compensation committee members: (i) the source of compensation of the director, including any consulting, advisory or other compensatory fees paid by the listed company, and (ii) whether the director has an affiliate relationship with the listed company, a subsidiary of the listed company or an affiliate of a subsidiary of the listed company. In addition, before selecting or receiving advice from a compensation consultant or other adviser, the compensation committee of a listed company is required to take into consideration six specific factors, as well as all other factors relevant to an adviser's independence.

Foreign private issuers such as us are exempt from these requirements if home country practice is followed. British Virgin Islands law does not impose similar requirements.

Miscellaneous

In addition to the above differences, we are not required to: make our audit and compensation and nomination committees prepare a written charter that addresses either purposes and responsibilities or performance evaluations in a manner that would satisfy the NYSE's requirements; acquire shareholder approval of equity compensation plans in certain cases; or adopt and make publicly available corporate governance guidelines.

We were incorporated under, and are governed by, the laws of the British Virgin Islands. For a summary of some of the differences between provisions of the BVI Act applicable to us and the laws application to companies incorporated in Delaware and their shareholders, see "Item 10. Additional Information—B. Memorandum and Articles of Association—Differences in Corporate Law."

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

We maintain insider trading policies and procedures governing the purchase, sale, and/or other dispositions of our securities by directors, officers, and employees that we believe are reasonably designed to promote compliance with insider trading laws, rules, and regulations, as well as NYSE listing standards. A copy of our insider trading policy is filed as Exhibit 19 to this report.

ITEM 16K. CYBERSECURITY

Cybersecurity Risk Management

Our cybersecurity risk management program is designed to align with industry best practices and provides a framework for handling cybersecurity threats and incidents, including threats and incidents associated with the use of technology and technology services provided by third-party service providers, and facilitate coordination across different departments of our company. This framework is aligned with the five core functions of the National Institute of Standards and Technology's Cybersecurity Framework: Identify, Protect, Detect, Respond, and Recover. Each function contains categories, further broken down into subcategories, providing a structured approach to managing cyber risks and enabling us to identify and prioritize specific areas for improvement based on identified risks, measure and track progress in improving our cybersecurity posture over time and communicate and collaborate effectively with respect to cybersecurity risks and controls across the organization. Our cybersecurity team also engages third-party security experts for risk assessment, consultancy and system enhancements. We include minimum cybersecurity requirements in our contracts with vendors and we have a process in place to periodically assess cybersecurity capabilities of critical IT vendors. In addition, our cybersecurity team provides training to all employees on a regular basis.

Cybersecurity Governance

Cybersecurity risk management is integrated to our overall enterprise risk management program. Our board of directors has overall oversight responsibility for our risk management, and delegates cybersecurity risk management oversight to the audit committee of the board of directors. The audit committee is responsible for ensuring that management has processes in place designed to identify and evaluate cybersecurity risks to which the company is exposed and implement processes and programs to manage cybersecurity risks and mitigate cybersecurity incidents. The audit committee also reports material cybersecurity risks to our full board of directors. Management is responsible for identifying, considering and assessing material cybersecurity risks on an ongoing basis, establishing processes to ensure that such potential cybersecurity risk exposures are monitored, putting in place appropriate mitigation measures and maintaining cybersecurity programs. Our cybersecurity programs are under the direction of our Chief Technology Officer (CTO) who receives reports from our Cybersecurity Director and our cybersecurity team and monitor the prevention, detection, mitigation, and remediation of cybersecurity incidents. Our Cybersecurity Director has 20 years of experience in the information security and IT audit fields and holds a Certified Information Systems Security Professional (CISSP) certification from The International Information System Security Certification Consortium (ISC2). Management, including the CTO and the Cybersecurity Director, regularly update the audit committee on the company's cybersecurity programs, material cybersecurity risks and mitigation strategies and provide cybersecurity reports semi-annually that cover, among other topics, third-party assessments of the company's cybersecurity programs, developments in cybersecurity and updates to the company's cybersecurity programs and mitigation strategies.

In 2024, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. However, despite our efforts, we cannot eliminate all risks from cybersecurity threats, or provide assurances that we have not experienced an undetected cybersecurity incident. For more information about these risks, please see "Risk Factors—Information technology system failures or interruptions or breaches of our network security may interrupt our operations, exposing us to increased operating costs, fraud, data protection incidents and litigation" in this annual report on Form 20-F.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have responded to Item 18 in lieu of this item.

ITEM 18. FINANCIAL STATEMENTS

Financial Statements are filed as part of this annual report. See page F-1.

ITEM 19. EXHIBITS

Exhibit No.	Description
1.1	Memorandum and Articles of Association, incorporated herein by reference to Exhibit 3.1 to the Company's Registration Statement on Form F-1 (File No. 333-173063) filed with the SEC on March 25, 2011.
2.1	Indenture dated April 27, 2022 among Arcos Dorados B.V., as issuer, Arcos Dorados Holdings Inc., as Parent Guarantor, the Subsidiary Guarantors named therein, Citibank N.A., as trustee, registrar, paying agent and transfer agent, and Banque Internationale á Luxembourg, Société Anonyme, as Luxembourg paying agent, incorporated herein by reference to Exhibit 2.3 to the Company's Annual Report on Form 20-F for the year ended December 31, 2021 filed with the SEC on April 29, 2022.
2.2	Description of the Registrant's Capital Stock, incorporated herein by reference to Exhibit 2.3 to the Company's Annual Report on Form 20-F for the year ended December 31, 2019 filed with the SEC on April 29, 2020.
2.3*	Indenture, dated January 29, 2025, among Arcos Dorados B.V., as issuer, Arcos Dorados Holdings, Inc. as Parent Guarantor, the Subsidiary Guarantors named therein, Citibank N.A., as trustee, registrar, paying agent and transfer agent, and Banque Internationale a Luxembourg, Societe Anonyme, as Luxembourg paying agent.
3.1	Los Laureles Voting Trust, incorporated herein by reference to Exhibit 9.1 to the Company's Registration Statement on Form F-1 (File No. 333-173063) filed with the SEC on March 25, 2011.
4.1*	Third Amended and Restated Master Franchise Agreement for McDonald's Restaurants in All of the Territories, except Brazil, dated as of April 28, 2025.
4.2*	Third Amended and Restated Master Franchise Agreement for McDonald's Restaurants in Brazil, dated as of December 30, 2024.
4.3	Amended and Restated Escrow Agreement dated October 12, 2010 among McDonald's Latin America, LLC, LatAm, LLC, each of the Escrowed MF Subsidiaries, Arcos Dorados Restaurantes de Chile Ltda., Arcos Dorados B.V., Deutsche Bank Trust Company Americas, as collateral agent, and Citibank, N.A., as escrow agent, incorporated herein by reference to Exhibit 10.4 to the Company's Registration Statement on Form F-1 (File No. 333-173063) filed with the SEC on March 25, 2011.
4.4	ISDA Schedule to the 2002 Master Agreement dated as of December 14, 2009 between Morgan Stanley & Co. International plc and Arcos Dorados B.V., incorporated herein by reference to Exhibit 10.16 to the Company's Registration Statement on Form F-1(File No. 333-173063) filed with the SEC on March 25, 2011.
4.5	ISDA Schedule to the 2002 Master Agreement dated as of December 14, 2009 between JPMorgan Chase Bank, N.A. and Arcos Dorados B.V., incorporated herein by reference to Exhibit 10.19 to the Company's Registration Statement on Form F-1 (File No. 333-173063) filed with the SEC on March 25, 2011.
4.6	Credit Support Annex to the Schedule to the Master Agreement dated as of December 14, 2009 between JPMorgan Chase Bank, N.A. and Arcos Dorados B.V., incorporated herein by reference to Exhibit 10.20 to the Company's Registration Statement on Form F-1 (File No. 333-173063) filed with the SEC on March 25, 2011.
4.7	Equity Incentive Plan, incorporated herein by reference to Exhibit 10.23 to the Company's Registration Statement on Form F-1 (File No. 333-173063) filed with the SEC on March 25, 2011.
4.8	ISDA Master Agreement dated as of April 20, 2012 between Bank of America, N.A. and Arcos Dorados Holdings Inc., incorporated herein by reference to Exhibit 4.19 to the Company's Annual Report on Form 20-F for the year ended December 31, 2012 filed with the SEC on April 26, 2013.
4.9	ISDA Schedule to the 2012 Master Agreement dated as of April 20, 2012 between Bank of America, N.A. and Arcos Dorados Holdings Inc., incorporated herein by reference to Exhibit 4.20 to the Company's Annual Report on Form 20-F for the year ended December 31, 2012 filed with the SEC on April 26, 2013.
4.10*	Revolving Credit Facility dated April 15, 2025 by and between Arcos Dorados B.V., as borrower, Arcos Dourados Comércio de Alimentos S.A., as guarantor, and Itaú Unibanco S.A., Nassau Branch, as lender

Exhibit No.	Description
4.11	ISDA Master Agreement dated as of September 6, 2013 between Citibank, N.A. and Arcos Dorados Holdings Inc, incorporated herein by reference to Exhibit 4.24 to the Company's Annual Report on Form 20-F for the year ended December 31, 2020 filed with the SEC on April 29, 2021.
4.12	ISDA Schedule to the 2013 Master Agreement dated as of September 6, 2013 between Citibank, N.A. and Arcos Dorados Holdings Inc., incorporated herein by reference to Exhibit 4.22 to the Company's Annual Report on Form 20-F for the year ended December 31, 2020 filed with the SEC on April 29, 2021.
4.13	Application and Agreement for Irrevocable Standby Letter of Credit Agreement dated as of November 3, 2015 among Arcos Dorados B.V., as applicant, McDonald's Latin America, LLC, as beneficiary, and JPMorgan Chase Bank, N.A., as lender, incorporated herein by reference to Exhibit 4.26 to the Company's Annual Report on Form 20-F for the year ended December 31, 2020 filed with the SEC on April 29, 2021.
4.14	Amendment No. 2 dated as of November 2, 2021 to the Application and Agreement for Irrevocable Standby Letter of Credit Agreement dated as of November 3, 2015 among Arcos Dorados B.V., as applicant, McDonald's Latin America, LLC, as beneficiary, and JPMorgan Chase Bank, N.A., as lender, incorporated herein by reference to Exhibit 4.28 to the Company's Annual Report on Form 20-F for the year ended December 31, 2021 filed with the SEC on April 29, 2022.
4.15	Amendment No. 1 dated as of November 5, 2018 to the Application and Agreement for Irrevocable Standby Letter of Credit Agreement dated as of November 3, 2015 among Arcos Dorados B.V., as applicant, McDonald's Latin America, LLC, as beneficiary, and JPMorgan Chase Bank, N.A., as lender, incorporated herein by reference to Exhibit 4.27 to the Company's Annual Report on Form 20-F for the year ended December 31, 2020 filed with the SEC on April 29, 2021.
4.16	Credit Agreement dated as of December 11, 2020 among Arcos Dorados Holdings Inc., as borrower, certain subsidiaries of the borrower, as guarantors and JPMorgan Chase Bank, N.A., as lender, incorporated herein by reference to Exhibit 4.28 to the Company's Annual Report on Form 20-F for the year ended December 31, 2020 filed with the SEC on April 29, 2021.
4.17	First Amendment, dated as of March 8, 2021, to the Amended and Restated Credit Agreement dated as of December 11, 2020 among Arcos Dorados Holdings Inc., as borrower, certain subsidiaries of the borrower, as guarantors and JPMorgan Chase Bank, N.A., as lender, incorporated herein by reference to Exhibit 4.31 to the Company's Annual Report on Form 20-F for the year ended December 31, 2021 filed with the SEC on April 29, 2022.
4.18	Second Amendment, dated as of December 10, 2021, to the Amended and Restated Credit Agreement dated as of December 11, 2020 among Arcos Dorados Holdings Inc., as borrower, certain subsidiaries of the borrower, as guarantors and JPMorgan Chase Bank, N.A., as lender, incorporated herein by reference to Exhibit 4.32 to the Company's Annual Report on Form 20-F for the year ended December 31, 2021 filed with the SEC on April 29, 2022.
4.19	Third Amendment, dated as of December 12, 2022, to the Amended and Restated Credit Agreement dated as of December 11, 2020 among Arcos Dorados Holdings Inc., as borrower, certain subsidiaries of the borrower, as guarantors and JPMorgan Chase Bank, N.A., as lender, incorporated herein by reference to Exhibit 4.34 to the Company's Annual Report on Form 20-F for the year ended December 31, 2022 filed with the SEC on April 28, 2023.
4.20	Fourth Amendment, dated as February 15, 2024, to the Amended and Restated Credit Agreement dated as of December 11, 2020 among Arcos Dorados Holdings Inc., as borrower, certain subsidiaries of the borrower, as guarantors and JPMorgan Chase Bank, N.A., as lender, incorporated herein by reference to Exhibit 4.36 to the Company's Annual Report on Form 20-F for the year ended December 31, 2023 filed with the SEC on April 29, 2024.
4.21	Subsidiary Joinder Agreement dated as of October 27, 2021 between Arcos Dorados Puerto Rico, LLC, as additional guarantor and JPMorgan Chase Bank, N.A., as lender pursuant to the Amended and Restated Credit Agreement, dated as of December 11, 2020, incorporated herein by reference to Exhibit 4.34 to the Company's Annual Report on Form 20-F for the year ended December 31, 2021 filed with the SEC on April 29, 2022.
4.22	Subsidiary Joinder Agreement dated as of October 27, 2021 between Golden Arch Development LLC, as additional guarantor and JPMorgan Chase Bank, N.A., as lender pursuant to the Amended and Restated Credit Agreement, dated as of December 11, 2020., incorporated herein by reference to Exhibit 4.35 to the Company's Annual Report on Form 20-F for the year ended December 31, 2021 filed with the SEC on April 29, 2022.
4.23*	Credit Agreement, dated as of October 31, 2024, among Arcos Dorados Holdings Inc. and Arcos Dorados B.V., as Borrowers, Arcos Dourados Comercio de Alimentos S.A., as guarantor, and Banco Santander (Brasil) S.A., Grand Cayman Branch, as Lender

Exhibit No.	Description
4.24*	Amendment No. 3 dated as of June 6, 2024 to the Application and Agreement for Irrevocable Standby Letter of Credit Agreement dated as of November 3, 2015 among Arcos Dorados B.V., as applicant, McDonald's Latin America, LLC, as beneficiary, and JPMorgan Chase Bank, N.A., as lender.
4.25*	Continuing Standby Letter of Credit Agreement dated as of June 14, 2024, among Arcos Dorados B.V., as applicant, McDonald's Latin America, LLC, as beneficiary, and ItaúUnibanco S.A., Miami Branch, as bank.
4.26*	Letter of Credit Agreement, dated as of October 25, 2024, between Arcos Dorados B.V. and Banco Bilbao Vizcaya Argentaria, S.A. New York Branch (BBVA), as issuing bank.
8.1*	List of Subsidiaries.
11.1	Standards of Business Conduct of the Company, incorporated by reference to Exhibit 11.1 to the Company's Annual Report on Form 20-F for the year ended December 31, 2018 filed with the SEC on April 26, 2019.
12.1*	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
12.2*	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
13.1*	Certification of the Chief Executive Officer pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code.
13.2*	Certification of the Chief Financial Officer pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code.
15.1*	Consent of Pistrelli, Henry Martin y Asociados S.A., member firm of Ernst & Young Global Limited, independent registered public accounting firm.
19.1*	Insider Trading Policy
97.1	Arcos Dorados Holdings Inc. Compensation Recoupment Policy, incorporated herein by reference to Exhibit 97.1 to the Company's Annual Report on Form 20-F for the year ended December 31, 2023 filed with the SEC on April 29, 2024.
101.INS**	Inline XBRL Instance Document
101.SCH**	Inline XBRL Taxonomy Extension Schema Document
101.CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104**	Inline Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed with this Annual Report on Form 20-F.

** In accordance with Rule 402 of Regulation S-T, the information in these exhibits shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Arcos Dorados Holdings Inc.

By: /s/ Mariano Tannenbaum
Name: Mariano Tannenbaum
Title: Chief Financial Officer

Date: April 29, 2025

Arcos Dorados Holdings Inc.

Consolidated Financial Statements
As of December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of

ARCOS DORADOS HOLDINGS INC.:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Arcos Dorados Holdings Inc. (the "Company") as of December 31, 2024 and 2023, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated March 12, 2025, expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinion on the critical audit matters or on the account or disclosure to which they relate.

Impairment of long-lived assets for markets with impairment indicators

Description of the Matter

As of December 31, 2024, the carrying amount of long-lived assets is thousands of $2,143,663, including Property and equipment, net; Lease right of use asset; and Net intangible assets and goodwill. As a result of its impairment assessment exercise, the Company recorded a loss of thousands of $1,067, during 2024.

The Company operates in twenty countries in Latin America and the Caribbean with different economic and political circumstances. As explained in note 3 to the consolidated financial statements, management carries out an impairment assessment on long-lived assets annually, or whenever events or changes in circumstances indicate the carrying value of the asset may not be recoverable, that includes identifying the existence of impairment indicators at the country level. When impairment indicators are identified for any given country, an estimate of undiscounted future cash flows is prepared by the Company for each individual restaurant located in that country. The estimation of future cash flows requires management to make assumptions about the future business performance and other key inputs that entail significant judgments by management. These estimates can be significantly impacted by many factors, including changes in global and local business and economic conditions, operating costs, inflation, competition and consumer and demographic trends.

Auditing this area is especially challenging because the process of estimation of undiscounted future cash flows implies the determination of key assumptions that are complex and highly judgmental. The key assumptions used by management in the impairment calculation include country economic indicators projections of sales, margin growth rates, capital expenditures and useful lives of long-lived assets. These key assumptions are forward looking and could be affected by future economic and market conditions.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested controls of the impairment calculation process. For example, we identified and tested the operating effectiveness of the Company's controls around the consistency of the estimation model inputs with the accounting records and the evaluation of the key assumptions made by management.

To test management assessment of impairment of long-lived assets our audit procedures included, among others, testing the macroeconomic variables used by management, such as inflation rates and GDP growth, assessing the consistency between the estimated cash flows in the model and the business plan approved by management, comparing the remaining life of fixed assets with the accounting records and the clerical accuracy of the computations. Additionally, we evaluated the valuation methods used by management, including the key assumptions used in determining the undiscounted future cash flows of each restaurant. We also involved our valuation specialists to assist in evaluating the methodology and the key assumptions used in the future cash flows estimation by management. We also compared forecasts to business plans and previous forecasts of projected cash flows to actual results to assess management estimation process.

We also assessed the related disclosures in note 3 to the consolidated financial statements.

Tax contingencies

Description of the Matter

The Company has operations in Brazil representing 39.6% of the revenues of the group for the year ended December 31, 2024 and maintains a provision for tax contingencies in that country that represents a 73% of the provision for contingencies balance of the group as of December 31, 2024. As described in notes 3 and 18, the Company assesses the likelihood of any adverse judgments in outcomes on its tax positions, including income tax and other taxes, based on the technical merits of a tax position derived from legislation and statutes, legislative intent, regulations, rulings and case law and their applicability to the facts and circumstances of the tax position.

Auditing the measurement of tax contingencies related to certain claims and transactions was challenging because their measurement is complex, highly judgmental, and is based on interpretations of tax laws, case-law jurisprudence and requires estimating the future outcome of individual claims.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of the Company's controls around identification of matters, evaluation of tax opinions, and tested management's review controls over the assumptions made in the estimation of provisions and related disclosures.

To test the tax contingencies provision, our audit procedures included, among others, involving personnel with specialized knowledge to assess the technical merits of the Company's tax positions; assessing the Company's correspondence with the relevant tax authorities; evaluating third-party tax opinions obtained by the Company; separately corresponding with certain key external tax and legal advisors of the Company, inspecting the minutes of the meetings of the Audit Committee and Board of Directors; obtaining confirmation letters from the group's tax director, and evaluating the application of relevant tax law in the Company's determination of its provision. As part of our evaluation, we have considered historical information to assess the assumptions made by management in relation to the potential outcomes.

We also evaluated the disclosures included in notes 3 and 18 to the consolidated financial statements in relation to these matters.

/s/ Pistrelli, Henry Martin y Asociados S.A.

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.A.
Member of Ernst & Young Global Limited
We have served as the Company's auditor since 2007.

Buenos Aires, Argentina
March 12, 2025

Arcos Dorados Holdings Inc.

Consolidated Statements of Income

For the fiscal years ended December 31, 2024, 2023 and 2022

Amounts in thousands of US dollars, except for share data and as otherwise indicated

REVENUES	2024	2023	2022
Sales by Company-operated restaurants	$ 4,266,748	$ 4,137,675	$ 3,457,491
Revenues from franchised restaurants	203,414	194,203	161,411
Total revenues	**4,470,162**	**4,331,878**	**3,618,902**
OPERATING COSTS AND EXPENSES			
Company-operated restaurant expenses:			
Food and paper	(1,498,853)	(1,457,720)	(1,227,293)
Payroll and employee benefits	(797,620)	(790,042)	(668,764)
Occupancy and other operating expenses	(1,238,220)	(1,154,334)	(967,690)
Royalty fees	(265,382)	(249,278)	(194,522)
Franchised restaurants – occupancy expenses	(83,665)	(83,359)	(68,028)
General and administrative expenses	(279,859)	(285,000)	(239,263)
Other operating income, net	17,952	1,894	11,080
Total operating costs and expenses	**(4,145,647)**	**(4,017,839)**	**(3,354,480)**
Operating income	**324,515**	**314,039**	**264,422**
Net interest expense and other financing results	(47,238)	(32,275)	(43,750)
Gain (loss) from derivative instruments	941	(13,183)	(10,490)
Foreign currency exchange results	(15,063)	10,774	16,501
Other non-operating expenses, net	(3,873)	(1,238)	(287)
Income before income taxes	**259,282**	**278,117**	**226,396**
Income tax expense, net	(109,903)	(95,702)	(85,476)
Net income	**149,379**	**182,415**	**140,920**
Less: Net income attributable to non-controlling interests	(620)	(1,141)	(577)
Net income attributable to Arcos Dorados Holdings Inc.	**$ 148,759**	**$ 181,274**	**$ 140,343**
Earnings per share information:			
Basic net income per common share attributable to Arcos Dorados Holdings Inc.	$ 0.71	$ 0.86	$ 0.67
Diluted net income per common share attributable to Arcos Dorados Holdings Inc.	0.71	0.86	0.67

See Notes to the Consolidated Financial Statements.

Arcos Dorados Holdings Inc.

Consolidated Statements of Comprehensive Income
For the fiscal years ended December 31, 2024, 2023 and 2022
Amounts in thousands of US dollars

	2024	2023	2022
Net income	**$ 149,379**	**$ 182,415**	**$ 140,920**
Other comprehensive (loss) income, net of tax:			
Foreign currency translation	(111,951)	53,304	16,376
Cash flow hedges:			
Net gain (loss) recognized in accumulated other comprehensive loss	33,150	(17,393)	(26,255)
Reclassification of net (gain) loss to consolidated statement of income	(26,904)	15,124	7,669
Cash flow hedges (net of deferred income taxes $(1,597), $896 and $3,038)	6,246	(2,269)	(18,586)
Securities available for sale:			
Unrealized loss on available for sale securities	(552)	(1,780)	(3,624)
Reclassification of net loss to consolidated statement of income	774	1,119	—
Securities available for sale (net of deferred income taxes $99, $577 and $nil).	222	(661)	(3,624)
Total other comprehensive (loss) income	**(105,483)**	**50,374**	**(5,834)**
Comprehensive income	**43,896**	**232,789**	**135,086**
Less: Comprehensive income attributable to non-controlling interests	(540)	(1,136)	(435)
Comprehensive income attributable to Arcos Dorados Holdings Inc.	**$ 43,356**	**$ 231,653**	**$ 134,651**

See Notes to the Consolidated Financial Statements.

Arcos Dorados Holdings Inc.

Consolidated Balance Sheet

As of December 31, 2024 and 2023

Amounts in thousands of US dollars, except for share data and as otherwise indicated

ASSETS	2024	2023
Current assets		
Cash and cash equivalents	$ 135,064	$ 196,661
Short-term investments	3,529	50,106
Accounts and notes receivable, net	119,441	147,980
Other receivables	42,469	38,719
Inventories	51,650	52,830
Prepaid expenses and other current assets	115,834	118,982
Derivative instruments	416	—
Total current assets	**468,403**	**605,278**
Non-current assets		
Miscellaneous	93,581	104,225
Collateral deposits	2,500	2,500
Property and equipment, net	1,127,042	1,119,885
Net intangible assets and goodwill	66,644	70,026
Deferred income taxes	90,287	98,163
Derivative instruments	79,874	46,486
Equity method investments	14,346	18,111
Lease right of use asset	949,977	954,564
Total non-current assets	**2,424,251**	**2,413,960**
Total assets	**$ 2,892,654**	**$ 3,019,238**
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	$ 347,895	$ 374,986
Royalties payable to McDonald's Corporation	20,860	21,292
Income taxes payable	39,004	77,722
Other taxes payable	79,462	85,421
Accrued payroll and other liabilities	113,259	142,487
Provision for contingencies	1,199	1,447
Interest payable	7,798	7,447
Short-term debt	60,251	29,533
Current portion of long-term debt	2,624	1,803
Derivative instruments	1,292	6,025
Operating lease liabilities	92,280	93,507
Total current liabilities	**765,924**	**841,670**
Non-current liabilities		
Accrued payroll and other liabilities	20,928	27,513
Provision for contingencies	29,157	49,172
Long-term debt, excluding current portion	715,974	713,038
Derivative instruments	—	16,733
Deferred income taxes	2,084	1,166
Operating lease liabilities	849,158	853,107
Total non-current liabilities	**1,617,301**	**1,660,729**
Total liabilities	**$ 2,383,225**	**$ 2,502,399**
Equity		
Class A shares of common stock	$ 389,967	$ 389,907
Class B shares of common stock	132,915	132,915
Additional paid-in capital	8,659	8,719
Retained earnings	664,390	566,188
Accumulated other comprehensive loss	(668,484)	(563,081)
Common stock in treasury	(19,367)	(19,367)
Total Arcos Dorados Holdings Inc. shareholders' equity	**508,080**	**515,281**
Non-controlling interests in subsidiaries	1,349	1,558
Total equity	**509,429**	**516,839**
Total liabilities and equity	**$ 2,892,654**	**$ 3,019,238**

See Notes to the Consolidated Financial Statements.

Arcos Dorados Holdings Inc.

Consolidated Statements of Cash Flows

For the fiscal years ended December 31, 2024, 2023 and 2022

Amounts in thousands of US dollars

	2024	2023	2022
Operating activities			
Net income attributable to Arcos Dorados Holdings Inc.	$ 148,759	$ 181,274	$ 140,343
Adjustments to reconcile net income attributable to Arcos Dorados Holdings Inc. to cash provided by operating activities:			
Non-cash charges and credits:			
Depreciation and amortization	177,354	149,268	119,777
(Gain) loss from derivative instruments	(941)	13,183	10,490
Amortization and accrual of letter of credit fees and deferred financing costs	4,869	4,268	5,342
Deferred income taxes	(11,389)	(4,310)	(15,449)
Foreign currency exchange results	9,051	3,162	(6,940)
Accrued net share-based compensation expense	953	14,337	6,089
Impairment of long-lived assets	1,067	2,626	1,171
Write-off of long-lived assets	2,650	8,401	3,143
Gain on sale and exchange of restaurants businesses	(6,550)	(4,008)	(577)
Others, net	1,335	(8,853)	(2,268)
Changes in assets and liabilities:			
Accounts payable	24,460	70,003	111,958
Accounts and notes receivable and other receivables	(11,344)	(61,244)	(56,790)
Prepaid expenses and other assets	(28,640)	(40,509)	(27,131)
Inventories	(4,250)	4,827	(6,042)
Income taxes payable	(23,055)	7,755	18,637
Other taxes payable	6,542	25,452	8,874
Accrued payroll, other liabilities and provision for contingencies	(25,670)	17,272	32,873
Royalties payable to McDonald's Corporation	1,079	(719)	5,457
Others	567	(220)	(3,520)
Net cash provided by operating activities	**266,847**	**381,965**	**345,437**
Investing activities			
Property and equipment expenditures	(327,636)	(360,097)	(217,115)
Purchases of restaurant businesses paid at acquisition date	(6,083)	(2,081)	(4,800)
Proceeds from sales of property and equipment, restaurant businesses and related advances	8,210	2,540	2,714
Proceeds from short-term investments	76,114	66,735	—
Acquisitions of short-term investments	(30,000)	(86,719)	(41,083)
Other investing activity	(936)	(727)	635
Net cash used in investing activities	**(280,331)**	**(380,349)**	**(259,649)**
Financing activities			
Collection of derivative instruments	331	30,880	—
Payments related to derivative instruments and derivative premiums	(15,274)	(3,296)	—
Issuance of 2029 Notes	—	—	349,969
Open Market Repurchases of 2029 Senior Notes	—	(2,813)	(12,014)
Cash Tender & Open Market Repurchases of 2027 Senior Notes	—	(1,904)	(159,034)
Settlement at maturity, Cash Tender, Partial Redemption & Open Market Repurchases of 2023 Senior Notes	—	(18,224)	(192,380)
Dividend payments to Arcos Dorados Holdings Inc. shareholders	(50,557)	(40,022)	(31,587)
Net short-term borrowings	34,168	29,384	359
Payments of other long term debt	(500)	(800)	(8,327)
Other financing activities	(5,330)	(5,028)	(6,964)
Net cash used in financing activities	**(37,162)**	**(11,823)**	**(59,978)**
Effect of exchange rate changes on cash and cash equivalents	(10,951)	(60,069)	(37,703)
Decrease in cash and cash equivalents	**(61,597)**	**(70,276)**	**(11,893)**
Cash and cash equivalents at the beginning of the year	196,661	266,937	278,830
Cash and cash equivalents at the end of the year	**$ 135,064**	**$ 196,661**	**$ 266,937**

Arcos Dorados Holdings Inc.

Consolidated Statements of Cash Flows

For the fiscal years ended December 31, 2024, 2023 and 2022

Amounts in thousands of US dollars

	2024	2023	2022
Supplemental cash flow information:			
Cash paid during the year for:			
Interest	$ 52,004	$ 47,510	$ 56,370
Income tax	120,847	72,766	78,935
Non-cash investing and financing activities:			
Exchange of assets	$ —	$ 3,538	$ —
Seller financing and others pending of payment	1,622	1,700	320
Settlement of franchise receivables related to purchases of restaurant businesses	1,434	—	496
Receivable related to sales of restaurant businesses	1,140	—	—

See Notes to the Consolidated Financial Statements

Arcos Dorados Holdings Inc.

Consolidated Statements of Changes in Equity

For the fiscal years ended December 31, 2024, 2023 and 2022

Amounts in thousands of US dollars, except for share data and as otherwise indicated

	Arcos Dorados Holdings Inc. Shareholders										
	Class A shares of common stock		Class B shares of common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Common Stock in treasury		Total	Non-controlling interests	Total
	Number	Amount	Number	Amount				Number	Amount			
Balances at December 31, 2021	**132,787,384**	**$ 388,369**	**80,000,000**	**$ 132,915**	**$ 10,101**	**$ 316,180**	**$ (607,768)**	**(2,309,062)**	**$ (19,367)**	**$ 220,430**	**$ 732**	**$ 221,162**
Net income for the year	—	—	—	—	—	140,343	—	—	—	140,343	577	140,920
Other comprehensive loss	—	—	—	—	—	—	(5,692)	—	—	(5,692)	(142)	(5,834)
Cash Dividends to Arcos Dorados Holdings Inc.'s shareholders ($0.15 per share)	—	—	—	—	—	(31,587)	—	—	—	(31,587)	—	(31,587)
Issuance of shares in connection with the partial vesting of outstanding restricted share units under the 2011 Equity Incentive Plan	116,223	1,024	—	—	(1,024)	—	—	—	—	—	—	—
Stock-based compensation related to the 2011 Equity Incentive Plan	—	—	—	—	129	—	—	—	—	129	—	129
Dividends to non-controlling interests	—	—	—	—	—	—	—	—	—	—	(363)	(363)
Balances at December 31, 2022	**132,903,607**	**$ 389,393**	**80,000,000**	**$ 132,915**	**$ 9,206**	**$ 424,936**	**$ (613,460)**	**(2,309,062)**	**$ (19,367)**	**$ 323,623**	**$ 804**	**$ 324,427**
Net income for the year	—	—	—	—	—	181,274	—	—	—	181,274	1,141	182,415
Other comprehensive income	—	—	—	—	—	—	50,379	—	—	50,379	(5)	50,374
Cash Dividends to Arcos Dorados Holdings Inc.'s shareholders ($0.19 per share)	—	—	—	—	—	(40,022)	—	—	—	(40,022)	—	(40,022)
Issuance of shares in connection with the partial vesting of outstanding restricted share units under the 2011 Equity Incentive Plan	60,424	514	—	—	(514)	—	—	—	—	—	—	—
Stock-based compensation related to the 2011 Equity Incentive Plan	—	—	—	—	27	—	—	—	—	27	—	27
Dividends to non-controlling interests	—	—	—	—	—	—	—	—	—	—	(382)	(382)
Balances at December 31, 2023	**132,964,031**	**$ 389,907**	**80,000,000**	**$ 132,915**	**$ 8,719**	**$ 566,188**	**$ (563,081)**	**(2,309,062)**	**$ (19,367)**	**$ 515,281**	**$ 1,558**	**$ 516,839**
Net income for the year	—	—	—	—	—	148,759	—	—	—	148,759	620	149,379
Other comprehensive loss	—	—	—	—	—		(105,403)	—	—	(105,403)	(80)	(105,483)
Cash Dividends to Arcos Dorados Holdings Inc.'s shareholders ($0.24 per share)	—	—	—	—	—	(50,557)	—	—	—	(50,557)	—	(50,557)
Issuance of shares in connection with the partial vesting of outstanding restricted share units under the 2011 Equity Incentive Plan	8,088	60	—	—	(60)	—	—	—	—	—	—	—
Dividends to non-controlling interests	—	—	—	—	—	—	—	—	—	—	(749)	(749)
Balances at December 31, 2024	**132,972,119**	**$ 389,967**	**80,000,000**	**$ 132,915**	**$ 8,659**	**$ 664,390**	**$ (668,484)**	**(2,309,062)**	**$ (19,367)**	**$ 508,080**	**$ 1,349**	**$ 509,429**

See Notes to the Consolidated Financial Statements.

1. Organization and nature of business

Arcos Dorados Holdings Inc. (the "Company") is a company limited by shares incorporated and existing under the laws of the British Virgin Islands. The Company's fiscal year ends on the last day of December. The Company has through its wholly-owned company Arcos Dorados Group B.V., a 100% equity interest in Arcos Dorados B.V. ("ADBV").

On August 3, 2007 the Company, indirectly through its wholly-owned subsidiary ADBV, entered into a Stock Purchase Agreement and Master Franchise Agreements ("MFAs") with McDonald's Corporation pursuant to which the Company completed the acquisition of the McDonald's business in Latin America and the Caribbean ("LatAm business"). See Note 4 for details. Prior to this acquisition, the Company did not carry out operations. The Company's rights to operate and franchise McDonald's-branded restaurants in the Territories and therefore the ability to conduct the business, derive exclusively from the rights granted by McDonald's Corporation in the MFAs through 2027. The initial term of the MFA for French Guiana, Guadeloupe and Martinique was ten years through August 2, 2017 with an option to extend the agreement for these territories for an additional period of ten years, through August 2, 2027. On July 20, 2016, the Company has exercised its option to extend the MFA for these three territories.

The Company, through ADBV's wholly-owned and majority owned subsidiaries, operates and franchises McDonald's restaurants in the food service industry. The Company has operations in twenty territories as follows: Argentina, Aruba, Brazil, Chile, Colombia, Costa Rica, Curaçao, Ecuador, French Guiana, Guadeloupe, Martinique, Mexico, Panama, Peru, Puerto Rico, Trinidad and Tobago, Uruguay, the U.S. Virgin Islands of St. Croix and St. Thomas (USVI) and Venezuela. All restaurants are operated either by the Company's subsidiaries or by independent entrepreneurs under the terms of sub-franchisee agreements (franchisees).

Effective from January 1, 2025, the Company entered into two new MFAs with McDonald´s Corporation that replace the prior agreements. The term of the new MFAs is 20 years for all of the Territories other than French Guiana, Guadeloupe and Martinique (which are subject to 10 year terms with an option to extend such terms for an additional term of 10 years).

2. Basis of presentation and principles of consolidation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP") and include the accounts of the Company and its subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. The Company has elected to report its consolidated financial statements in United States dollars ("$" or "US dollars").

3. Summary of significant accounting policies

The following is a summary of significant accounting policies followed by the Company in the preparation of the consolidated financial statements.

Use of estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Foreign currency matters

The financial statements of the Company's foreign operating subsidiaries are translated in accordance with guidance in ASC 830 Foreign Currency Matters. Except for the Company's Venezuelan and Argentinian operations, the functional currencies of the Company's foreign operating subsidiaries are the local currencies of the countries in which they conduct their operations. Therefore, assets and liabilities are translated into US dollars at the balance sheet date exchange rates, and revenues, expenses and cash flow are translated at average rates prevailing during the periods. Translation adjustments are included in the "Accumulated other comprehensive loss" component of shareholders' equity. The Company includes foreign currency exchange results related to monetary assets and liabilities transactions, including intercompany transactions, denominated in currencies other than its functional currencies in its statements of income.

Since January 1, 2010 and July 1, 2018, Venezuela and Argentina, respectively, were considered to be highly inflationary, and as such, the financial statements of these subsidiaries are remeasured as if its functional currency was the reporting currency of the immediate parent company (US dollars). As a result, remeasurement gains and losses are recognized in earnings rather than in the cumulative translation adjustment, component of "Accumulated other comprehensive loss" within shareholders' equity.

In addition, in these territories, there are foreign currency restrictions. Since 2019, in Argentina several measures have been adopted including, among others: (i) limitation to hoarding and consumption in foreign currency for natural persons, (ii) taxes to increase the official exchange rate for certain services and goods, (iii) approvals required from the Central Bank of Argentina to access foreign currency to settle imports of goods or services, principal and interest from financial payables to foreign parties and dividends. Furthermore, Venezuela has currency restrictions which have been in place for several years under different currency exchange regulations. Although during 2019, the Central Bank of Venezuela loosened those restrictions by permitting financial institution to participate as intermediaries in foreign currency operations, the Company's ability to immediately access cash through repatriations continues to be limited. Additionally, the Venezuelan market is subject to price controls. Its government issued a regulation establishing a maximum profit margin for companies and maximum prices for certain goods and services. However, the Company was able to increase prices during the fiscal year ended December 31, 2024.

As of December 31, 2024, Argentina's and Venezuela's net nonmonetary asset positions were $179.7 million and $20.6 million, respectively, mainly fixed assets.

Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less, from the date of purchase, to be cash equivalents.

Short-term investments

As of December 31, 2024, Short-term investments consist of available for sale securities with an original maturity of more than three months. As of December 31, 2023, Short-term investments consist of time deposits and available for sale securities with an original maturity of more than three months.

Time deposits are measured at cost plus accrued interest. These charges are recognized immediately in earnings, within "Net interest expense and other financing results". Available for sale securities are measured at fair value. Unrealized results are reported in other comprehensive (loss) income until realized. See Note 22 for additional information.

Revenue recognition

The Company's revenues consist of sales by Company-operated restaurants and revenues from restaurants operated by franchisees. Sales by Company-operated restaurants are recognized at the point of sale. The Company presents sales net of sales tax and other sales-related taxes. Revenues from restaurants operated by franchisees include rental income, initial franchise fees and royalty income. Rental income is measured on a monthly basis based on the greater of a fixed rent, computed on a straight-line basis, or a certain percentage of gross sales reported by franchisees. Initial franchise fees represent the difference between the amount the Company collects from the franchisee and the amount the Company pays to McDonald's Corporation upon the opening of a new restaurant. Royalty income represents the difference, if any, between the amount the Company collects from the franchisee and the amount the Company is required to pay to McDonald's Corporation. Royalty income is recognized in the period earned.

During 2023 and 2024, the Company through some subsidiaries, launched a loyalty program in which our customers are awarded with loyalty points when purchases at company-operated and franchised restaurants are completed. Loyalty points can be redeemed for free products.

The company defers revenue associated with the estimated selling price of points earned towards free products as each point is earned and a corresponding liability is established in deferred revenue. This deferral is based on the estimated value of the product for which the reward is expected to be redeemed, net of estimated unredeemed points. Points' average expiration period is six months.

When a customer redeems an earned reward, we recognize revenue for the redeemed product and reduce the related deferred revenue.

Accounts and notes receivable and allowance for doubtful accounts

Accounts receivable primarily consist of royalty and rent receivables due from franchisees, debit, credit and delivery vendor receivables. Accounts receivable are initially recorded at fair value and do not bear interest. Notes receivable relates to interest-bearing financing granted to certain franchisees in connection with the acquisition of equipment and third-party suppliers. The Company maintains an allowance for doubtful accounts in an amount that it considers sufficient to cover the expected credit losses. In judging the adequacy of the allowance for doubtful accounts, the Company follows ASC 326 "Financial Instruments - Credit Losses" considering remote risks of loss by analyzing multiple factors such as historical bad debt experience, the aging of the receivables, the current economic environment and future economic conditions.

Other receivables

As of December 31, 2024, other receivables primarily consist of value-added tax and other tax receivables, related party receivables and insurance claim receivables, amounting to $23,211. As of December 31, 2023, other receivables primarily consist of value-added tax and other tax receivables, related party receivables and insurance claim receivables, amounting to $21,172.

Other receivables are reported at the amount expected to be collected.

Inventories

Inventories are stated at the lower of cost or market, with cost being determined on a first-in, first-out basis.

Property and equipment, net

Property and equipment are stated at cost, net of accumulated depreciation. Property costs include costs of land and building for both company-operated and franchise restaurants while equipment costs primarily relate to company-operated restaurants. Cost of property and equipment acquired from McDonald's Corporation (as part of the acquisition of LatAm business) was determined based on its estimated fair market value at the acquisition date, then partially reduced by the allocation of the negative goodwill that resulted from the purchase price allocation. Cost of property and equipment acquired or constructed after the acquisition of LatAm business in connection with the Company's restaurant reimaging and extension program is comprised of acquisition and construction costs and capitalized internal costs. Capitalized internal costs include payroll expenses related to employees fully dedicated to restaurant construction projects and related travel expenses. Capitalized payroll costs are allocated to each new restaurant location based on the actual time spent on each project. The Company commences capitalizing costs related to construction projects when it becomes probable that the project will be developed, when the site has been identified and the related profitability assessment has been approved. Maintenance and repairs are expensed as incurred. Accumulated depreciation is calculated using the straight-line method over the following estimated useful lives: buildings – up to 40 years; leasehold improvements – the lesser of useful lives of assets or lease terms which generally include renewal options; and equipment 3 to 10 years.

Intangible assets, net

Intangible assets include computer software costs, initial franchise fees, reacquired rights under franchise agreements, letter of credit fees and others.

The Company follows the provisions of ASC 350-40-30 within ASC 350 Intangibles, Subtopic 40 Internal Use Software which requires the capitalization of costs incurred in connection with developing or obtaining software for internal use. These costs are amortized over a period of three years on a straight-line basis.

The Company is required to pay to McDonald's Corporation an initial franchisee fee upon opening of a new restaurant. The initial franchise fee related to Company-operated restaurants is capitalized as an intangible asset and amortized on a straight-line basis over the term of the franchise.

A reacquired franchise right is recognized as an intangible asset as part of the business combination in the acquisition of franchised restaurants apart from goodwill with an assigned amortizable life limited to the remaining contractual term (i.e., not including any renewal periods). The value assigned to the reacquired franchise right excludes any amounts recognized as a settlement gain or loss and is limited to the value associated with the remaining contractual term and operating conditions for the acquired restaurants. The reacquired franchise right is measured using a valuation technique that considers restaurant's cash flows after payment of an at-market royalty rate to the Company. The cash flows are projected for the remaining contractual term, regardless of whether market participants would consider potential contractual renewals in determining its fair value.

Letter of credit fees are amortized on a straight-line basis over the term of the Letter of Credit.

Impairment and disposal of long-lived assets

In accordance with the guidance within ASC 360-10-35, the Company reviews long-lived assets (including property and equipment, intangible assets with definite useful lives and lease right of use asset) for impairment indicators whenever events or changes in circumstances indicate the carrying value of the asset may not be recoverable. For purposes of reviewing assets for potential impairment, assets are grouped at a country level for each of the operating markets. The Company manages its restaurants as a group or portfolio with significant common costs and promotional activities; as such, each restaurant's cash flows are not largely independent of the cash flows of others in a market. If an indicator of impairment exists for any grouping of assets, an estimate of undiscounted future cash flows produced by each individual restaurant within the asset grouping is compared to its carrying value. If an individual restaurant is determined to be impaired, the loss is measured by the excess of the carrying amount of the restaurant over its fair value considering its highest and best use, as determined by an estimate of discounted future cash flows or its market value.

The Company assessed all markets for impairment indicators during the fourth quarter of 2024, 2023 and 2022. As a result of those assessments, the Company concluded that the second step was required to be performed as a component of the impairment testing of its long-lived assets on a per store basis, in: Aruba, Peru, USVI, Venezuela, Colombia and Trinidad and Tobago , for the fiscal years ended December 31, 2024; Aruba, Peru, USVI, Venezuela, Curaçao, Colombia and Trinidad and Tobago, for the fiscal years ended December 31, 2023; Aruba, Peru, USVI, Venezuela and Trinidad and Tobago, for the fiscal years ended December 31, 2022.

As a result of the impairment testing the Company recorded the following impairment charges, for the markets indicated below, within Other operating income, net on the consolidated statements of income:

Fiscal year	Markets	Total
2024	Trinidad & Tobago, USVI, Colombia, Venezuela and Peru	$ 1,067
2023	Trinidad & Tobago, Aruba, Colombia, Venezuela and Peru	2,626
2022	Aruba, USVI, Peru and Venezuela	1,171

Goodwill

Goodwill represents the excess of cost over the estimated fair market value of net tangible assets and identifiable intangible assets acquired. In accordance with the guidance within ASC 350 Intangibles-Goodwill and Other, goodwill is stated at cost and reviewed for impairment on an annual basis during the fourth quarter, or when an impairment indicator exists. The impairment test compares the fair value of each reporting unit, generally based on discounted future cash flows, with its carrying amount including goodwill. If the carrying amount of the reporting unit exceeds its fair value, an impairment loss is measured as the difference between the implied fair value of the reporting unit's goodwill and the carrying amount of goodwill.

During the fiscal years 2024, 2023 and 2022 the Company has not recorded any impairment charges for Goodwill.

In assessing the recoverability of the long-lived assets (including Goodwill), the Company considers changes in economic conditions and makes assumptions regarding estimated future cash flows and other factors. Estimates of future cash flows are highly subjective judgments based on the Company's experience and knowledge of its operations. These estimates can be significantly impacted by many factors including changes in global and local business and economic conditions, operating costs, inflation, competition, and consumer and demographic trends.

Advertising costs

Advertising costs are expensed as incurred. Advertising expenses related to Company-operated restaurants were $184,145, $175,043 and $148,776 in 2024, 2023 and 2022, respectively. Advertising expenses related to franchised operations do not affect the Company's expenses since these are recovered from franchisees. Advertising expenses related to franchised operations were $52,761, $51,054 and $44,088 in 2024, 2023 and 2022, respectively.

Accounting for income taxes

The Company records deferred income taxes using the liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The guidance requires companies to set up a valuation allowance for that component of net deferred tax assets which does not meet the more likely than not criterion for realization.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company is regularly audited by tax authorities, and tax assessments may arise several years after tax returns have been filed. Accordingly, tax liabilities are recorded when, in management's judgment, an uncertain tax position does not meet the more likely than not threshold for recognition. For tax positions that meet the more likely than not threshold, a tax liability may be recorded depending on management's assessment of how the tax position will ultimately be settled. The Company records interest and penalties on unrecognized tax benefits in the provision for income taxes.

Accounts payable outsourcing

In the ordinary course of business, the Company looks to obtain extended payment terms during the negotiation process with suppliers, which payment terms can vary from 15 days to up to 180 days after the invoice date. In this context, the Company offers its suppliers access to an accounts payable services arrangement provided by third party financial institutions. Independent from the Company, the financial institutions offer suppliers to voluntarily sell their receivables to them in an arrangement separately negotiated by the supplier and the financial institution. This service also allows the Company's suppliers to view its scheduled payments online, enabling them to better manage their cash flow and reduce payment processing costs. The Company's responsibility is limited to making payment on the original due dates of the invoice negotiated with the supplier, regardless of whether the supplier sells its receivable. The Company is not permitted to remit payment to the financial institution or the supplier on a date later than the original due date of the invoice under any circumstances. The payment terms and purchase price of the original invoice do not change once the supplier elects to participate. Those payment terms vary from 45 days to up to 180 days after the invoice date. The Company has no economic interest in the sale of these receivables and no direct relationship with the financial institutions concerning the sale of receivables. As a result, the Company does not pay any fee to the financial institutions for purchasing the suppliers' receivables and it does not receive any fee, commission, refund or discount from the financial institutions for the accounts payable services arrangement. The Company retains the right to all early pay discounts offered by suppliers if they do not sell their receivables.

As of December 31, 2024 and 2023, the amounts under the accounts payable services arrangement and included in Accounts Payable in the Balance Sheet are $14,849 and $13,650, respectively. Presented below is the roll forward information about these accounts payable services:

		Amount
Confirmed obligations outstanding amount as of December 31, 2022	**$**	**24,149**
Invoices confirmed during the year		80,313
Confirmed invoices paid during the year		(91,775)
Currency translation		963
Confirmed obligations outstanding amount as of December 31, 2023	**$**	**13,650**
Invoices confirmed during the year		80,655
Confirmed invoices paid during the year		(77,653)
Currency translation		(1,803)
Confirmed obligations outstanding amount as of December 31, 2024	**$**	**14,849**

Share-based compensation

The Company recognizes compensation expense as services required to earn the benefits are rendered. See Note 17 for details of the outstanding plans and the related accounting policies.

Derivative financial instruments

The Company utilizes certain hedge instruments to manage its interest rate and foreign currency rate exposures. The counterparties to these instruments generally are major financial institutions. The Company does not hold or issue derivative instruments for trading purposes. In entering into these contracts, the Company assumes the risk that might arise from the possible inability of counterparties to meet the terms of their contracts. The Company does not expect any losses as a result of counterparty defaults. All derivatives are recognized as either assets or liabilities in the balance sheets and are measured at fair value. Additionally, the fair value adjustments will affect either other comprehensive (loss) income or net income depending on whether the derivative instrument qualifies as a hedge for accounting purposes and, if so, the nature of the hedging activity. For those instruments that qualifies for hedge accounting, the Company documents its risk management objective and strategy for undertaking hedging transactions, as well as all relationships between hedging instruments and hedged items. See Note 13 for details of the outstanding derivative instruments.

Leases

The Company leases locations through ground leases (the Company leases the land and owns the building) and through improved leases (the Company leases land and buildings). The operating leases are mainly related to restaurant and dessert center locations. The average of lease's terms is about 17 years and, in many cases, include renewal options provided by the agreement or government's regulations, that are reasonably certain to be exercised. Typically, renewal options are considered reasonably assured of being exercised if the associated asset lives of the building or leasehold improvements exceed the initial lease term, and the sales performance of the restaurant remains strong. Therefore, their associated payments are included in the measurement of the right-of-use asset and lease liability. Although certain leases contain purchase options, is not reasonably certain that the Company will exercise them. In addition, many agreements include escalations amounts that vary by reporting unit, for example, including fixed-rent escalations, escalations based on an inflation index, and fair value adjustments. According to rental terms, the Company pays monthly rent based on the greater of a fixed rent or a certain percentage of the Company's gross sales. The lease agreements do not contain any material residual value guarantees or material restrictive covenants. Furthermore, the Company is the lessee under non-cancelable leases covering certain offices and warehouses.

Lease right of use assets represent the Company's right to use an underlying asset for the lease term, and operating lease liabilities represents the Company's obligation to make lease payments arising from the lease. Lease right of use assets and operating lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term.

The right-of-use assets and lease liabilities are recognized using the present value of the remaining future minimum lease payments discounted by the Company's incremental borrowing rate. The Company has elected not to separate non-lease components from lease components in its lessee portfolio. For most locations, the Company is obliged for the related occupancy costs, such as maintenance. The Company has certain leases subject to index adjustments. The inflation index rate is only used to calculate the lease liability when a lease modification occurs.

Severance payments

Under certain laws and labor agreements of the countries in which the Company operates, the Company is required to make minimum severance payments to employees who are dismissed without cause and employees leaving their employment in certain other circumstances. The Company accrues severance costs if they relate to services already rendered, are related to rights that accumulate or vest, are probable of payment and can be reasonably estimated. Otherwise, severance payments are expensed as incurred.

Provision for contingencies

The Company accrues liabilities when it is probable that future costs will be incurred and such costs can be reasonably estimated. Such accruals are based on developments to date, the Company's estimates of the outcomes of these matters and the Company's lawyers' experience in contesting, litigating and settling other matters. As the scope of the liabilities becomes better defined, there may be changes in the estimates of future costs.

The Company assesses the likelihood of any adverse judgments or outcomes on its tax positions, including income tax and other taxes, based on the technical merits of a tax position derived from authorities such as legislation and statutes, legislative intent, regulations, rulings and case law and their applicability to the facts and circumstances of the tax position. See Note 16 and 18 for details.

Comprehensive income

Comprehensive income includes net income as currently reported under generally accepted accounting principles and also includes the impact of other events and circumstances from non-owner sources which are recorded as a separate component of shareholders' equity. The Company reports foreign currency translation losses and gains, unrealized results on cash flow hedges, securities available for sale, as well as unrecognized post-employment benefits as components of comprehensive income.

Equity method investments

The Company utilizes the equity method to account for investments in companies when it provides the ability to exercise significant influence over operating and financial policies of the investee. Consolidated net income includes the Company's proportionate share of the net income or loss of these companies. Company's judgment regarding the level of influence over each equity method investee includes considering key factors such as our ownership interest, representation on the board of directors, participation in policy-making decisions, other commercial arrangements and material intercompany transactions.

As of December 31, 2024, 2023 and 2022, the Company recorded a gain of $54, $1,492 and $1,131, respectively, included within "Other operating income, net" related to the equity method of its investments in companies.

Recent accounting pronouncements

Segment Reporting

In November 2023, the Financial Accounting Standards Board issued Accounting Standards Update ASU No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures". The pronouncement expands annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and for interim periods beginning after December 15, 2024. This standard was adopted by the Company.

Income Taxes

In December 2023, the Financial Accounting Standards Board issued Accounting Standards Update ASU No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures". The pronouncement expands the disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024. We are currently in the process of determining the impact that ASU 2023-09 will have on the Company's consolidated financial statement disclosures.

Income Statement Expenses - Disaggregation

In November 2024, the Financial Accounting Standards Board issued Accounting Standards Update ASU No. 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses". The pronouncement expands the disclosure requirements for expenses, specifically by providing more detailed information about the types of expenses in commonly presented expense captions. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. We are currently in the process of determining the impact that ASU 2024-03 will have on the Company's consolidated financial statement disclosures.

No other new accounting pronouncement issued or effective during the fiscal year had or is expected to have a material impact on the Company's consolidated financial statements.

4. Acquisition of businesses

LatAm Business

On August 3, 2007, the Company, indirectly through its wholly-owned subsidiary ADBV, entered into a Stock Purchase Agreement with McDonald's Corporation pursuant to which the Company completed the acquisition of the McDonald's business in Latin America and the Caribbean for a final purchase price of $698,080.

The acquisition of the LatAm business was accounted for by the purchase method of accounting and, accordingly, the purchase price was allocated to the assets acquired and liabilities assumed based on the estimated fair values at the date of acquisition. When the fair value of the net assets acquired exceeded the purchase price, the resulting negative goodwill was allocated to partially reduce the fair value of the non-current assets acquired on a pro-rata basis.

In connection with this transaction, ADBV and certain subsidiaries (the "MF subsidiaries") also entered into 20-year Master Franchise Agreements ("MFAs") with McDonald's Corporation which grants to the Company and its MF subsidiaries the following:

i. The right to own and operate, directly or indirectly, franchised restaurants in each territory;
ii. The right and license to grant sub franchises in each territory;
iii. The right to adopt and use, and to grant the right and license to sub franchisees to adopt and use, the system in each territory;
iv. The right to advertise to the public that it is a franchisee of McDonald's;
v. The right and license to grant sub franchises and sublicenses of each of the foregoing rights and licenses to each MF subsidiary.

The Company is required to pay to McDonald's Corporation continuing franchise fees (Royalty fees) on a monthly basis. Payment of monthly royalties is due on the seventh business day of the next calendar month. The amount to be paid during the first 10 years of the MFAs was equal to 5% of the US dollar equivalent of the gross product sales of each of the franchised restaurants. This percentage increased to 6% for the subsequent 5-year period and increased to 7% for the last 5-year period of the agreement. On January 1, 2025, became effective a new, 20-year MFAs, which replaced the previous MFAs, which includes a royalty fee of gross sales of 6.0% for the first ten years, 6.25% for the subsequent five years and 6.5% for the final five years.

Pursuant to the MFAs provisions, McDonald's Corporation has the right to (a) terminate the MFAs, or (b) exercise a call option over the Company's shares or any MF subsidiary, if the Company or any MF subsidiary (i) fails to comply with the McDonald's system (as defined in the MFAs), (ii) files for bankruptcy, (iii) defaults on its financial debt payments, (iv) substantially fails to achieve targeted openings and reinvestments requirements, or (v) upon the occurrence of any other event of default as defined in the MFAs.

Effective from January 1, 2025, the Company entered into two new MFAs with McDonald´s Corporation that replace the prior agreements. The term of the new MFAs is 20 years for all of the Territories other than French Guiana, Guadeloupe and Martinique (which are subject to 10 years term with an option to extend such terms for an additional term of 10 years).

Other acquisitions

During fiscal years 2024, 2023 and 2022, the Company acquired certain franchised restaurants in certain territories. Presented below is supplemental information about these acquisitions:

Purchases of restaurant businesses:	**2024**	**2023**	**2022**
Property and equipment	$ 925	$ 2,063	$ 3,254
Identifiable intangible assets	2,902	2,760	1,349
Goodwill	3,992	4,380	1,843
Liabilities assumed	—	(154)	—
Gain on purchase of franchised restaurants	—	—	(830)
Purchase price	**7,819**	**9,049**	**5,616**
Seller financing	(302)	(3,430)	(320)
Exchange of assets	—	(3,538)	—
Settlement of franchise receivables	(1,434)	—	(496)
Net cash paid at acquisition date	**$ 6,083**	**$ 2,081**	**$ 4,800**

5. Accounts and notes receivable, net

Accounts and notes receivable, net consist of the following at year end:

	2024	**2023**
Receivables from franchisees	$ 46,320	$ 42,630
Debit and credit card receivables	28,492	61,178
Delivery sales receivables	36,983	35,376
Meal voucher receivables	7,081	9,877
Notes receivable	859	249
Allowance for doubtful accounts	(294)	(1,330)
	$ 119,441	**$ 147,980**

6. Prepaid expenses and other current assets

Prepaid expenses and other current assets consist of the following at year end:

	2024	**2023**
Prepaid taxes	$ 60,371	$ 54,802
Prepaid expenses	37,979	41,020
Promotion items and related advances	16,774	21,963
Others	710	1,197
	$ 115,834	**$ 118,982**

7. Miscellaneous

Miscellaneous consist of the following at year end:

	2024	2023
Judicial deposits	$ 19,770	$ 63,730
Tax credits	51,080	19,509
Notes receivable	5,145	4,505
Rent deposits	4,167	4,033
Prepaid property and equipment	516	1,011
Others	12,903	11,437
	$ 93,581	**$ 104,225**

8. Property and equipment, net

Property and equipment, net consist of the following at year-end:

	2024	2023
Land	$ 123,129	$ 136,195
Buildings and leasehold improvements	997,305	977,590
Equipment	1,123,928	1,115,223
Total cost	**2,244,362**	**2,229,008**
Total accumulated depreciation	(1,117,320)	(1,109,123)
	$ 1,127,042	**$ 1,119,885**

Total depreciation expense for fiscal years 2024, 2023 and 2022 amounted to $153,535, $130,585 and $107,280, respectively.

9. Net intangible assets and goodwill

Net intangible assets and goodwill consist of the following at year-end:

	2024	2023
Net intangible assets (i)		
Computer software cost	$ 130,858	$ 129,581
Initial franchise fees	16,101	17,671
Reacquired franchised rights	20,911	21,270
Others	—	940
Total cost	**167,870**	**169,462**
Total accumulated amortization	(114,567)	(111,333)
Subtotal	**53,303**	**58,129**

Goodwill (ii)	**2024**	**2023**
Brazil	7,166	4,876
Chile	3,273	3,755
Mexico	1,562	1,916
Argentina	1,276	1,276
Colombia	64	74
Subtotal	**13,341**	**11,897**
	$ 66,644	**$ 70,026**

(i) Total amortization expense for fiscal years 2024, 2023 and 2022 amounted to $23,819, $18,683 and $12,497, respectively. The estimated aggregate amortization expense for each of the five succeeding fiscal years and thereafter is as follows: $23,028 for 2025, $16,653 for 2026; $11,736 for 2027; $822 for 2028; $405 for 2029; and thereafter $659.

(ii) Related to the acquisition of franchised restaurants and non-controlling interests.

10. Accrued payroll and other liabilities

Accrued payroll and other liabilities consist of the following at year end:

	2024	**2023**
Current:		
Accrued payroll	$ 89,324	$ 106,177
Other liabilities	6,982	7,125
Deferred Income Loyalty Program	6,821	1,582
Phantom RSU award liability	5,239	19,165
Accrued expenses	4,893	8,438
	$ 113,259	**$ 142,487**
Non-current:		
Phantom RSU award liability	$ 3,900	$ 7,528
Deferred revenues - Initial franchise fee	5,015	5,835
Deferred income	5,212	6,807
Security deposits	6,801	7,343
	$ 20,928	**$ 27,513**

11. Short-term debt

Short-term debt consists of the following at year-end:

	2024	**2023**
Bank overdrafts	$ 686	$ 31
Short-term bank loans	55,065	29,502
Revolving Credit Facility	4,500	—
Total	**$ 60,251**	**$ 29,533**

Short-term bank loans

As of December 31, 2024, the Company had drawn short-term bank loans in Chile, Uruguay, Puerto Rico and Panama, amounting to $55,065. As of December 31, 2023, short-term bank loans were comprised of two loans in Chile, amounting to $29,502.

The following table presents additional information related to short-term bank debt:

Territories	Entity	Currency	Annual interest rate	Principal as of December 31, 2024	Principal as of December 31, 2023	Maturity
Panama	Citibank N.A.	USD	SOFR + 2.10%	$ 5,000	$ —	February, 2025
Puerto Rico	Citibank N.A.	USD	SOFR + 2.10%	14,000	—	February, 2025
Chile	Banco de Chile	CLP	8.88%	—	9,821	December, 2024
	Banco Itaú Chile		8.28%	—	19,681	
	Banco de Chile	CLP	6.84%	8,677	—	March, 2025
	Banco Itaú Chile		7.53%	17,388	—	June, 2025
Uruguay	Banco Itaú Uruguay S.A.	USD	5.74%	8,000	—	May, 2025
	Banco Bilbao Vizcaya Argentaria Uruguay S.A.		5.55%	2,000	—	
Total				**$ 55,065**	**$ 29,502**	

Revolving credit facilities

As of December 31, 2024, the Company maintained the followings revolving credit facilities:

Bank	Currency	Maturity	Interest rate	Amount
Itau Unibanco S.A. (i)	$	April 14, 2025	TERM SOFR + range between 2.65% to 4.85%	25,000
J.P. Morgan	$	February 17, 2026	SOFR + 3.10%	25,000
Banco Santander (Brasil) (ii)	$	October 31, 2026	TERM SOFR + range between 3.20% to 3.60%	25,000

(i) Maintained by its wholly-owned subsidiary ADBV.
(ii) Maintained by both, the Company and its wholly-owned subsidiary ADBV.

In addition, for the J.P. Morgan and Santander agreements, the Company is required to comply, as of the last day of each quarter during the agreement, with a consolidated net indebtedness (including interest payable for the J.P. Morgan agreement) to EBITDA ratio. As of December 31, 2024, these ratio were as follows:

Bank	Ratio	Required Maximum Ratio	As of December 31, 2024
J.P. Morgan	Net Indebtedness (including interest payable) to EBITDA	3.00	1.14
Banco Santander (Brasil) S.A.	Net Indebtedness (not including interest payable) to EBITDA	3.00	1.12
	Net Indebtedness (not including interest payable) to EBITDA (i)	3.00	0.19

(i) Ratio maintained by its wholly-owned subsidiary ADBV.

As of December 31, 2024 the Company and ADBV were in compliance with all the ratios.

These revolving credit facilities permit the Company to borrow money from time to time to cover its working capital needs and for other general corporate purposes. Principal is due upon maturity. However, prepayments are permitted without premium or penalty.

The obligations of the Company, and ADBV for the Santander agreement, under the revolving credit facilities are jointly and severally guaranteed by certain of the Company's subsidiaries on an unconditional basis. The revolving credit facilities include customary covenants including, among others, restrictions on the ability of the Company, the guarantors and certain material subsidiaries to: (i) incur liens, (ii) enter into any merger, consolidation or amalgamation; (iii) sell, assign, lease or transfer all or substantially all of the borrower's or guarantor's business or property; (iv) enter into transactions with affiliates; (v) engage in substantially different lines of business; (vi) engage in transactions that violate certain anti-terrorism laws.

The revolving credit facilities provide for customary events of default, which, if any of them occurs, would permit or require the lender to terminate its obligation to provide loans under the revolving credit facility and/or to declare all sums outstanding under the loan documents immediately due and payable.

As of December 31, 2024, the Company had drawn $4,500 in connection with the revolving credit facility with J.P. Morgan.

12. Long-term debt

Long-term debt consists of the following at year-end:

	2024	2023
2029 Notes	$ 334,200	$ 334,200
2027 Notes	379,265	379,265
Finance lease obligations	9,087	8,498
Other long-term borrowings	2,791	1,700
Subtotal	**725,343**	**723,663**
Discount on 2029 Notes	(3,294)	(4,059)
Discount on 2027 Notes	(1,753)	(2,571)
Premium on 2029 Notes	308	382
Premium on 2027 Notes	783	1,141
Deferred financing costs	(2,789)	(3,715)
Total	**718,598**	**714,841**
Current portion of long-term debt	2,624	1,803
Long-term debt, excluding current portion	**$ 715,974**	**$ 713,038**

2029 and 2027 Notes

The following table presents additional information related to the 2029 and 2027 Notes (the "Notes"):

	Annual interest rate	Currency	Principal as of December 31, 2024	Principal as of December 31, 2023	Maturity
2029 Notes	6.125 %	USD	$ 334,200	$ 334,200	May 27, 2029
2027 Notes	5.875 %	USD	379,265	379,265	April 4, 2027

The following table presents additional information for the fiscal years ended December 31, 2024, 2023 and 2022:

	Interest Expense (i)			DFC Amortization (i)			Amortization of Premium/Discount, net (i)		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
2029 Notes	$ 20,469	$ 20,511	$ 14,299	$ 469	$ 527	$ 342	$ 691	$ 695	$ 715
2027 Notes	22,282	22,218	25,538	457	466	759	460	478	785

(i) These charges are included within "Net interest expense and other financing results" in the consolidated statements of income.

On April 2017, the Company issued Senior Notes for an aggregate principal amount of $265 million, which are due in 2027 (the "2027 Notes"). The proceeds from this issuance of the 2027 Notes were used to repay certain loans (the "Secured Loan Agreement") signed by the Company's Brazilian subsidiary, unwind the related derivative instruments, pay the principal and premium on the 2023 Notes (in connection with the aforementioned second tender offer) and for general purposes. In addition, on September 11, 2020, the Company issued additional 2027 Notes for an aggregate principal amount of $150 million at a price of 102.250%. The proceeds from the second issuance were used mainly to repay short-term indebtedness which had been drawn during 2020 in order to maintain liquidity affected by the effects of COVID-19. Periodic payments of principal are not required, and interest is paid semi-annually commencing on October 4, 2017. The Company capitalized as DFC $3,001 of financing costs related to the first issuance of 2027 Notes and $2,000 related to the second issuance, which are being amortized over the life of the notes.

The following table summarizes the activity of 2027 Notes as of December 31, 2024:

Transaction	Date	Principal Amount	Average Price	Early Redemption Price	Total payment (i)
Issuance	April 4, 2017	$ 265,000	—	—	$ —
Additional issuance	September 11, 2020	$ 150,000	—	—	$ —
Additional issuance of 2027 Notes related to 2023 exchange	October 13, 2020	$ 138,354	—	—	$ —
Open market repurchases	During 2021	$ (17,368)	105.74 %	—	$ (18,364)
Cash Tender	May 13, 2022	$ (150,000)	99.94 %	103.00 %	$ (154,407)
Open market repurchases	During 2022	$ (4,721)	98.01 %	—	$ (4,627)
Open market repurchases	During 2023	$ (2,000)	95.20 %	—	$ (1,904)
Principal amount of 2027 Notes as of December 31, 2024:		**$ 379,265**			

(i) Not including accrued and unpaid interest

The results related to the aforementioned transactions and the accelerated amortization of the related DFC were recognized as net interest expense and other financing results within the consolidated statement of income.

On April, 2022, the Company's subsidiary ADBV issued sustainability-linked Senior Notes for an aggregate principal amount of $ 350 million which matures in 2029 (the "2029 Notes"). Interests on the notes are accrued at a rate of 6.125% per annum from April 27, 2022 and, from and including May 27, 2026, the interest rate payable on the 2029 Notes may increase to 6.250% per annum or 6.375% per annum if either or both Sustainability Performance Targets (SPT), respectively, have not been satisfied by December 31, 2025. The SPT to be satisfied are:

(i) Reductions of greenhouse gas emissions by 15% in restaurants and offices.
(ii) Reductions of greenhouse gas emissions by 10% in supply chain.

Periodic payments of principal are not required and interest is paid semi-annually commencing on November 27, 2022. The 2029 Notes are guaranteed on a senior unsecured basis by the Company and certain of its subsidiaries. The proceeds from 2029 Notes were mainly used by the Company to fund the tender offers for 2023 and 2027 Notes and the redemption for 2023 Notes launched during 2022 previously mentioned. The Company capitalized as DFC $2,651 of financing costs related to the issuance of 2029 Notes, which are being amortized over the life of the notes.

The following table summarizes the activity of 2029 Notes as of December 31, 2024:

Transaction	Date	Principal Amount	Average Price	Total payment (i)
Issuance	April 27, 2022	$ 350,000	—	$ —
Open market repurchases	During 2022	$ (12,800)	93.87 %	$ (12,015)
Open market repurchases	During 2023	$ (3,000)	93.76 %	$ (2,813)
Principal amount of 2029 Notes as of December 31, 2024:		**$ 334,200**		

(i) Not including accrued and unpaid interest

The Notes are redeemable, in whole or in part, at the option of the Company at any time at the applicable redemption price set forth in the indenture governing them. The Notes are fully and unconditionally guaranteed on a senior unsecured basis by certain of the Company's subsidiaries. The Notes and guarantees (i) are senior unsecured obligations and rank equal in right of payment with all of the Company's and guarantors' existing and future senior unsecured indebtedness; (ii) will be effectively junior to all of the Company's and guarantors' existing and future secured indebtedness to the extent of the value of the Company's assets securing that indebtedness; and (iii) are structurally subordinated to all obligations of the Company's subsidiaries that are not guarantors.

The indenture governing the Notes limits the Company's and its subsidiaries' ability to, among other things, (i) create certain liens; (ii) enter into sale and lease-back transactions; and (iii) consolidate, merge or transfer assets. In addition, the indenture governing the 2027 and 2029 Notes, limits the Company's and its subsidiaries' ability to: incur in additional indebtedness and make certain restricted payments, including dividends. These covenants are subject to important qualifications and exceptions. The indenture governing the Notes also provides for events of default, which, if any of them occur, would permit or require the principal, premium, if any, and interest on all of the then-outstanding Notes to be due and payable immediately.

The 2029 Notes are listed on the Luxembourg Stock Exchange and trade on the Euro MTF Market.

On January 29, 2025 as a result of the offer made by the Company on January 15, 2025 to purchase for cash any and all of its outstanding 5.875% Notes due 2027 and the subsequent issue by ADBV (the "Issuer") on January 24, 2025 of a new Senior Note for an aggregate principal amount of $600,000 which matures in 2032 (the "2032 Notes"), the Company redeemed 35.27% of its outstanding 2027 Notes for a total amount of $136,145 plus accrued and unpaid interest. See Note 26 for further information.

Other required disclosure

As of December 31, 2024, future payments related to the Company's long-term debt are as follows:

	Principal	Interest	Total
2025	$ 2,624	$ 43,491	$ 46,115
2026	758	43,424	44,182
2027	380,083	32,224	412,307
2028	886	21,018	21,904
2029	335,144	10,672	345,816
Thereafter	5,848	760	6,608
Total payments	**725,343**	**151,589**	**876,932**
Interest	—	(151,589)	(151,589)
Discount on 2029 Notes	(3,294)	—	(3,294)
Discount on 2027 Notes	(1,753)	—	(1,753)
Premium on 2029 Notes	308	—	308
Premium on 2027 Notes	783	—	783
Deferred financing cost	(2,789)	—	(2,789)
Long-term debt	**$ 718,598**	**$ —**	**$ 718,598**

13. Derivative instruments

The Company's derivatives that are designated for hedge accounting consist of cross-currency interest rate swaps, foreign currency forwards, call spreads, interest coupon only swaps and sustainability linked ESG Principal Only Swap. All these derivatives are classified as cash flow hedges. Further details are in "Derivatives designated as hedging instruments" section.

Additionally, the Company enters into certain derivatives that are not designated for hedge accounting. The Company has entered into foreign currency forwards, call spread and interest coupon only swap to mitigate the foreign currency fluctuations on foreign currency denominated liabilities. Further details are explained in the "Derivatives not designated as hedging instruments" section.

The following table presents the fair values of derivative instruments included in the consolidated balance sheets as of December 31, 2024 and 2023:

	Assets			Liabilities		
Type of Derivative	Balance Sheets Location	2024	2023	Balance Sheets Location	2024	2023
Derivatives designated as hedging instruments						
Cash Flow hedge						
Forward contracts	Other receivables	$ 2,093	$ 119	Accrued payroll and other liabilities	$ —	$
Call spread + Coupon-only swap	Derivative instruments	16,998	2,823	Derivative instruments	(179)	
Sustainability linked ESG Principal Only Swap	Derivative instruments	25,617	18,466	Derivative instruments	(207)	
Cross-currency interest rate swap	Derivative instruments	37,627	19,337	Derivative instruments	(620)	
Subtotal		**$ 82,335**	**$ 40,745**		**$ (1,006)**	**$**
Derivatives not designated as hedging instruments						
Forward contracts	Derivative instruments	48	—	Derivative instruments	(286)	
Call Spread + Coupon-only swap	Derivative instruments	—	3,761	Derivative instruments	—	(
Call spread	Derivative instruments	—	2,099	Derivative instruments	—	
Coupon-only swap	Derivative instruments	—	—	Derivative instruments	—	
Subtotal		**$ 48**	**$ 5,860**		**$ (286)**	**$** (
Total derivative instruments		**$ 82,383**	**$ 46,605**		**$ (1,292)**	**$** (

Derivatives designated as hedging instruments

Cash flow hedge

The Company has entered into various forward contracts in a few territories to hedge a portion of the foreign exchange risk associated with forecasted imports of goods. The effect of the hedges results in fixing the cost of goods acquired (i.e. the net settlement or collection adjusts the cost of inventory paid to the suppliers). As of December 31, 2024, the Company estimated that the whole amount of net derivative gains or losses related to its cash flow hedges included in accumulated other comprehensive loss will be reclassified into earnings within the next 12 months.

Moreover, the Company, through its Brazilian subsidiary, has entered into certain instruments designated as cash flow hedge to reduce the exposure to variability in expected future cash flows related to intercompany loans (principal and interest). The Company uses call spread, coupon-only swaps, cross-currency interest rate swap and a sustainability-linked ESG principal only swap. As of December 31, 2024, the Company estimated that the whole amount of net derivative gains or losses related to its cash flow hedges included in accumulated other comprehensive loss will be reclassified into earnings within the next 5 years.

As of December 31, 2024 and 2023, for certain call spreads, the Company's Brazilian subsidiary paid a one time net premium of $8,894 and $2,581, respectively, to buy the options.

The following table presents the notional amounts of the Company's outstanding derivative instruments classified as cash flow hedge:

	Notional amount as of December 31,	
	2024	2023
Forward contracts	$ 48,799	$ 44,412
Call Spread + Coupon-only swap	89,000	24,000
Sustainability-linked ESG Principal Only	50,000	50,000
Cross-currency interest rate swap	80,000	80,000

Additional disclosures

The following table presents the pretax amounts affecting income and other comprehensive (loss) income for the fiscal years ended December 31, 2024, 2023 and 2022 for each type of derivative relationship:

Derivatives in Cash Flow Hedging Relationships	Gain (Loss) Recognized in Accumulated OCI on Derivative			(Gain) Loss Reclassified from Accumulated OCI into income (loss)		
	2024	2023	2022	2024	2023	2022
Forward contracts (i)	$ 4,317	$ (6,710)	$ (1,225)	$ (807)	$ 6,172	$ (263)
Cross-currency interest rate swaps (ii)	24,628	(14,730)	(31,174)	(17,632)	10,913	8,727
Call Spread (ii)	2,469	30	—	(9,637)	2,385	3,275
Coupon-only swap (ii)	4,635	(263)	—	(472)	(1,752)	(964)
Sustainability linked ESG Principal Only Swap (ii)	12,142	(1,224)	—	(11,800)	2,014	—
Total	**$ 48,191**	**$ (22,897)**	**$ (32,399)**	**$ (40,348)**	**$ 19,732**	**$ 10,775**

(i) The results recognized in income related to forward contracts were recorded as an adjustment to food and paper.
(ii) The net gain (loss) recognized in income is presented as follows:

Adjustment to:	2024	2023	2022
Net interest expense and other financing results	(1,419)	(181)	(3,675)
(Loss) gain from derivative instruments (a)	—	(6)	5,907
Foreign currency exchange results	40,960	(13,373)	(13,270)
Total	**$ 39,541**	**$ (13,560)**	**$ (11,038)**

(a) Related to the discontinued relationships of Cross-currency interest rate swaps during July 2023 and September 2022.

Derivatives not designated as hedging instruments

The Company has entered into certain derivatives that are not designated for hedge accounting, therefore the changes in the fair value of these derivatives are recognized immediately within "Gain (loss) from derivative instruments".

For the fiscal years ended December 31, 2024 the Company made payments amounting to $6,380 and collections amounting to $331, as a result of unwound derivatives not designated as hedging instruments.

The following table presents the notional amounts of the Company's outstanding derivative instruments not designed as hedging instruments:

	Notional amount as of December 31,	
	2024	2023
Forward contracts	$ 5,000	$ —
Call Spread + Coupon-only swap	—	50,000
Call Spread	—	30,000
Coupon-only swap	—	30,000

14. Leases

As of December 31, 2024, maturities of lease liabilities under existing operating leases are:

	Restaurant	Other	Total
2025	$ 143,038	$ 6,543	$ 149,581
2026	137,148	5,924	143,072
2027	132,523	4,851	137,374
2028	128,448	2,221	130,669
2029	123,296	1,289	124,585
Thereafter	1,183,069	6,619	1,189,688
Total lease payments	**$ 1,847,522**	**$ 27,447**	**$ 1,874,969**
Lease discount			(933,531)
Operating lease liability			**$ 941,438**

The following table is a summary of the Company's components of lease cost for fiscal years 2024, 2023 and 2022:

Lease Expense	Statements of Income Location	2024	2023	2022
Operating lease expense - Minimum rentals:				
Company-operated restaurants	Occupancy and other operating expenses	$ (139,265)	$ (131,613)	$ (117,723)
Franchised restaurants	Franchised restaurants - occupancy expenses	(47,096)	(47,975)	(44,656)
General and administrative	General and administrative expenses	(8,824)	(8,472)	(6,746)
Subtotal		**(195,185)**	**(188,060)**	**(169,125)**
Variable lease expense - Contingent rentals based on sales:				
Company-operated restaurants	Occupancy and other operating expenses	(44,676)	(46,861)	(36,322)
Franchised restaurants	Franchised restaurants - occupancy expenses	(17,117)	(15,603)	(10,810)
Subtotal		**(61,793)**	**(62,464)**	**(47,132)**
Total lease expense		**$ (256,978)**	**$ (250,524)**	**$ (216,257)**

Other information	2024
Weighted-average remaining lease term (years)	
Operating leases	9
Weighted-average discount rate	
Operating leases	6.5%

Supplemental cash flow information related to leases was as follows:

	2024	2023	2022
Cash paid for the amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 152,267	$ 146,816	$ 132,452
Financing cash flows from finance leases	1,269	1,031	816
Lease right-of-use asset obtained in exchange for lease obligations:			
Operating leases	$ 197,477	$ 135,893	$ 91,350
Finance leases	3,075	4,022	—

The Company maintains a few finance leases agreements, previously classified as capital leases. As of December 31, 2024 and 2023 the obligation amounts to $9,087 and $8,498 respectively, included within "Long-term debt" in the Consolidated Balance Sheet.

In addition, in March 2010, the Company entered into an aircraft operating lease agreement for a term of 8 years, which provides for quarterly payments of $690. The agreement includes a purchase option at the end of the lease term at fair market value and also an early purchase option at a fixed amount of $26,685 at maturity of the 24th quarterly payment. On December 22, 2017, the Company signed an amendment, extending the term of the aircraft operating lease for an additional 10 years, with quarterly payments (retroactively effective as of December 5, 2017) of $442. The Company was required to make a cash collateral deposit of $2,500 under this agreement.

15. Franchise arrangements

Individual franchise arrangements generally include a lease, a license and provide for payment of initial franchise fees, as well as continuing rent and service fees (royalties) to the Company based upon a percentage of sales with minimum rent payments. The company's franchisees are granted the right to operate a restaurant using the McDonald's system and, in most cases, the use of a restaurant facility, generally for a period of 20 years. At the end of the 20-year franchise arrangement, the Company maintains control of the underlying real estate and building and can either enter into a new franchise arrangement with the existing franchisee or a different franchisee or close the restaurant. Franchisees pay related occupancy costs including property taxes, insurance and maintenance. Pursuant to the MFAs, the Company pays initial fees and continuing service fees for franchised restaurants to McDonald's Corporation. Therefore, the margin for franchised restaurants is primarily comprised of rental income net of occupancy expenses (depreciation for owned property and equipment and/or rental expense for leased properties).

As of December 31, 2024 and 2023, net property and equipment under franchise arrangements totaled $102,925 and $109,642, respectively (including land for $21,943 and $27,160, respectively).

Revenues from franchised restaurants for fiscal years 2024, 2023 and 2022 consisted of:

	2024	2023	2022
$	202,779	193,518	160,795
s (ii)	380	417	401
fees (iii)	255	268	215
$	**203,414**	**194,203**	**161,411**

(i) Includes rental income of own buildings and subleases. As of December 31, 2024, 2023 and 2022 the subleases rental income amounted to $166,854, $154,087 and $132,327, respectively.
(ii) Presented net of initial fees owed to McDonald's Corporation for $833, $963 and $1,012 in 2024, 2023 and 2022, respectively.
(iii) Presented net of royalties fees owed to McDonald's Corporation for $73,979, $71,667 and $62,360 in 2024, 2023 and 2022, respectively.

As of December 31, 2024, future minimum rent payments due to the Company under existing franchised agreements are:

	Owned sites	Leased sites	Total
2025	$ 5,768	$ 56,756	$ 62,524
2026	4,754	50,846	55,600
2027	4,624	45,900	50,524
2028	3,889	40,949	44,838
2029	3,725	35,308	39,033
Thereafter	30,094	179,225	209,319
Total	**$ 52,854**	**$ 408,984**	**$ 461,838**

16. Income taxes

The Company's operations are conducted by its foreign subsidiaries in Latin America and the Caribbean. The foreign subsidiaries are incorporated under the laws of their respective countries and as such the Company is taxed in such foreign countries.

Statutory tax rates in the countries in which the Company operates for fiscal years 2024, 2023 and 2022 were as follows:

	2024	2023	2022
ico	18.5%	18.5%	18.5%
	22.0%	22.0%	22.0%
	21.0%	21.0%	21.0%
Panama, Uruguay, Martinique, French Guiana and Guadeloupe	25.0%	25.0%	25.0%
	22.0%	22.0%	25.0%
	27.0%	27.0%	27.0%
	29.5%	29.5%	29.5%
ca, Mexico and Trinidad and Tobago	30.0%	30.0%	30.0%
and Argentina	35.0%	35.0%	35.0%
d Venezuela	34.0%	34.0%	34.0%
nds	25.8%	25.8%	25.8%

Income tax expense, net for fiscal years 2024, 2023 and 2022 consisted of the following:

	2024	2023	2022
Current income tax expense	$ 121,292	$ 100,012	$ 100,925
Deferred income tax income	(11,389)	(4,310)	(15,449)
Income tax expense, net	**$ 109,903**	**$ 95,702**	**$ 85,476**

Income tax expense, net for fiscal years 2024, 2023 and 2022, differed from the amounts computed by applying the Company's weighted-average statutory income tax rate to pre-tax income (loss) as a result of the following:

	2024	2023	2022
Pre-tax income	$ 259,282	$ 278,117	$ 226,396
Weighted-average statutory income tax rate (i)	38.7 %	36.1 %	39.0 %
Income tax expense at weighted-average statutory tax rate on pre-tax income	100,297	100,411	88,314
Permanent differences:			
Change in valuation allowance (ii)	9,956	(254)	381
Expiration and changes in tax loss carryforwards	865	3,784	132
Argentina and Venezuela remeasurement and inflationary impacts (iii)	(2,646)	(16,234)	(10,009)
Non-deductible expenses	17,029	15,548	24,845
Tax benefits and Non-taxable income	(19,845)	(12,826)	(9,740)
Income taxes withholdings on intercompany transactions (iv)	10,520	9,704	6,374
Differences including exchange rate, inflation adjustment and filing differences	(7,849)	(5,586)	(14,485)
Alternative Taxes	1,120	2,109	359
Others (v)	456	(954)	(695)
Income tax expense, net	**$ 109,903**	**$ 95,702**	**$ 85,476**

(i) Weighted-average statutory income tax rate is calculated based on the aggregated amount of the income before taxes by country multiplied by the prevailing statutory income tax rate, divided by the consolidated income before taxes.
(ii) Comprises net changes in valuation allowances for the year, mainly related to net operating losses ("NOLs").
(iii) Comprises changes in valuation allowance during 2024, 2023 and 2022 for $12,412, $22,825 and $57,329, respectively in Venezuela.
(iv) Comprises income tax withheld on the payment of interest on intercompany loans.
(v) Mainly comprises income tax effects over intercompany transactions which are eliminated for consolidation purposes.

The tax effects of temporary differences and carryforwards that comprise significant portions of deferred tax assets and liabilities as of December 31, 2024 and 2023 are presented below:

	2024	2023
Tax loss carryforwards (i)	$ 145,977	$ 153,823
Purchase price allocation adjustment	10,042	12,288
Property and equipment, tax inflation adjustment	48,135	53,238
Other accrued payroll and other liabilities	41,116	41,787
Provision for contingencies, bad debts and obsolescence	15,899	23,126
Other deferred tax assets (ii)	29,316	31,177
Other deferred tax liabilities	(4,061)	(5,784)
Leases (iii)	27,052	29,216
Property and equipment - difference in depreciation rates	(20,375)	(23,200)
Valuation allowance (iv)	(204,898)	(218,674)
Net deferred tax asset	**$ 88,203**	**$ 96,997**

(i) As of December 31, 2024, the Company and its subsidiaries have accumulated NOLs amounting to $505,336. The Company has NOLs amounting to $184,968, expiring between 2025 and 2029, $139,982, expiring after 2029 and, $180,386 that do not expire. Changes in tax loss carryforwards for the year relate to the utilization of NOLs.
(ii) Other deferred tax assets reflect the net tax effects of temporary differences between the carrying amounts of assets for financial reporting purposes (accounting base) and the amounts used for income tax purposes (tax base). As of December 31, 2024 and 2023, this item includes: provision for regular expenses for $13,940 and $13,070, respectively, in Brazil, Colombia, Mexico, Panama and Venezuela.
(iii) As of December 31, 2024 and 2023, this item includes difference in depreciation of net leases (related to differences between ASC842 and local tax regulation) in Brazil; assets of $200,047 and $240,299 and liabilities of $172,995 and $211,083, respectively.
(iv) In assessing the realization of deferred income tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized.

The net deferred tax asset of $88,203 as of December 31, 2024, is presented in the consolidated balance sheet as non-current asset and non-current liability amounting to $90,287 and $2,084, respectively.

The net deferred tax asset of $96,997 as of December 31, 2023, is presented in the consolidated balance sheet as non-current asset and non-current liability amounting to $98,163 and $1,166, respectively.

Deferred income taxes have not been recorded for temporary differences related to investments in certain foreign subsidiaries. These temporary differences, comprise undistributed earnings considered permanently invested in subsidiaries amounted to $354,156 as of December 31, 2024. Determination of the deferred income tax liability on these unremitted earnings is not practicable because such liability, if any, is dependent on circumstances existing if and when remittance occurs.

As of December 31, 2024, and 2023, the Company has not identified unrecognized tax benefits that would favorably affect the effective tax rate if resolved in the Company's favor.

The Company account for uncertain tax positions by determining the minimum recognition threshold that a tax position is required to meet before being recognized in the financial statements. This determination requires the use of significant judgment in evaluating the tax positions and assessing the timing and amounts of deductible and taxable items. The Company is regularly under audit in multiple tax jurisdictions and is currently under examination in several jurisdictions. The Company is generally no longer subject to income tax examinations by tax authorities for years prior to 2018.

As of December 31, 2024, there are certain matters related to the interpretation of income tax laws which could be challenged by tax authorities in an amount of $165 million, related to assessments for the fiscal years 2009 to 2017. No formal claim has been made for fiscal years within the statute of limitation by Tax authorities in any of the mentioned matters, however those years are still subject to audit and claims may be asserted in the future.

It is reasonably possible that, as a result of audit progression within the next 12 months, there may be new information that causes the Company to reassess the tax positions because the outcome of tax audits cannot be predicted with certainty. While the Company cannot estimate the impact that new information may have on their unrecognized tax benefit balance, it believes that the liabilities recorded are appropriate and adequate as determined under ASC 740.

In December 2021, the Organization for Economic Co-operation and Development ("OECD") published Tax Challenges Arising from the Digitalization of the Economy – Global Anti-Base Erosion Model Rules (Pillar Two): Inclusive Framework on BEPS, hereafter referred to as the "OECD Pillar Two model rules" or "the rules". The rules are designed to ensure that large multinational enterprises within the scope of the rules pay a minimum level of tax on the income arising in a specific period in each jurisdiction where they operate. In general, the rules apply a system of top-up taxes that brings the total amount of taxes paid on an entity's excess profit in a jurisdiction up to the minimum rate of 15%.

The Company is within the scope of these rules and the rules have been enacted or substantively enacted in jurisdictions in which the Company operates and became effective as from 1 January 2024. According to the Company's estimate there is no tax charge to be accrued in connection with the GloBE Rules for the year ended December 31, 2024. The Company continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations and finance position as well as cash flows.

17. Share-based compensation

2011 Equity Incentive Plan

In March 2011, the Company adopted its Equity Incentive Plan, or 2011 Plan, to attract and retain the most highly qualified and capable professionals and to promote the success of its business. This Plan is being used to reward certain employees for the success of the Company's business through an annual award program. The 2011 Plan permits grants of awards relating to class A shares, including awards in the form of shares (also referred to as stock), options, restricted shares, restricted share units, share appreciation rights, performance awards and other share-based awards as will be determined by the Company's Board of Directors. The maximum number of shares that may be issued under the 2011 Plan is 2.5% of the Company's total outstanding class A and class B shares immediately following its initial public offering 2011.

The Company made recurring grants of restricted share units in each of the fiscal years from 2011 to 2019. Each restricted share unit represents the right to receive a Class A share when vested. From 2011 to 2018, these recurring annual awards vest as follows: 40% on the second anniversary of the date of grant and 20% on each of the following three anniversaries. The 2019 award vested on May 10, 2020. However, in the event of death, disability or retirement of the employee, any unvested portion of the annual award will be fully vested. The value of restricted shares units is based on the quoted market price of the Company's class A shares at each grant date. As of December 31, 2024 all employee benefit plans were fully vested.

The Company recognizes stock-based compensation expense on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in substance, multiple awards. The Company recognized stock-based compensation expense related to this award in the amount of $nil, $27 and $129 during fiscal years 2024, 2023 and 2022, respectively. Stock-based compensation expense is included within "General and administrative expenses" in the consolidated statements of income.

The following table summarizes the activity of restricted share units during fiscal years 2024, 2023 and 2022:

	Units	Weighted-average grant-date fair value
Outstanding at December 31, 2021	**186,796**	**8.70**
Partial vesting of 2017 grant	(51,613)	9.20
Partial vesting of 2018 grant	(64,895)	8.50
Forfeitures	(8,522)	8.62
Outstanding at December 31, 2022	**61,766**	**8.50**
Partial vesting of 2018 grant	(60,623)	8.50
Forfeitures	(1,143)	8.50
Outstanding at December 31, 2023	—	—
Outstanding at December 31, 2024	—	—
Exercisable at December 31, 2024	—	—

The total fair value of restricted share units vested during 2024, 2023 and 2022 was $nil, $514 and $1,026, respectively. For the year ended December 31, 2024 the Company issued 8,088 Class A shares. Therefore, accumulated recorded compensation expense totaling $60 was reclassified from "Additional paid-in capital" to "Class A shares of common Stock" upon issuance. As of December 31, 2024, there were no outstanding Class A shares pending of issuance in connection with the 2011 Plan.

Phantom RSU Award

In May 2019, the Company implemented a new long-term incentive plan (called Phantom RSU Award) to reward employees giving them the opportunity to share the success of the Company in the creation of value for its shareholders. In accordance with this plan, the Company granted units (called "Phantom RSU") to certain employees, pursuant to which they are entitled to receive, when vested, a cash payment equal to the closing price of one Class A share per unit on the respective day in which this benefit is due and the corresponding dividends per-share (if any) formally declared and paid during the service period. However, in the event of death, disability or retirement of the employee, any unvested portion of the annual award will be fully vested.

The following table provides information about the awards granted by the Company and pending of vesting as of December 31, 2024:

Grant	Units	Vesting period
2022	795,013	May 2025
2023	733,972	May 2026
2024	28,800	April 2025
	620,529	May 2027

The Company recognizes compensation expense related to these benefits on a straight-line basis over the requisite service period. As a consequence, when the award includes multiple vesting periods, it is considered as multiple awards.

The total compensation expense as of December 31, 2024, 2023 and 2022, amounts to $971, $15,586 and $7,448 respectively, which has been recorded under "General and administrative expenses" within the consolidated statement of income. The accrued liability is remeasured at the end of each reporting period until settlement.

The following table summarizes the activity under the plan as of December 31, 2024:

	Units	Settlement
Outstanding at December 31, 2021	**2,040,488**	**$** —
Grant 2022	907,536	—
Partial vesting of 2019 grant	(63,257)	431
Vesting of 2021 grant	(44,093)	320
Forfeitures	(128,919)	—
Outstanding at December 31, 2022	**2,711,755**	—
Grant 2023	769,375	—
Partial vesting of 2019 grant	(59,616)	512
Vesting of 2022 grant	(41,055)	326
Forfeitures	(180,272)	—
Outstanding at December 31, 2023	**3,200,187**	—
Grant 2024	651,575	
Vesting of 2019 grant	(943,288)	10,480
Vesting of 2021 grant	(692,422)	7,693
Vesting of 2023 grant	(32,599)	351
Forfeitures	(5,139)	
Outstanding at December 31, 2024	**2,178,314**	—

The following table provides a summary of the plan as of December 31, 2024:

	Total Non-vested (i)
Number of units outstanding	2,178,314
Current share price	7.28
Total fair value of the plan	15,858
Weighted-average accumulated percentage of service	57.63 %
Accrued liability (ii)	9,139
Compensation expense not yet recognized (iii)	6,719

(i) Related to awards that will vest between April 2025 and May 2027.
(ii) Presented within "Accrued payroll and other liabilities" in the Company's current and non-current liabilities balance sheet.
(iii) Expected to be recognized in a weighted-average period of 1.8 years.

The Company recognized $(599), $2,763 and $966 of related income tax benefit for the share-based compensation plans during fiscal years 2024, 2023 and 2022, respectively.

18. Commitments and contingencies

Commitments

The MFAs in place as of December 31, 2024 require the Company and its MF subsidiaries, among other obligations:

(i) to agree with McDonald's Corporation on a restaurant opening plan and a reinvestment plan for each three-year period or such other commitment or period that McDonald's may approve; and pay an initial franchise fee for each new restaurant opened;
(ii) to pay monthly royalties commencing at a rate of approximately 5% of gross sales of the restaurants, during the first 10 years. This percentage increased to 6% and 7% for the subsequent two five-year periods of the agreement. Nevertheless, at times, McDonald's Corporation has supported Company's investment plans by agreeing to provide an incentive (the "growth support"), which resulted or is expected to result in a lower royalty rate.
(iii) to commit to funding a specified Strategic Marketing Plan; that includes the expenditure of 5% of the Company's gross sales on Advertising and Promotion activities.
(iv) to own (or lease) directly or indirectly, the fee simple interest in all real property on which any franchised restaurant is located; and
(v) to maintain a minimum fixed charge coverage ratio (as defined therein) at least equal to 1.50 as well as a maximum leverage ratio (as defined therein) of 4.25.

If the Company would not be in compliance with these commitments under the MFA, it could be in material breach. A breach of the MFA would give McDonald's Corporation certain rights, including the ability to acquire all or portions of the business.

On January 10, 2022, the Company reached an agreement with McDonald's Corporation on a new growth and investment plan for the next few years. To support its future growth, the Company planned to open at least 200 new restaurants and to modernize at least 400 restaurants, with capital expenditures of approximately $650 million from 2022 to 2024. In addition, McDonald's Corporation agreed to provide growth support which resulted in an effective royalty rate of 5.6%, 6.0% and 6.2% of sales in 2022, 2023 and 2024, respectively.

For the year ended December 31, 2024, the Company was in compliance with the ratio requirements mentioned in point (v) above. The ratios for the periods mentioned, were as follows:

	Fixed Charge Coverage Ratio	Leverage Ratio
March 31, 2024	2.17	3.23
June 30, 2024	2.25	3.17
September 30, 2024	2.20	3.19
December 31, 2024	2.23	3.10

In addition, the Company, through its wholly-owned subsidiary ADBV, maintains standby letters of credit in favor of McDonald's Corporation as collateral for the obligations assumed under the MFAs, for a total aggregate drawing amount of $80 million. These letters of credit can be drawn if certain events occur, including the failure to pay royalties. No amounts have been drawn at the date of issuance of these financial statements. The following table presents information related to the standby letters of credit:

Bank	Currency	Amount
Itaú	$	15,000
Banco Bilbao Vizcaya Argentaria, S.A.	$	45,000
J.P. Morgan	$	20,000

These letters of credit contain a limited number of customary affirmative and negative covenants, including a maximum indebtedness to EBITDA ratio, as follows:

Bank	Ratio	Required Maximum Ratio	As of December 31, 2024
Itaú	Net indebtedness to EBITDA (not including interest payable)	4.5	0.19
Banco Bilbao Vizcaya Argentaria, S.A.	Net indebtedness to EBITDA (including interest payable)	4.0	0.15
J.P. Morgan	Indebtedness to EBITDA	4.5	0.41

On October 25, 2024, ADBV signed a letter of credit with Banco Bilbao Vizcaya Argentaria, S.A. of $45 million. Additionally, on October 28, 2024, ADBV terminated the letter of credit with Credit Suisse of $45 million.

As of December 31, 2024 the Company was in compliance with all the ratios.

Provision for contingencies

The Company has certain contingent liabilities with respect to existing or potential claims, lawsuits and other proceedings, including those involving labor, tax and other matters. As of December 31, 2024 and 2023, the Company maintains a provision for contingencies, net of judicial deposits, amounting to $30,356 and $50,619, respectively, presented as follows: $1,199 and $1,447 as a current liability and $29,157 and $49,172 as a non-current liability, respectively.

The breakdown of the provision for contingencies is as follows:

Description	Balance at beginning of period	Accruals, net	Settlements	Reclassifications and increase of judicial deposits	Translation	Balance at end of period
Year ended December 31, 2024:						
Tax contingencies in Brazil (i)	$ 40,583	$ (10,994)	$ (363)	$ —	$ (7,113)	$ 22,113
Labor contingencies in Brazil (ii)	12,674	14,475	(15,730)	—	(2,598)	8,821
Other (iii)	5,929	3,720	(2,979)	—	(907)	5,763
Subtotal	59,186	7,201	(19,072)	—	(10,618)	36,697
Judicial deposits (iv)	(8,567)	—	—	419	1,807	(6,341)
Provision for contingencies	**$ 50,619**	**$ 7,201**	**$ (19,072)**	**$ 419**	**$ (8,811)**	**$ 30,356**
Year ended December 31, 2023:						
Tax contingencies in Brazil (i)	$ 28,505	$ 10,697	$ (151)	$ —	$ 1,532	$ 40,583
Labor contingencies in Brazil (ii)	14,095	14,231	(17,377)	556	1,169	12,674
Other (iii)	10,145	(668)	(4,494)	(3)	949	5,929
Subtotal	52,745	24,260	(22,022)	553	3,650	59,186
Judicial deposits (iv)	(7,906)	—	—	80	(741)	(8,567)
Provision for contingencies	**$ 44,839**	**$ 24,260**	**$ (22,022)**	**$ 633**	**$ 2,909**	**$ 50,619**
Year ended December 31, 2022:						
Tax contingencies in Brazil (i)	$ 16,642	$ 11,166	$ (12)	$ —	$ 709	$ 28,505
Labor contingencies in Brazil (ii)	13,270	12,426	(13,449)	1,094	754	14,095
Other (iii)	10,766	3,449	(2,763)	—	(1,307)	10,145
Subtotal	40,678	27,041	(16,224)	1,094	156	52,745
Judicial deposits (iv)	(6,592)	—	—	(953)	(361)	(7,906)
Provision for contingencies	**$ 34,086**	**$ 27,041**	**$ (16,224)**	**$ 141**	**$ (205)**	**$ 44,839**

(i) In 2024, 2023 and 2022, it includes mainly INSS (Instituto Nacional do Seguro Social) and CIDE (Contribuições de Intervenção no Domínio Econômico).
(ii) It primarily relates to dismissals in the normal course of business.
(iii) It relates to tax and labor contingencies in other countries and civil contingencies in all the countries.
(iv) It primarily relates to judicial deposits the Company was required to make in connection with the proceedings in Brazil.

As of December 31, 2024, there are certain matters related to the interpretation of tax (for income tax matters refer to note 16), customs, labor and civil laws for which there is a reasonable possibility that a loss may have been incurred in accordance with ASC 450-20-50-4 within a range of $429 million and $468 million. In accordance with ASC 450-20-50-6, unasserted claims or assessments that do not meet the conditions mentioned have not been included.

Pursuant to Section 9.3 of the Stock Purchase Agreement, McDonald's Corporation indemnifies the Company for certain Brazilian claim. As of December 31, 2024 and 2023, the provision for contingencies includes $1,179 and $1,458, respectively related to this claim. As a result, the Company has recorded a non-current asset in respect of McDonald's Corporation's indemnity within "Miscellaneous" in the consolidated balance sheet.

19. Disclosures about fair value of financial instruments

As defined in ASC 820 Fair Value Measurement and Disclosures, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The transaction is based on a hypothetical transaction in the principal or most advantageous market considered from the perspective of the market participant that holds the asset or owes the liability. The valuation techniques that can be used under this guidance are the market approach, income approach or cost approach. The market approach uses prices and other information for market transactions involving identical or comparable assets or liabilities, such as matrix pricing. The income approach uses valuation techniques to convert future amounts to a single discounted present amount based on current market conditions about those future amounts, such as present value techniques, option pricing models (e.g. Black-Scholes model) and binomial models (e.g. Monte-Carlo model). The cost approach is based on current replacement cost to replace an asset.

The Company utilizes market data or assumptions that market participants who are independent, knowledgeable and willing and able to transact would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable. The Company attempts to utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The Company is able to classify fair value balances based on the observance of those inputs. The guidance establishes a formal fair value hierarchy based on the inputs used to measure fair value. The hierarchy gives the highest priority to level 1 measurements and the lowest priority to level 3 measurements, and accordingly, level 1 measurement should be used whenever possible.

The three levels of the fair value hierarchy as defined by the guidance are as follows:

Level 1: Valuations utilizing quoted, unadjusted prices for identical assets or liabilities in active markets that the Company has the ability to access. This is the most reliable evidence of fair value and does not require a significant degree of judgment. Examples include exchange-traded derivatives and listed equities that are actively traded.

Level 2: Valuations utilizing quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly for substantially the full term of the asset or liability.

Financial instruments that are valued using models or other valuation methodologies are included. Models used should primarily be industry-standard models that consider various assumptions and economic measures, such as interest rates, yield curves, time value, volatilities, contract terms, current market prices, credit risk or other market-corroborated inputs. Examples include most over-the-counter derivatives (non-exchange traded), physical commodities, most structured notes and municipal and corporate bonds.

Level 3: Valuations utilizing significant unobservable inputs provides the least objective evidence of fair value and requires a significant degree of judgment. Inputs may be used with internally developed methodologies and should reflect an entity's assumptions using the best information available about the assumptions that market participants would use in pricing an asset or liability. Examples include certain corporate loans, real-estate and private equity investments and long-dated or complex over-the-counter derivatives.

Depending on the particular asset or liability, input availability can vary depending on factors such as product type, longevity of a product in the market and other particular transaction conditions. In some cases, certain inputs used to measure fair value may be categorized into different levels of the fair value hierarchy. For disclosure purposes under this guidance, the lowest level that contains significant inputs used in valuation should be chosen. Pursuant to ASC 820-10-50, the Company has classified its assets and liabilities into these levels depending upon the data relied on to determine the fair values. The fair values of the Company's derivatives are valued based upon quotes obtained from counterparties to the agreements and are designated as Level 2.

The following fair value hierarchy table presents information about the Company's assets and liabilities measured at fair value on a recurring basis as of December 31, 2024 and 2023:

	Quoted Prices in Active Markets For Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)		Balance as of December 31,	Balance as of December 31,
	2024	2023	2024	2023	2024	2023	2024	2023
Assets								
Cash equivalents	$ 61,579	$ 113,726	$ —	$ —	$ —	$ —	$ 61,579	$ 113,726
Short-term Investments	—	45,000	3,529	5,106	—	—	3,529	50,106
Derivatives	—	—	82,383	46,605	—	—	82,383	46,605
Total Assets	**$ 61,579**	**$ 158,726**	**$ 85,912**	**$ 51,711**	**$ —**	**$ —**	**$ 147,491**	**$ 210,437**
Liabilities								
Derivatives	$ —	$ —	$ 1,292	$ 24,294	$ —	$ —	$ 1,292	$ 24,294
Total Liabilities	**$ —**	**$ —**	**$ 1,292**	**$ 24,294**	**$ —**	**$ —**	**$ 1,292**	**$ 24,294**

The derivative contracts were valued using various pricing models or discounted cash flow analyses that incorporate observable market parameters, such as interest rate yield curves, option volatilities and currency rates that were observable for substantially the full term of the derivative contracts.

Certain financial assets and liabilities not measured at fair value

As of December 31, 2024, the fair value of the Company's short and long-term debt was estimated at $766,897, compared to a carrying amount of $786,647. This fair value was estimated using various pricing models or discounted cash flow analysis that incorporated quoted market prices and is similar to Level 2 within the valuation hierarchy. The carrying amount for notes receivable approximates fair value.

Non-financial assets and liabilities measured at fair value on a nonrecurring basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, the assets and liabilities are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (e.g., when there is evidence of impairment). As of December 31, 2024, no material fair value adjustments or fair value measurements were required for non-financial assets or liabilities, except for those required in connection with the impairment of long-lived assets and goodwill. Refer to Note 3 for more details, including inputs and valuation techniques used to measure fair value of these non-financial assets.

20. Certain risks and concentrations

The Company's financial instruments that are exposed to concentration of credit risk primarily consist of cash and cash equivalents, short-term investments, and accounts and notes receivable. Cash and cash equivalents and short-term investments are deposited with various creditworthy financial institutions, and therefore the Company believes it is not exposed to any significant credit risk related to cash and cash equivalents. Concentrations of credit risk with respect to accounts and notes receivable are generally limited due to the large number of franchisees comprising the Company's franchise base.

All the Company's operations are concentrated in Latin America and the Caribbean. As a result, the Company's financial condition and results of operations depend, to a significant extent, on macroeconomic and political conditions prevailing in the region. However, some events of global impact such as pandemic, could affect the Company's operations.

21. Segment and geographic information

The Company is required to report information about operating segments in annual financial statements and interim financial reports issued to shareholders in accordance with ASC 280. Operating segments are components of a company about which separate financial information is available that is regularly evaluated by the chief operating decision maker(s) in deciding how to allocate resources and assess performance. ASC 280 also requires disclosures about the Company's products and services, geographic areas and major customers.

As discussed in Note 1, the Company through its wholly-owned and majority-owned subsidiaries operates and franchises McDonald's restaurants in the food service industry. The Company has determined that its reportable segments are those that are based on the Company's method of internal reporting. The Company manages its business as distinct geographic segments and its operations are divided into three geographic divisions, as follows: (i) Brazil, (ii) the North Latin American division, or "NOLAD," which is comprised of Costa Rica, Mexico, Panama, Puerto Rico, Martinique, Guadeloupe, French Guiana and the U.S. Virgin Islands of St. Croix and St. Thomas and (iii) the South Latin American division, or "SLAD," which is comprised of Argentina, Chile, Ecuador, Peru, Uruguay, Colombia, Venezuela, Trinidad and Tobago, Aruba and Curaçao. The accounting policies of the segments are the same as those described in Note 3.

The Company's chief operating decision maker is the Chief Executive Officer ("CEO") and adjusted EBITDA is the measure of segment's profit or loss used to evaluate segment performance and resource allocation.

Arcos Dorados Holdings Inc.

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024

Amounts in thousands of US dollars, except for share data and as otherwise indicated

The following tables present information about profit, or loss, significant expenses, other segment items and assets for each reportable segment:

	For the fiscal years ended December 31,		
	2024	**2023**	**2022**
Revenues:			
Brazil	$ 1,768,311	$ 1,701,547	$ 1,429,105
NOLAD	1,225,751	1,132,912	920,189
SLAD	1,476,100	1,497,419	1,269,608
Total revenues	**$ 4,470,162**	**$ 4,331,878**	**$ 3,618,902**
Significant expenses (a)			
Company-operated restaurant expenses			
Brazil	$ (1,338,301)	$ (1,301,637)	$ (1,096,919)
NOLAD	(1,048,552)	(962,214)	(777,989)
SLAD	(1,277,019)	(1,270,959)	(1,087,953)
Total Company-operated restaurant expenses	**$ (3,663,872)**	**$ (3,534,810)**	**$ (2,962,861)**
Franchised restaurants-occupancy expenses			
Brazil	$ (54,089)	$ (54,031)	$ (42,995)
NOLAD	$ (11,020)	(10,465)	(9,053)
SLAD	$ (9,754)	(9,243)	(7,240)
Total Franchised restaurants-occupancy expenses	**$ (74,863)**	**$ (73,739)**	**$ (59,288)**
General and administrative expenses			
Brazil	$ (54,007)	$ (58,608)	$ (53,810)
NOLAD	(50,197)	(48,188)	(37,645)
SLAD	(54,169)	(51,973)	(44,854)
Corporate	(89,990)	(104,118)	(88,305)
Total General and administrative expenses	**$ (248,363)**	**$ (262,887)**	**$ (224,614)**
Other segment items			
Brazil	$ 18,088	$ 12,906	$ 6,965
NOLAD	$ 274	3,319	(212)
SLAD	$ (1,466)	(4,864)	$ 4,692
Corporate	$ 140	501	$ 2,980
Total Other segment items (a) (b)	**$ 17,036**	**$ 11,862**	**$ 14,425**
Adjusted EBITDA:			
Brazil	$ 340,002	$ 300,177	$ 242,346
NOLAD	116,256	115,364	95,290
SLAD	133,692	160,380	134,253
Total reportable segments	**589,950**	**575,921**	**471,889**
Corporate and others (i)	(89,850)	(103,617)	(85,325)
Total adjusted EBITDA	**$ 500,100**	**$ 472,304**	**$ 386,564**

(a) Depreciation & amortization are not included within the significant expenses, such as Company-operated restaurant expenses, Franchised restaurants-occupancy expenses, Selling, general & administrative expenses and Other segment items.

(b) Other segment items includes gains related to sales and exchange of restaurant businesses, rental income of excess properties, accrual for contingencies, recovery of taxes, results from equity method investments, write-offs of inventory and other miscellaneous items.

	For the fiscal years ended December 31,		
	2024	**2023**	**2022**
Adjusted EBITDA reconciliation:			
Total Adjusted EBITDA	**$ 500,100**	**$ 472,304**	**$ 386,564**
(Less) Plus items excluded from computation that affect operating income:			
Depreciation and amortization	(177,354)	(149,268)	(119,777)
Gains from sale and insurance recovery of property and equipment	5,486	2,030	1,949
Write-offs of long-lived assets	(2,650)	(8,401)	(3,143)
Impairment of long-lived assets	(1,067)	(2,626)	(1,171)
Operating income	**324,515**	**314,039**	**264,422**
(Less) Plus:			
Net interest expense and other financing results	(47,238)	(32,275)	(43,750)
Gain (loss) from derivative instruments	941	(13,183)	(10,490)
Foreign currency exchange results	(15,063)	10,774	16,501
Other non-operating expenses, net	(3,873)	(1,238)	(287)
Income tax expense, net	(109,903)	(95,702)	(85,476)
Net income attributable to non-controlling interests	(620)	(1,141)	(577)
Net income attributable to Arcos Dorados Holdings Inc.	**$ 148,759**	**$ 181,274**	**$ 140,343**

Arcos Dorados Holdings Inc.

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024

Amounts in thousands of US dollars, except for share data and as otherwise indicated

	For the fiscal years ended December 31,		
	2024	**2023**	**2022**
Depreciation and amortization:			
Brazil	$ 70,868	$ 68,249	$ 55,003
NOLAD	50,481	41,195	32,377
SLAD	46,432	32,302	25,932
Total reportable segments	**167,781**	**141,746**	**113,312**
Corporate and others (i)	9,966	8,178	7,134
Purchase price allocation (ii)	(393)	(656)	(669)
Total depreciation and amortization	**$ 177,354**	**$ 149,268**	**$ 119,777**
Property and equipment expenditures:			
Brazil	$ 108,140	$ 121,913	$ 68,661
NOLAD	99,140	113,823	69,966
SLAD	120,301	122,616	78,162
Others	55	1,745	326
Total property and equipment expenditures	**$ 327,636**	**$ 360,097**	**$ 217,115**

	As of December 31,	
	2024	**2023**
Total assets:		
Brazil	$ 1,164,179	$ 1,304,759
NOLAD	959,403	900,429
SLAD	822,342	748,073
Total reportable segments	**2,945,924**	**2,953,261**
Corporate and others (i)	40,366	171,255
Purchase price allocation (ii)	(93,636)	(105,278)
Total assets	**$ 2,892,654**	**$ 3,019,238**

(i) Primarily relates to corporate general and administrative expenses, corporate supply chain operations in Uruguay, and related assets. Corporate general and administrative expenses consist of corporate office support costs in areas such as facilities, finance, human resources, information technology, legal, marketing, restaurant operations, supply chain and training. As of December 31, 2024, corporate assets primarily include cash and cash equivalents, short-term investments and lease right of use. As of December 31, 2023, corporate assets primarily include cash and cash equivalents and short-term investments.

(ii) Relates to the purchase price allocation adjustment made at corporate level, which reduces the accounting value of our long-lived assets (excluding Lease right of use) and goodwill, considering the corresponding depreciation and amortization. As of December 31, 2024 and 2023, primarily related with the reduction of goodwill.

The Company's revenues are derived from two sources: sales by Company-operated restaurants and revenues from restaurants operated by franchisees. All of the Company's revenues are derived from foreign operations. The following table presents information about revenues by geographic area for fiscal years ended December 31, 2024, 2023 and 2022:

	For the fiscal years ended December 31,		
	2024	2023	2022
Revenues:			
Brazil	$ 1,768,311	$ 1,701,547	$ 1,429,105
Argentina	600,298	683,231	604,347
México	447,388	394,528	278,414
Other countries	1,654,165	1,552,572	1,307,036
Total revenues	**$ 4,470,162**	**$ 4,331,878**	**$ 3,618,902**

Long-lived assets consisting of property and equipment totaled $1,127,042 and $1,119,885 as of December 31, 2024 and 2023, respectively. All of the Company's long-lived assets are related to foreign operations. The following table presents information about long-lived assets by geographic area as of December 31, 2024, and 2023:

	As of December 31,	
	2024	2023
Long-lived assets		
Brazil	$ 370,419	$ 431,360
Mexico	168,588	177,428
Argentina	117,206	95,374
Other countries	470,829	415,723
Total long-lived assets	**$ 1,127,042**	**$ 1,119,885**

22. Shareholders' equity

Authorized capital

The Company is authorized to issue a maximum of 500,000,000 shares, consisting of 420,000,000 Class A shares and 80,000,000 Class B shares of no par value each.

Issued and outstanding capital

As of December 31, 2021, the Company had 210,478,322 shares issued and outstanding with no par value, consisting of 130,478,322 class A shares and 80,000,000 class B shares.

During fiscal years 2024, 2023 and 2022, the Company issued 8,088, 60,424 and 116,223 Class A shares, respectively, in connection with the partial vesting of restricted share units under the 2011 Equity Incentive Plan, which is fully vested as of December 31, 2024.

On May 22, 2018, the Board of Directors approved the adoption of a share repurchase program, pursuant to which the Company may repurchase from time to time, along one year, up to $60,000 of issued and outstanding Class A shares of no par value of the Company.

As of December 31, 2024, 2023 and 2022, the Company had 2,309,062 shares in treasury, amounting to $19,367.

As of December 31, 2024, 2023 and 2022 the Company had 210,663,057; 210,654,969 and 210,594,545 outstanding shares, consisting of 130,663,057; 130,654,969 and 130,594,545 Class A shares, respectively, and 80,000,000 for Class B shares for each year.

Rights, privileges and obligations

Holders of Class A shares are entitled to one vote per share and holders of Class B shares are entitled to five votes per share. Except with respect to voting, the rights, privileges and obligations of the Class A shares and Class B shares are *pari passu* in all respects, including with respect to dividends and rights upon liquidation of the Company.

Distribution of dividends

The Company can only make distributions to the extent that immediately following the distribution, its assets exceed its liabilities and the Company is able to pay its debts as they become due.

On March 12, 2024, the Company approved a cash dividend distribution to all Class A and Class B shareholders of $0.24 per share to be paid in four installments, as follows: $0.06 per share in March 28, June 28, September 27 and December 27, 2024, respectively. As of December 31, 2024, the Company paid $50,557 of cash dividends

Accumulated other comprehensive loss

The following table sets forth information with respect to the components of "Accumulated other comprehensive loss" as of December 31, 2024 and their related activity during the three-years in the period then ended:

	Foreign currency translation	Cash flow hedges	Securities available for sale (i)	Total Accumulated other comprehensive loss
Balances at December 31, 2021	**$ (625,608)**	**$ 17,840**	**$ —**	**$ (607,768)**
Other comprehensive income (loss) before reclassifications	16,518	(26,255)	(3,624)	(13,361)
Net loss reclassified from accumulated other comprehensive loss to consolidated statement of income	—	7,669	—	7,669
Net current-period other comprehensive income (loss)	16,518	(18,586)	(3,624)	(5,692)
Balances at December 31, 2022	**(609,090)**	**(746)**	**(3,624)**	**(613,460)**
Other comprehensive income (loss) before reclassifications	53,309	(17,393)	(1,780)	34,136
Net loss reclassified from accumulated other comprehensive loss to consolidated statement of income	—	15,124	1,119	16,243
Net current-period other comprehensive income (loss)	53,309	(2,269)	(661)	50,379
Balances at December 31, 2023	**(555,781)**	**(3,015)**	**(4,285)**	**(563,081)**
Other comprehensive (loss) income before reclassifications	(111,871)	33,150	(552)	(79,273)
Net (income) loss reclassified from accumulated other comprehensive income to consolidated statement of loss	—	(26,904)	774	(26,130)
Net current-period other comprehensive (loss) income	(111,871)	6,246	222	(105,403)
Balances at December 31, 2024	**(667,652)**	**3,231**	**(4,063)**	**(668,484)**

(i) Related to unrealized results on available for sale securities. As of December 31, 2024, the Company maintains Securities classified as available for sale in accordance with guidance in ASC 320 Investments – Debt and Equity Securities amounting to $3,529, included within "Short-term investments" in the Consolidated Balance Sheet. The amortized cost at acquisition amounted to $7,744.

23. Earnings per share

The Company is required to present basic earnings per share and diluted earnings per share in accordance with ASC 260. Earnings per share are based on the weighted average number of shares outstanding during the period after consideration of the dilutive effect, if any, for common stock equivalents, including stock options and restricted share units. Basic earnings per common share are computed by dividing net income available to common shareholders by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per common share are computed by dividing net income by the weighted average number of shares of common stock outstanding and dilutive securities outstanding during the period under the treasury method.

The following table sets forth the computation of basic and diluted net income per common share attributable to Arcos Dorados Holdings Inc. for all years presented:

	For the fiscal years ended December 31,		
	2024	**2023**	**2022**
Net income attributable to Arcos Dorados Holdings Inc. available to common shareholders	$ 148,759	$ 181,274	$ 140,343
Weighted-average number of common shares outstanding - Basic	210,660,590	210,632,812	210,552,173
Incremental shares from vesting of restricted share units	—	—	74,925
Weighted-average number of common shares outstanding - Diluted	210,660,590	210,632,812	210,627,098
Basic net income per common share attributable to Arcos Dorados Holdings Inc.	**$ 0.71**	**$ 0.86**	**$ 0.67**
Diluted net income per common share attributable to Arcos Dorados Holdings Inc.	**$ 0.71**	**$ 0.86**	**$ 0.67**

24. Related party transactions

The Company has entered into a master commercial agreement on arm's length terms with Axionlog, a company under common control that operates the distribution centers in Argentina, Chile, Colombia, Ecuador, Mexico, Peru, Uruguay, Venezuela, French Guiana, Guadeloupe, Martinique, Aruba, Curaçao, the USVI and Trinidad and Tobago (the "Axionlog Business"). Pursuant to this agreement Axionlog provides the Company distribution inventory, storage and transportation services in the countries in which it operates.

The following table summarizes the outstanding balances between the Company and the Axionlog Business as of December 31, 2024 and 2023:

	As of December 31,	
	2024	**2023**
Other receivables	5,995	5,979
Miscellaneous	4,031	4,190
Accounts payable	(27,261)	(26,092)

The following table summarizes the transactions between the Company and the Axionlog Business for the fiscal years ended December 31, 2024, 2023 and 2022:

	Fiscal years ended December 31,		
	2024	2023	2022
Food and paper (i)	$ (338,543)	$ (319,232)	$ (256,704)
Occupancy and other operating expenses	(10,893)	(9,590)	(7,193)

(i) Include $67,296 of distribution fees and $271,247 of supplier purchases managed through the Axionlog Business for the fiscal year ended December 31, 2024; $65,342 and $253,890, respectively, for the fiscal year ended December 31, 2023; and $53,191 and $203,513, respectively, for the fiscal year ended December 31, 2022.

The following table summarizes the outstanding balances between the Company and its equity method investments as of December 31, 2024 and 2023:

	2024		2023	
	Lacoop II, S.C	Saile (i)	Lacoop II, S.C	Saile (i)
Other receivables	$ 2,091	$ 978	$ 2,779	$ 710
Accounts payable	(5,936)	—	(5,965)	—

(i) Operadora de Franquicias Saile S.A.P.I. de C.V.

25. Valuation and qualifying accounts

The following table presents the information required by Rule 12-09 of Regulation S-X regarding valuation and qualifying accounts for each of the periods presented:

Description	Balance at beginning of period	Additions (i)	Deductions (ii)	Remeasurement/Translation	Balance at end of period
Year ended December 31, 2024:					
Deducted from assets accounts:					
Allowance for doubtful accounts (iii)	$ 1,440	$ 766	$ (1,636)	$ (179)	$ 391
Valuation allowance on deferred tax assets	218,674	32,999	(10,631)	(36,144)	204,898
Reported as liabilities:					
Provision for contingencies	50,619	7,620	(19,072)	(8,811)	30,356
Total	**$ 270,733**	**$ 41,385**	**$ (31,339)**	**$ (45,134)**	**$ 235,645**
Year ended December 31, 2023:					
Deducted from assets accounts:					
Allowance for doubtful accounts (iii)	$ 849	$ 838	$ (309)	$ 62	$ 1,440
Valuation allowance on deferred tax assets	201,414	34,029	(11,458)	(5,311)	218,674
Reported as liabilities:					
Provision for contingencies	44,839	24,893	(22,022)	2,909	50,619
Total	**$ 247,102**	**$ 59,760**	**$ (33,789)**	**$ (2,340)**	**$ 270,733**
Year ended December 31, 2022:					
Deducted from assets accounts:					
Allowance for doubtful accounts (iii)	$ 874	$ 732	$ (715)	$ (42)	$ 849
Valuation allowance on deferred tax assets	186,239	63,163	(5,453)	(42,535)	201,414
Reported as liabilities:					
Provision for contingencies	34,086	27,182	(16,224)	(205)	44,839
Total	**$ 221,199**	**$ 91,077**	**$ (22,392)**	**$ (42,782)**	**$ 247,102**

(i) Additions in valuation allowance on deferred tax assets are charged to income tax expense, net.

Additions in provision for contingencies are explained as follows:

Fiscal years 2024, 2023 and 2022 – Relate to the accrual of $7,201, $24,260 and $27,041, respectively, and a reclassification of $419, $633, and $141 during fiscal years 2024, 2023 and 2022, respectively. See Note 18 for details.

(ii) Deductions in valuation allowance on deferred tax assets are charged to income tax expense, net.

Deductions in provision for contingencies are explained as follows:

Corresponds to the settlements amounting to $19,072; $22,022 and $16,224 during fiscal years 2024, 2023 and 2022, respectively as discussed in Note 18.

(iii) Presented in the consolidated balance sheet as follows: $294, $1,330 and $460 as of December 31, 2024, 2023 and 2022, respectively, within Accounts and notes receivable, net and $97 and $110 and $389 as of December 31, 2024, 2023 and 2022, respectively, within Other receivables.

26. Subsequent events

Long-term debt

On January 15, 2025, the Company announced the commencement of an offer to purchase for cash any and all of its outstanding 2027 Notes.

The table below summarizes certain payment terms for the Notes:

Senior Note	Outstanding principal amount (i)	Tender Offer Consideration (ii)	Tender Offer Expiration Date
2027 Notes	$385,986	$1,000	January 23, 2025

(i) $6,721 of repurchases held by Arcos Dorados BV included.
(ii) Expressed as whole number.

Furthermore, on January 29, 2025, the Company's subsidiary ADBV (the "Issuer") issued Senior Notes for an aggregate principal amount of $600 million which matures in 2032 (the "2032 Notes"). Interest on the notes will accrue at a rate of 6.375% per annum.

As a result, the proceeds from 2032 Notes were used to fund the cash tender offer redeemed on January 29, 2025 consisting of 35.27% of its outstanding principal of 2027 Notes for a total amount of $136,145 plus accrued and unpaid interest and will be used to redeem all of its outstanding 2027 Notes and for general corporate purposes. Periodic payments of principal are not required and interest is paid semi-annually commencing on July 29, 2025. The 2032 Notes are guaranteed on a senior unsecured basis by the Company and certain of its subsidiaries.

Moreover, on February 28, 2025 the Company announced its intent to redeem all of its outstanding 5.875% Notes due 2027 at a redemption price equal to 100% plus accrued and unpaid interest on April 4, 2025.

Short-term debt

During February 2025, the Company repaid $23,500 of its short-term debt, including $4,500 of its revolving credit facility debt with J.P. Morgan.

Dividend distribution

Additionally, on March 11, 2025, the Company approved a dividend distribution to all Class A and Class B shareholders of $0.24 per share to be paid in four installments, as follows: $0.06 per share in March 27, June 27, September 26 and December 26, 2025, respectively.

ARCOS DORADOS B.V.
as Issuer

ARCOS DORADOS HOLDINGS INC.
as Parent Guarantor

THE SUBSIDIARY GUARANTORS
named herein

CITIBANK, N.A.
as Trustee, Registrar, Paying Agent and Transfer Agent

and

BANQUE INTERNATIONALE À LUXEMBOURG, SOCIÉTÉ ANONYME
as Luxembourg Paying Agent

INDENTURE

Dated as of January 29, 2025

6.375% SENIOR NOTES DUE 2032

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INDENTURE, dated as of January 29, 2025, among Arcos Dorados B.V., a Dutch private limited liability company (*besloten venmootschap met beperkte aansprakelijkheid*) (the "Company"), Arcos Dorados Holdings Inc., a British Virgin Islands business company (the "Parent Guarantor"), the Subsidiary Guarantors named herein (as defined below), Citibank, N.A., a national banking association as trustee (the "Trustee"), and registrar (the "Registrar"), paying agent and transfer agent, and Banque Internationale à Luxembourg, Société Anonyme (the "Luxembourg Paying Agent").

Each party agrees as follows for the benefit of the other parties and of the Holders of the Initial Notes and any Additional Notes (in each case as defined herein):

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.1 Definitions.

"Accounts Receivable" means (1) accounts receivable, (2) franchise fee payments and other revenues related to franchise agreements, (3) royalty and other similar payments made related to the use of trade names and other intellectual property, business support, training and other services and (4) revenues related to distribution and merchandising of the products of the Parent Guarantor and its Subsidiaries.

"Acquired Indebtedness" means Indebtedness of a Person or any of its subsidiaries existing at the time such Person becomes a Subsidiary of the Parent Guarantor or at the time it merges or consolidates with the Parent Guarantor or any of its Subsidiaries or is assumed in connection with the acquisition of assets from such Person. Acquired Indebtedness will be deemed to have been Incurred at the time such Person becomes a Subsidiary or at the time it merges or consolidates with the Parent Guarantor or a Subsidiary or at the time such Indebtedness is assumed in connection with the acquisition of assets from such Person.

"Additional Amounts" has the meaning set forth under Section 3.11.

"Additional Note Board Resolutions" means resolutions duly adopted by the Board of Directors of the Company and delivered to the Trustee in an Officers' Certificate providing for the issuance of Additional Notes.

"Additional Note Supplemental Indenture" means a supplement to this Indenture duly executed and delivered by the Company and the Trustee pursuant to Article IX providing for the issuance of Additional Notes.

"Additional Notes" means any additional Notes as specified in the relevant Additional Note Board Resolutions or Additional Note Supplemental Indenture issued therefor in accordance with this Indenture.

"Affiliate" means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. Solely for purposes of this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" have correlative meanings.

"Agent Members" has the meaning assigned to it in Section 2.7(b).

"Attributable Debt" means (i) with respect to a Sale and Lease-Back Transaction relative to any property, at the time of determination, the present value of the total net amount of rent required to be paid under such lease during the remaining term thereof (including any period for which such lease has been extended), discounted at the applicable rate of interest set forth or implicit in the terms of such lease (or, if not practicable to determine such rate, the weighted average interest rate per annum borne by the securities of all series then outstanding under this Indenture) and (ii) in the case of any lease which is terminable by the lessee upon the payment of a penalty, the net amount of such lease shall be the lesser of (x) the net amount determined assuming termination upon the first date such lease may be terminated (in which case the net amount shall also include the amount of the penalty, but shall not include any rent that would be required to be paid under such lease subsequent to the first date upon which it may be terminated) or (y) the net amount determined assuming no such termination.

"Authenticating Agent" has the meaning assigned to it in Section 2.2(d).

"Authorized Agent" has the meaning assigned to it in Section 11.6(d).

"Bankruptcy Law" means Title 11, U.S. Code or any similar U.S. federal or state law or non-U.S. law for the relief of debtors, including the Insolvency Act, 2003 of the British Virgin Islands.

"Bankruptcy Law Event of Default" means:

(1) the Parent Guarantor, the Company or any Significant Subsidiary, or group of Subsidiaries that, taken together, would constitute a Significant Subsidiary, pursuant to or under or within the meaning of any Bankruptcy Law:

(a) commences a voluntary case or proceeding;

(b) consents to the making of a Bankruptcy Order in an involuntary case or proceeding or consents to the commencement of any case against it (or them);

(c) consents to the appointment of a custodian, receiver, liquidator, assignee, trustee, *síndico*, *conciliador*, sequestrator or similar official of it (or them) or for all or any substantial part of its property;

(d) makes a general assignment for the benefit of its (or their) creditors;

(e) files an answer or consent seeking reorganization or relief;

(f) admits in writing its inability to pay its (or their) debts generally; or

(g) consents to the filing of a petition in bankruptcy;

(2) a court of competent jurisdiction in any involuntary case or proceeding enters a Bankruptcy Order against the Company, the Parent Guarantor, or any Significant Subsidiary, or group of Subsidiaries that, taken together, would constitute a Significant Subsidiary, or of all or any substantial part of the property of the Company, the Parent Guarantor, or any Significant Subsidiary, or group of Subsidiaries that, taken together, would constitute a Significant Subsidiary, and such Bankruptcy Order remains unstayed and in effect for 60 consecutive days; or

(3) a custodian, receiver, liquidator, assignee, trustee, *síndico, conciliador,* sequestrator or similar official is appointed out of court with respect to the Company, the Parent Guarantor, or any Significant Subsidiary, or group of Subsidiaries that, taken together, would constitute a Significant Subsidiary, or with respect to all or any substantial part of the assets or properties of the Company, the Parent Guarantor, or any Significant Subsidiary, or group of Subsidiaries that, taken together, would constitute a Significant Subsidiary.

"Bankruptcy Order" means any court order made in a proceeding pursuant to or within the meaning of any Bankruptcy Law, containing an adjudication of bankruptcy or insolvency, or providing for liquidation, receivership, winding-up, dissolution, suspension of payments, reorganization or similar proceedings, or appointing a custodian of a debtor or of all or any substantial part of a debtor's property, or providing for the staying, arrangement, adjustment or composition of indebtedness or other relief of a debtor.

"BBVA Letter of Credit Agreement" means the Letter of Credit Agreement, dated as of October 25, 2024, between the Company and Banco Bilbao Vizcaya Argentaria, S.A. New York Branch (BBVA), as issuing bank.

"Board of Directors" means, with respect to any Person, the board of directors or similar governing body of such Person or any duly authorized committee thereof and with respect to the Company means the "*directie."*

"Board Resolution" means, with respect to any Person, a copy of a resolution certified by the Secretary or an Assistant Secretary, or in the case of the Company, a director, of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Brazilian Master Franchisee" means Arcos Dourados Comércio de Alimentos S.A., or any successor to its rights and obligations under the Third Amended and Restated

Master Franchise Agreement, dated as of December 30, 2024, among McDonald's Latin America and Arcos Dourados Comércio de Alimentos S.A., as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Business Day" means a day, other than a Saturday, a Sunday, or a legal holiday or a day on which commercial banks and foreign exchange markets are authorized or obligated to close in the City of New York.

"Call Option Closing Date" means the date on which the equity interests of the Master Franchisee or the Brazilian Master Franchisee are transferred to McDonald's upon McDonald's exercise of the McDonald's Call Option and the Call Option Price in respect thereof is paid by McDonald's to the Parent Guarantor.

"Call Option Price" means the price payable by McDonald's to the Parent Guarantor upon exercise by McDonald's of the McDonald's Call Option in respect of the equity interests of the Master Franchisee or the Brazilian Master Franchisee.

"Call Option Redemption Event" means the occurrence of the Call Option Closing Date and the payment of the Call Option Price by McDonald's to the Parent Guarantor, but only with respect to the Master Franchisee and/or the Brazilian Master Franchisee.

"Capital Stock" means, with respect to any Person, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated and whether or not voting) of equity of such Person, including each class of Common Stock, Preferred Stock, limited liability interests or partnership interests, but excluding any debt securities convertible into such equity.

"Capitalized Lease Obligations" means, as to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as capital lease obligations under GAAP. For purposes of this definition, the amount of such obligations at any date will be the capitalized amount of such obligations at such date, determined in accordance with GAAP.

"Certificated Note" means any Note issued in fully-registered certificated form (other than a Global Note), which shall be substantially in the form of Exhibit A, with appropriate legends as specified in Section 2.8 and Exhibit A.

"Change of Control" means the occurrence of one or more of the following events:

(1) The Permitted Holders cease to be the "beneficial owners" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of 30.0% of the voting power of the Voting Stock of the Parent Guarantor (including any Parent Guarantor Surviving Entity or Issuer Surviving Entity, as applicable), the Master Franchisee or the Brazilian Franchisee;

(2) individuals appointed by the Permitted Holders cease for any reason to constitute a majority of the members of the Board of Directors of the Parent Guarantor, the Master Franchisee or the Brazilian Franchisee;

(3) the sale, conveyance, assignment, transfer, lease or other disposition of all or substantially all of the assets of the Parent Guarantor, the Master Franchisee or the Brazilian Franchisee determined on a consolidated basis, to any "person" (as defined in Sections 13d and 14d under the Exchange Act), whether or not otherwise in compliance with the Indenture, other than a Permitted Holder; or

(4) the approval by the holders of Capital Stock of the Parent Guarantor, the Master Franchisee or the Brazilian Franchisee of any plan or proposal for the liquidation or dissolution of the Parent Guarantor, Company, the Master Franchisee or the Brazilian Franchisee, whether or not otherwise in compliance with the Indenture.

"Change of Control Notice" means notice of a Change of Control Offer made pursuant to Section 3.7, which shall be sent to each record Holder as shown on the Note Register within 30 days following the date upon which a Change of Control Repurchase Event occurred, with a copy to the Trustee, in the manner provided for in Section 11.1 and which notice shall govern the terms of the Change of Control Offer and shall state:

(1) that a Change of Control Repurchase Event has occurred, the circumstances or events causing such Change of Control Repurchase Event and that a Change of Control Offer is being made pursuant to Section 3.7, and that all Notes that are timely tendered shall be accepted for payment;

(2) the Change of Control Payment, and the Change of Control Payment Date;

(3) that any Notes or portions thereof not tendered or accepted for payment shall continue to accrue interest;

(4) that, unless the Company defaults in the payment of the Change of Control Payment with respect thereto, all Notes or portions thereof accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest from and after the Change of Control Payment Date;

(5) that any Holder electing to have any Notes or portions thereof purchased pursuant to a Change of Control Offer shall be required to tender such Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of such Notes completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(6) that any Holder shall be entitled to withdraw such election if the Paying Agent receives, not later than the close of business on the third Business Day preceding the Change of Control Payment Date, a facsimile transmission or letter, setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing such Holder's election to have such Notes or portions thereof purchased pursuant to the Change of Control Offer;

(7) that any Holder electing to have Notes purchased pursuant to the Change of Control Offer must specify the principal amount that is being tendered for purchase, which principal amount must be U.S.$200,000 or an integral multiple of U.S.$1,000 in excess thereof;

(8) that any Holder of Certificated Notes whose Certificated Notes are being purchased only in part shall be issued new Certificated Notes equal in principal amount to the unpurchased portion of the Certificated Note or Notes surrendered, which unpurchased portion shall be equal in principal amount to U.S.$200,000 or an integral multiple of U.S.$1,000 in excess thereof;

(9) that the Trustee shall return to the Holder of a Global Note that is being purchased in part, such Global Note with a notation on the schedule of increases and decreases thereof adjusting the principal amount thereof to be equal to the unpurchased portion of such Global Note;

(10) that, in the event that Holders of not less than 95% of the aggregate principal amount of the Outstanding Notes accept a Change of Control Offer and the Company or a third party purchases all of the Notes held by such Holders, the Company shall have the right, upon prior notice, to redeem all of the Notes that remain outstanding in accordance with Section 3.7(e); and

(11) any other information necessary to enable any Holder to tender Notes and to have such Notes purchased pursuant to Section 3.7.

"Change of Control Offer" has the meaning assigned to it in Section 3.7(a).

"Change of Control Payment" has the meaning assigned to it in Section 3.7.

"Change of Control Payment Date" means a Business Day no earlier than 30 days nor later than 60 days subsequent to the date on which the Change of Control Notice is mailed (other than as may be required by applicable law);

"Change of Control Repurchase Event" means the occurrence of both a Change of Control and a Rating Downgrade Event.

"Commodity Agreement" means, with respect to any Person, any commodity swap agreement, commodity cap agreement, commodity collar agreement, commodity or raw material futures contract or any other agreement as to which such Person is a party designed to manage commodity risk of such Person.

"Common Stock" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common equity interests, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common equity interests.

"Company" means the party named as such in the introductory paragraph to this Indenture and its successors and assigns, including any Issuer Surviving Entity.

"Company Order" has the meaning assigned to it in Section 2.2(c).

"Consolidated Adjusted EBITDA" means, with respect to any Person for any period, Consolidated Net Income for such Person for such period, *plus* the following (without duplication) to the extent deducted or added in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense for such Person for such period;

(2) Consolidated Income Tax Expense for such Person for such period;

(3) Consolidated Non-cash Charges for such Person for such period;

(4) any non-operating and/or non-recurring charges, expenses or losses of such Person and its Subsidiaries for such period; and

(5) the amount of loss on any sale of Accounts Receivables and related assets to a Securitization Subsidiary in connection with a Permitted Receivables Financing;

(6) *less* (x) all non-cash credits and gains increasing Consolidated Net Income for such Person for such period, (y) all cash payments made by such Person and its Subsidiaries during such period relating to non-cash charges that were added back in determining Consolidated Adjusted EBITDA in any prior period and (z) non-operating and/or non-recurring income or gains (less all fees and expenses related thereto) increasing Consolidated Net Income of such Person and its Subsidiaries for such period.

Notwithstanding the foregoing, the items specified in clauses (1) and (3) above for any Subsidiary will be added to Consolidated Net Income in calculating Consolidated Adjusted EBITDA for any period:

(a) in proportion to the percentage of the total Capital Stock of such Subsidiary held directly or indirectly by such Person at the date of determination and

(b) to the extent that a corresponding amount would be permitted at the date of determination to be distributed to such Person by such Subsidiary pursuant to its charter and bylaws (estatutos sociales) and each law, regulation, agreement or judgment applicable to such distribution.

"Consolidated Income Tax Expense" means, with respect to any Person for any period, the provision for federal, state, local and any other income taxes payable by such Person and its Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP.

"Consolidated Interest Expense" means, with respect to any Person for any period, the sum (without duplication) determined on a consolidated basis in accordance with GAAP of:

(1) the aggregate of cash and non-cash interest expense of such Person and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, including, without limitation, the following (whether or not interest expense in accordance with GAAP):

(a) any amortization or accretion of debt discount or any interest paid on Indebtedness of such Person and its Subsidiaries in the form of additional Indebtedness;

(b) any amortization of deferred financing costs;

(c) the net costs under Hedging Obligations (including amortization of fees) in respect of Indebtedness or that are otherwise treated as interest expense or equivalent under GAAP; provided that if Hedging Obligations result in net benefits rather than costs, such benefits will be credited to reduce Consolidated Interest Expense unless, pursuant to GAAP, such net benefits are otherwise reflected in Consolidated Net Income;

(d) all capitalized interest;

(e) the interest portion of any deferred payment obligation;

(f) any premiums, fees, discounts, expenses and losses on the sale of accounts receivable (and any amortization thereof) payable by the Parent Guarantor or any Subsidiary in connection with a Permitted Receivables Financing;

(g) commissions, discounts and other fees and charges Incurred in respect of letters of credit or bankers' acceptances; and

(h) any interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Subsidiaries or secured by a Lien on the assets of such Person or one of its Subsidiaries, whether or not such Guarantee or Lien is called upon; and

(2) the interest component of Capitalized Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such Person and its Subsidiaries during such period.

"Consolidated Net Income" means, with respect to any Person for any period, the aggregate net income (or loss) of such Person and its Subsidiaries (after deducting (or adding) the portion of such net income (or loss) attributable to minority interests in Subsidiaries of such Person) for such period on a consolidated basis, determined in accordance with GAAP; *provided* that there will be excluded therefrom to the extent reflected in such aggregate net income (loss):

(1) any restoration to income of any contingency reserve, except to the extent that provision for such reserve was made out of Consolidated Net Income accrued at any time following the Issue Date;

(2) any gain (or loss) from foreign exchange translation or change in net monetary position;

(3) any net gain or loss (after any offset) resulting in such period from Hedging Obligations entered into for bona fide hedging purposes and not for speculative purposes; provided that the net effect on income or loss (including in any prior periods) will be included upon any termination or early extinguishment of such Hedging Obligations, other than any Hedging Obligations with respect to Indebtedness (that is not itself a Hedging Obligation) and that are extinguished concurrently with the termination or other prepayment of such Indebtedness; and

(4) the cumulative effect of changes in accounting principles.

"Consolidated Net Tangible Assets" means the total consolidated assets of the Parent Guarantor and its Subsidiaries, as shown on the most recent balance sheet of the Parent Guarantor provided to the Trustee pursuant to Section 3.10 (or required to be provided thereunder), less (1) all current liabilities of the Parent Guarantor and its Subsidiaries after eliminating (a) all intercompany items between the Parent Guarantor, the Company and any Subsidiaries or between Subsidiaries and (b) all current maturities of long-term Indebtedness; and (2) all goodwill, patents, tradenames, trademarks, copyrights, franchises, experimental expenses, organization expenses and any other amounts classified as intangible assets in accordance with GAAP; all calculated in accordance with GAAP and calculated on a pro forma basis to give effect to any acquisition or disposition of companies, divisions, lines of businesses or operations by the Parent Guarantor, the Company and its Subsidiaries subsequent to such date and on or prior to the date of determination.

"Consolidated Non-cash Charges" means, with respect to any Person for any period, the aggregate depreciation, amortization and other non-cash expenses or losses of such Person and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP (excluding any such charge which constitutes an accrual of or a reserve for cash charges for any future period or the amortization of a prepaid cash expense paid in a prior period).

"Corporate Trust Office" means (i) solely for the purposes of the transfer, surrender and exchange of the Notes or for the presentment of Notes for final payment thereon, 388 Greenwich Street, 26th Floor, New York, New York 10013, Attention: Peter Lopez – Agency & Trust - Administrator for Arcos Dorados, and (ii) for all other purposes, the office of the Trustee at which any particular time its corporate trust business shall be principally administered (which office as of the date of this Indenture is located at Citibank, N.A., Attention: Citi Agency & Trust, Arcos Dorados, 388 Greenwich Street, 4th Floor, New York, NY 10013), or such other address as the Trustee may designate from time to time by notice to the Holders and the Company, or the designated corporate trust office of any successor Trustee (or such other address as such successor Trustee may designate from time to time by notice to the Holders and the Company).

"Covenant Defeasance" has the meaning assigned to it in Section 8.1(c).

"Currency Agreement" means, with respect to any Person, any foreign exchange contract, currency swap agreement or other similar agreement as to which such Person is a party designed solely to hedge foreign currency risk of such Person.

"Default" means an event or condition the occurrence of which is, or with the lapse of time or the giving of notice or both would be, an Event of Default.

"Defaulted Interest" has the meaning assigned to it in paragraph 1 of the Form of Reverse Side of Note contained in Exhibit A.

"Disqualified Capital Stock" means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof.

"Distribution Compliance Period" means, with respect to any Regulation S Global Note, the 40 consecutive days beginning on and including the later of (a) the day on which any Notes represented thereby are offered to persons other than distributors (as defined in Regulation S under the Securities Act) pursuant to Regulation S and (b) the issue date for such Notes.

"DTC" means The Depository Trust Company, its nominees and their respective successors and assigns, or such other depositary institution hereinafter appointed by the Company that is a clearing agency registered under the Exchange Act.

"Event of Default" has the meaning assigned to it in Section 6.1.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

"Fair Market Value" means, with respect to any asset, the price (after taking into account any liabilities relating to such assets) which could be negotiated in an arm's-length free market transaction, for cash, between a willing seller and a willing and able buyer, neither of which is under any compulsion to complete the transaction; *provided* that the Fair Market Value of any such asset or assets will be determined conclusively by the Board of Directors of the Company acting in good faith, and will be evidenced by a Board Resolution.

"Fitch" means Fitch Inc., a subsidiary of Fimalac, S.A., and its successors.

"Franchise Documents" means the Master Franchise Agreements and any other documents pursuant to which the Parent Guarantor or any of its Subsidiaries has acquired the right to operate any franchised restaurant in Argentina, Aruba, Brazil, Chile, Colombia, Costa Rica, Curacao, Ecuador, French Guiana, Guadeloupe, Martinique, Mexico, Panama, Peru, Puerto Rico, Trinidad and Tobago, Uruguay, Venezuela and the U.S. Virgin Islands of St. Thomas and St. Croix, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"GAAP" means generally accepted accounting principles in effect in the United States.

"Global Note" means any Note issued in fully-registered certificated form to DTC (or its nominee), as depositary for the beneficial owners thereof, which shall be substantially in the form of Exhibit A, with appropriate legends as specified in Section 2.8 and Exhibit A.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person:

(1) to purchase or pay, or advance or supply funds for the purchase or payment of, such Indebtedness of such other Person, whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise; or

(2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof, in whole or in part;

(3) *provided* that "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. "Guarantee," when used as a verb, has a corresponding meaning.

"Guarantors" means the Parent Guarantor and each Subsidiary Guarantor.

"Hedging Obligations" means the obligations of any Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Agreement.

"Holder" means the Person in whose name a Note is registered in the Note Register.

"Incur" means, with respect to any Indebtedness or other obligation of any Person, to create, issue, incur (including by conversion, exchange or otherwise), assume, guarantee or otherwise become liable in respect of such Indebtedness (and "Incurrence" and "Incurred" will have meanings correlative to the foregoing), *provided* that (1) any Indebtedness of a Person existing at the time such Person becomes a Subsidiary of the Parent Guarantor will be deemed to be Incurred by such Subsidiary at the time it becomes a Subsidiary of the Parent Guarantor and (2) neither the accrual of interest nor the accretion of original issue discount nor the payment of dividends on Disqualified Capital Stock or Preferred Stock in the form of additional shares of the same class of Disqualified Capital Stock or Preferred Stock will be considered an Incurrence of Indebtedness.

"Indebtedness" means, with respect to any Person, without duplication:

(1) the principal amount (or, if less, the accreted value) of all obligations of such Person for borrowed money;

(2) the principal amount (or, if less, the accreted value) of all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all Capitalized Lease Obligations of such Person;

(4) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all obligations under any title retention agreement (but excluding trade accounts payable in the ordinary course of business);

(5) all reimbursement obligations in respect of letters of credit, banker's acceptances or similar credit transactions (except to the extent Incurred in the ordinary course of business and such obligation is satisfied within 20 Business Days of Incurrence);

(6) guarantees and other contingent obligations of such Person in respect of Indebtedness referred to in clauses (1) through (5) above and clause (8) below;

(7) all Indebtedness of any other Person of the type referred to in clauses (1) through (6) above which is secured by any Lien on any property or asset of such Person, the amount of such Indebtedness being deemed to be the lesser of the Fair Market Value of such property or asset and the amount of the Indebtedness so secured;

(8) all net obligations under Hedging Obligations of such Person (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time);

(9) the amount of all Permitted Receivables Financings of such Person; and

(10) all Disqualified Capital Stock issued by such Person with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any; *provided* that:

(a) if the Disqualified Capital Stock does not have a fixed repurchase price, such maximum fixed repurchase price will be calculated in accordance with the terms of the Disqualified Capital Stock as if the Disqualified Capital Stock were purchased on any date on which Indebtedness will be required to be determined pursuant to the Indenture; and

(b) if the maximum fixed repurchase price is based upon, or measured by, the fair market value of the Disqualified Capital Stock, the fair market value will be the Fair Market Value thereof.

The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the

occurrence of the contingency giving rise to the obligation, of any contingency obligations at such date.

"Indenture" means this Indenture, as amended or supplemented from time to time, including the Exhibits hereto, and any supplemental indenture hereto.

"Initial Notes" means any of the Company's 6.375% Senior Notes due 2032 payable in U.S. Dollars issued on the Issue Date, and any replacement Notes issued therefor in accordance with this Indenture.

"Interest Payment Date" means the stated due date of an installment of interest on the Notes as specified in the Form of Face of Note contained in Exhibit A.

"Interest Rate Agreement" means, with respect to any Person, any interest rate protection agreement (including, without limitation, interest rate swaps, caps, floors, collars, derivative instruments and similar agreements) and/or other types of hedging agreements designed solely to hedge interest rate risk of such Person.

"Issue Date" means the date of this Indenture (being the original issue date of Notes hereunder).

"Issuer Surviving Entity" has the meaning set forth in Section 4.1(b).

"Itau Letter of Credit Agreement" means the Continuing Standby Letter of Credit Agreement, dated as of June 14, 2024, as amended, between the Company and Itaú Unibanco S.A. Miami Branch, as issuing bank.

"JPM Letter of Credit Agreement" means the Letter of Credit Reimbursement Agreement, dated as of November 3, 2015, as amended, between the Company and JPMorgan Chase Bank N.A., as issuing bank.

"L/C Documents" means the Letters of Credit, the Letter of Credit Agreements, the L/C Security Documents and each other agreement, instrument or document delivered in connection with the foregoing, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"L/C Security Documents" means the Security Agreement dated as of May 9, 2011 made by the Subsidiaries of the Parent Guarantor party thereto and the Pledge Agreement dated as of May 9, 2011 made by the Subsidiaries of the Parent Guarantor party thereto, in each case to secure the obligations under the Itau Letter of Credit Agreement; and the Guaranty dated as of November 3, 2015 made by the Subsidiaries of the Parent Guarantor party thereto to secure the obligations under the JPM Letter of Credit Agreement.

"Legal Defeasance" has the meaning assigned to it in Section 8.1(b).

"Letter of Credit Agreements" means the BBVA Letter of Credit Agreement, the Itau Letter of Credit Agreement and the JPM Letter of Credit Agreement.

"Letters of Credit" means (i) the irrevocable standby letter of credit issued on June 25, 2024, for the account of the Parent Guarantor and the subsidiary guarantors identified thereto, for the benefit of McDonald's Latin America, pursuant to the Itau Letter of Credit Agreement, (ii) the irrevocable standby letter of credit issued on November 3, 2015, for the account of the Parent Guarantor and the subsidiary guarantors identified thereto, for the benefit of McDonald's Latin America, pursuant to the JPM Letter of Credit Agreement; and (iii) the irrevocable standby letter of credit issued on October 25, 2024, for the account of the Company and the subsidiary guarantors identified thereto, for the benefit of McDonald's Latin America, pursuant to the BBVA Letter of Credit Agreement.

"Legal Holiday" has the meaning assigned to it in Section 11.5.

"Lien" means any lien, mortgage, deed of trust, pledge, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof and any agreement to give any security interest); *provided* that the lessee in respect of a Capitalized Lease Obligation or Sale and Lease-Back Transaction will be deemed to have Incurred a Lien on the property leased thereunder; *provided* that in no event shall an operating lease be deemed to constitute a Lien.

"Luxembourg" means the Grand Duchy of Luxembourg.

"Luxembourg Paying Agent" means the party named as such in the introductory paragraph of this Indenture until such party resigns or is removed by the Company from such role; provided that, if such party is replaced by a successor in accordance with the terms of this Indenture, "Luxembourg Paying Agent" shall thereafter mean such successor.

"Master Franchise Agreements" means the Second Amended and Restated Master Franchise Agreement, dated as of December 30, 2024, among McDonald's Latin America, the Parent Guarantor, the Company and the other parties thereto, and the Third Amended and Restated Master Franchise Agreement, dated as of December 30, 2024, among McDonald's Latin America and Arcos Dourados Comércio de Alimentos S.A., as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Master Franchisee" means Arcos Dorados B.V., or any successor to its rights and obligations under the Second Amended and Restated Master Franchise Agreement, dated as of December 30, 2024, among McDonald's Latin America, the Parent Guarantor, the Company and the other parties thereto, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Maturity Date" means, when used with respect to any Note, the date on which the principal of such Note becomes due and payable as therein or herein provided, whether at Stated Maturity or by declaration of acceleration, call for redemption, exercise of the repurchase right or otherwise.

"McDonald's" means McDonald's Corporation and its Subsidiaries.

"McDonald's Call Option" means the "Call Option" referred to in the Master Franchise Agreements.

"McDonald's Foreign Pledge Agreements" means, collectively, the pledge agreements listed on Schedule I to this Indenture.

"McDonald's Latin America" means McDonald's Latin America, LLC, a limited liability company organized under the laws of the State of Delaware.

"McDonald's Mortgage" means any mortgages granted in favor of McDonald's Latin America on Secured Restricted Real Estate, in each case securing obligations owing to McDonald's Latin America under the Second Amended and Restated Master Franchise Agreement, dated as of December 30, 2024, among McDonald's Latin America, the Parent Guarantor, the Company and the other parties thereto, as the same may be amended, restated, supplemented or otherwise modified from time to time, in an aggregate amount not to exceed the undrawn portion of the Letter of Credit on the date of termination thereof.

"McDonald's Security Documents" means the McDonald's U.S. Stock Pledge Agreement, dated as of August 3, 2007, made by the Parent Guarantor and the other parties thereto in favor of McDonald's Latin America, and the McDonald's Foreign Pledge Agreements and any other agreement, instrument or document under which any Lien is granted to secure obligations under the Franchise Documents, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Moody's" means Moody's Investors Service, Inc., or any successor thereto.

"Non-Guarantor Subsidiary" has the meaning assigned to it in Section 10.5.

"Non-U.S. Person" means a person who is not a U.S. person, as defined in Regulation S.

"Note Custodian" means the custodian with respect to any Global Note appointed by DTC, or any successor Person thereto, and shall initially be the Trustee.

"Note Guarantee" means the unconditional guarantee, on a joint and several basis, of the full and prompt payment of all obligations of the Company under this Indenture and the Notes, in accordance with the terms of Article X.

"Note Register" has the meaning assigned to it in Section 2.3(a).

"Notes" means, collectively, the Initial Notes and any Additional Notes issued under this Indenture.

"Offering Memorandum" means the Company's offering memorandum dated January 23, 2025, used in connection with the Original Offering of Notes.

"Officer" means, when used in connection with any action to be taken by the Parent Guarantor, the Company or Subsidiary, the Chairman of the Board, the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, the Director of Corporate

Finance, the Chief Legal Officer, the Treasurer or any Assistant Treasurer and the Secretary or any Assistant Secretary (or, in each case, the officers of the Company with equivalent positions).

"Officers' Certificate" means, when used in connection with any action to be taken by the Parent Guarantor, the Company or Subsidiary, a certificate signed by two Officers of the Parent Guarantor, the Company or such Subsidiary, and delivered to the Trustee.

"Opinion of Counsel" means a written opinion of counsel, who may be an employee of or counsel for the Company (except as otherwise provided in this Indenture), obtained at the expense of the Company, a Parent Guarantor Surviving Entity or Issuer Surviving Entity or a Subsidiary, and who is reasonably acceptable to the Trustee.

"Original Offering of Notes" means the original private offering of the Initial Notes, which were issued on the Issue Date.

"Outstanding" means, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture, *except*:

(1) Notes theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(2) Notes, or portions thereof, for the payment, redemption or, in the case of a Change of Control Offer, purchase of, which money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Parent Guarantor, the Company or an Affiliate of the Company) in trust or set aside and segregated in trust by the Parent Guarantor, the Company or an Affiliate of the Company (if the Parent Guarantor, the Company or such Affiliate of the Company is acting as Paying Agent) for the Holders of such Notes; *provided* that, if Notes (or portions thereof) are to be redeemed or purchased, notice of such redemption or purchase has been duly given pursuant to this Indenture or provision therefor reasonably satisfactory to the Trustee has been made;

(3) Notes which have been paid pursuant to Section 2.10(c) or which have been surrendered pursuant to Section 2.10 or in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture, other than any such Notes in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Notes are held by a protected purchaser in whose hands such Notes are valid obligations of the Company; and

(4) Solely to the extent provided in Article VIII, Notes which are subject to Legal Defeasance or Covenant Defeasance as provided in Article VIII;

provided, however, that in determining whether the Holders of the requisite aggregate principal amount of the Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by the Company or any other obligor under the Notes or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver,

only Notes which a Trust Officer of the Trustee actually knows to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Company or any other obligor upon the Notes or any Affiliate of the Company or of such other obligor.

"Par Call Date" has the meaning assigned to it in the Form of Face of Note contained in Exhibit A.

"Parent Guarantor Surviving Entity" has the meaning set forth in Section 4.1(a).

"Paying Agent" has the meaning assigned to it in Section 2.3(a).

"Permitted Business" means the business or businesses conducted by the Parent Guarantor and its Subsidiaries as of the Issue Date and any business ancillary or complementary thereto.

"Permitted Holders" means (1) Woods W. Staton and any Related Party of Mr. Staton and (2) any Person both the Capital Stock and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are owned directly or indirectly 51% or more by Persons specified in clause (1).

"Permitted Liens" means any of the following Liens:

(1) Liens existing on the Issue Date and any extension, renewal or replacement thereof;

(2) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, suppliers, materialmen, repairmen and other Liens imposed by law incurred in the ordinary course of business for sums not yet delinquent or being contested in good faith, if such reserve or other appropriate provision, if any, as shall be required by GAAP shall have been made in respect thereof;

(3) (a) licenses, sublicenses, leases or subleases granted by the Parent Guarantor or any of its Subsidiaries to other Persons not materially interfering with the conduct of the business of the Parent Guarantor or any of its Subsidiaries and (b) any interest or title of a lessor, sublessor or licensor under any lease or license agreement permitted by the Indenture to which the Parent Guarantor or any Subsidiary is a party;

(4) Liens Incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, including any Lien securing letters of credit issued in the ordinary course of business consistent with past practice in connection therewith, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, customs duties, bids, leases, government performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);

(5) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(6) Liens on patents, trademarks, service marks, trade names, copyrights, technology, know-how and processes to the extent such Liens arise from the granting of license to use such patents, trademarks, service marks, trade names, copyrights, technology, know-how and processes to any Person in the ordinary course of business of the Parent Guarantor or any of its Subsidiaries;

(7) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof;

(8) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of the Parent Guarantor or a Subsidiary, including rights of offset and set-off;

(9) Liens for taxes, assessments or other governmental charges not yet subject to penalties for non-payment or which are being contested in good faith by appropriate proceedings, *provided* that appropriate reserves required pursuant to GAAP have been made in respect thereof;

(10) encumbrances, ground leases, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or liens incidental to the conduct of the business of such Person or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(11) deposits in the ordinary course of business securing liability for reimbursement obligations of insurance carriers providing insurance to the Parent Guarantor or its Subsidiaries and any Liens thereon;

(12) judgment Liens not giving rise to an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceeding may be initiated has not expired;

(13) Liens arising solely by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary institution or, in respect of the Company, arising under Article 24 or 25 of the general terms and conditions (*Algemene Bankvoorwaarden*) of any member of the Dutch Bankers' Association (*Nederlandse*

Vereniging van Banken) or any similar term applied by a financial institution in the Netherlands pursuant to its general terms and conditions;

(14) Liens securing Hedging Obligations;

(15) Liens to secure any Refinancing Indebtedness which is Incurred to Refinance any Indebtedness and which has been secured by a Lien permitted under this Indenture; *provided* that such new Liens:

(a) are no less favorable to the Holders of Notes and are not more favorable to the lienholders with respect to such Liens than the Liens in respect of the Indebtedness being Refinanced; and

(b) do not extend to any property or assets other than the property or assets securing the Indebtedness Refinanced by such Refinancing Indebtedness;

(16) Liens securing Indebtedness or other obligations of a Subsidiary owing to the Parent Guarantor or another Subsidiary;

(17) Liens securing Acquired Indebtedness not incurred in connection with, or in anticipation or contemplation of, the relevant acquisition, merger or consolidation; *provided* that

(a) such Liens secured such Acquired Indebtedness at the time of and prior to the Incurrence of such Acquired Indebtedness by the Parent Guarantor or a Subsidiary and were not granted in connection with, or in anticipation of the Incurrence of such Acquired Indebtedness by the Parent Guarantor or a Subsidiary; and

(b) such Liens do not extend to or cover any property of the Parent Guarantor or any Subsidiary other than the property that secured the Acquired Indebtedness prior to the time such Indebtedness became Acquired Indebtedness of the Parent Guarantor or a Subsidiary and are no more favorable to the lienholders than the Liens securing the Acquired Indebtedness prior to the Incurrence of such Acquired Indebtedness by the Parent Guarantor or a Subsidiary;

(18) purchase money Liens securing Purchase Money Indebtedness or Capitalized Lease Obligations Incurred to finance the acquisition or leasing of property of the Parent Guarantor or a Subsidiary used in a Permitted Business; *provided* that:

(a) the related Purchase Money Indebtedness does not exceed the cost of such property and will not be secured by any property of the Parent Guarantor or any Subsidiary other than the property so acquired; and

(b) the Lien securing such Indebtedness will be created within 365 days of such acquisition;

(19) Liens securing an amount of Indebtedness outstanding at any one time (together with any Sale and Lease-Back Transaction (as defined below) that would otherwise be prohibited by Section 3.9 of this Indenture) not to exceed the greater of (a) U.S.$225,000,000 (or the equivalent in other currencies) or (b) 15% of Consolidated Net Tangible Assets;

(20) Liens under the L/C Documents;

(21) Liens in favor of McDonald's Latin America created pursuant to the McDonald's Security Documents and the McDonald's Mortgages;

(22) the interest of McDonald's Latin America, as franchisor under the Franchise Documents;

(23) Any Liens, including any netting or set-off, created by operation of law as a result of a fiscal unity (*fiscale eenheid*) for Dutch tax purposes; and

(24) Liens arising under any Permitted Receivables Financing.

"Permitted Receivables Financing" means any receivables financing facility or arrangement pursuant to which a Securitization Subsidiary purchases or otherwise acquires Accounts Receivable of the Parent Guarantor or any Subsidiaries and enters into a third-party financing thereof on terms that the Board of Directors has concluded are customary and market terms fair to the Parent Guarantor and its Subsidiaries.

"Person" means an individual, partnership, limited partnership, corporation, company, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

"Preferred Stock" means, with respect to any Person, any Capital Stock of such Person that has preferential rights over any other Capital Stock of such Person with respect to dividends, distributions or redemptions or upon liquidation.

"Private Placement Legend" has the meaning assigned to it in Section 2.8(b).

"Purchase Money Indebtedness" means Indebtedness Incurred for the purpose of financing all or any part of the purchase price, or other cost of construction or improvement of any property; *provided* that the aggregate principal amount of such Indebtedness does not exceed such purchase price or cost, including any Refinancing of such Indebtedness that does not increase the aggregate principal amount (or accreted amount, if less) thereof as of the date of the Refinancing.

"QIB" means any "qualified institutional buyer" (as defined in Rule 144A).

"Rating Agency" means (1) each of Fitch, Moody's and S&P; and (2) if any of Fitch, Moody's or S&P ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of our control, a "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act, selected by us as a replacement agency for Fitch, Moody's or S&P, as the case may be.

"Rating Downgrade Event" means the rating on the Notes is lowered from their rating then in effect as a result of any event or circumstance comprised of or arising as a result of, or in respect of, a Change of Control (or pending Change of Control) by at least two of the Rating Agencies on any date during the period (the "Trigger Period") from the date of the public announcement by the Company of a Change of Control (or pending Change of Control) until the end of the 60-day period following public announcement by the Company of the consummation of a Change of Control (which Trigger Period shall be extended following the consummation of the Change of Control so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies). In the event that less than two Rating Agencies are providing a rating for the Notes at the commencement of any Trigger Period, then a "Rating Downgrade Event" shall be deemed to have occurred during that Trigger Period. Notwithstanding the foregoing, no Rating Downgrade Event will be deemed to have occurred as a result of any event or circumstance comprised of or arising as a result of, or in respect of, a Change of Control unless and until such Change of Control has actually been consummated.

"Record Date" has the meaning assigned to it in the Form of Face of Note contained in Exhibit A.

"Redemption Date" means, with respect to any redemption of Notes, the date fixed for such redemption pursuant to this Indenture and the Notes.

"Refinance" means, in respect of any Indebtedness, to issue any Indebtedness in exchange for or to refinance, replace, defease or refund such Indebtedness in whole or in part. "Refinanced" and "Refinancing" have correlative meanings.

"Refinancing Indebtedness" means Indebtedness of the Parent Guarantor or any Subsidiary issued to Refinance any other Indebtedness of the Parent Guarantor or a Subsidiary so long as:

(1) the aggregate principal amount (or initial accreted value, if applicable) of such new Indebtedness as of the date of such proposed Refinancing does not exceed the aggregate principal amount (or initial accreted value, if applicable) of the Indebtedness being Refinanced plus the amount of any premium required to be paid under the terms of the instrument governing such Indebtedness and the amount of reasonable expenses incurred by the Parent Guarantor or the Subsidiary in connection with such Refinancing;

(2) such new Indebtedness has:

(a) a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being Refinanced; and

(b) a final maturity that is equal to or later than the final maturity of the Indebtedness being Refinanced; and

(3) if the Indebtedness being Refinanced is Subordinated Indebtedness, then such Refinancing Indebtedness will be subordinate to the Notes or any relevant

Guarantee, if applicable, at least to the same extent and in the same manner as the Indebtedness being Refinanced.

"Registrar" has the meaning assigned to it in Section 2.3(a).

"Regulation S" means Regulation S under the Securities Act or any successor regulation.

"Regulation S Global Note" has the meaning assigned to it in Section 2.1(e).

"Related Party" means, with respect to any Person, (1) any Subsidiary, spouse, descendant or other immediate family member (which includes any child, stepchild, parent, stepparent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law) (in the case of an individual), of such Person, (2) any estate, trust, corporation, partnership or other entity, the beneficiaries and stockholders, partners or owners of which consist solely of one or more Permitted Holders referred to in clause (1) of the definition thereof and /or such other Persons referred to in the immediately preceding clause (1), or (3) any executor, administrator, trustee, manager, director or other similar fiduciary of any Person referred to in the immediately preceding clause (2), acting solely in such capacity.

"Resale Restriction Termination Date" means, for any Restricted Note (or beneficial interest therein), one year (or such other period specified in Rule 144(k)) from the Issue Date or, if any Additional Notes that are Restricted Notes have been issued before the Resale Restriction Termination Date for any Restricted Notes, from the latest such original issue date of such Additional Notes.

"Restricted Note" means any Initial Note (or beneficial interest therein) or any Additional Note (or beneficial interest therein), until such time as:

(1) the Resale Restriction Termination Date therefor has passed;

(2) such Note is a Regulation S Global Note and the Distribution Compliance Period therefor has terminated; or

(3) the Private Placement Legend therefor has otherwise been removed pursuant to Section 2.9(d) or, in the case of a beneficial interest in a Global Note, such beneficial interest has been exchanged for an interest in a Global Note not bearing a Private Placement Legend.

"Rule 144" means Rule 144 under the Securities Act (or any successor rule).

"Rule 144A" means Rule 144A under the Securities Act (or any successor rule).

"Rule 144A Global Note" has the meaning assigned to it in Section 2.1(d).

"Sale and Lease-Back Transaction" means any direct or indirect arrangement with any Person or to which any such Person is a party providing for the leasing to the Parent Guarantor or a Subsidiary of any property, whether owned by the Parent Guarantor or any Subsidiary at the Issue Date or later acquired, which has been or is to be sold or transferred by

the Parent Guarantor or such Subsidiary to such Person or to any other Person by whom funds have been or are to be advanced on the security of such property.

"Securities Act" means the U.S. Securities Act of 1933, as amended.

"Secured Restricted Real Estate" means the real estate listed on Schedule II to this Indenture.

"Securitization Subsidiary" means a Subsidiary of the Parent Guarantor:

(1) that is designated a "Securitization Subsidiary" by the Board of Directors,

(2) that does not engage in, and whose charter prohibits it from engaging in, any activities other than Permitted Receivables Financings and any activity necessary, incidental or related thereto,

(3) no portion of the Indebtedness or any other obligation, contingent or otherwise, of which

(a) is Guaranteed by the Parent Guarantor or any Subsidiary,

(b) is recourse to or obligates the Parent Guarantor or any Subsidiary, or

(c) subjects any property or asset of the Parent Guarantor or any Subsidiary of the Parent Guarantor, directly or indirectly, contingently or otherwise, to the satisfaction thereof,

(4) with respect to which neither the Parent Guarantor nor any Subsidiary of the Parent Guarantor (other than a Subsidiary) has any obligation to maintain or preserve its financial condition or cause it to achieve certain levels of operating results,

(5) other than, in respect of clauses (3) and (4), pursuant to customary representations, warranties, covenants and indemnities entered into in connection with a Permitted Receivables Financing.

"Significant Subsidiary" means a Subsidiary of the Parent Guarantor that would constitute a "Significant Subsidiary" of the Parent Guarantor in accordance with Rule 1-02 under Regulation S-X under the Securities Act in effect on the Issue Date.

"Special Record Date" has the meaning assigned to it in Section 2.13(a).

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred).

"Subordinated Indebtedness" means, with respect to the Parent Guarantor or any Subsidiary, any Indebtedness of the Parent Guarantor or such Subsidiary, as the case may be, which is expressly subordinated in right of payment to the Notes or the relevant Note Guarantee, as the case may be.

"Subsidiary" means, with respect to any Person, any other Person of which such Person owns, directly or indirectly, more than 50% of the voting power of the other Person's outstanding Voting Stock.

"Subsidiary Guarantor" means the Subsidiaries signatories to this Indenture on the Issue Date and any that execute Supplemental Indentures hereto after the Issue Date.

"Surviving Entity" means, with respect to the Issuer or the Parent Guarantor, the Issuer Surviving Entity or the Parent Guarantor Surviving Entity, respectively.

"S&P" means Standard & Poor's Rating Service or any successor thereto.

"Transfer Agent" has the meaning assigned to it in Section 2.3(a).

"Trustee" means the party named as such in the introductory paragraph of this Indenture until a successor replaces it in accordance with the terms of this Indenture and, thereafter, means the successor.

"Trust Officer" means, when used with respect to the Trustee, any officer within the corporate trust department (or any successor group of the Trustee) of the Trustee, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject, in each case having direct responsibility for the administration of this Indenture.

"Unlevered Subsidiary" means any Subsidiary that has not more than U.S.$10,000,000 of outstanding Indebtedness Incurred after the Issue Date.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable or redeemable at the issuer's option.

"U.S. Dollars" or "U.S.$" means such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

"Venezuelan Subsidiary" means any direct or indirect Subsidiary of the Parent Guarantor that generates more than 50% of its revenues or holds more than 50% of its total assets in Venezuela.

"Voting Stock" means, with respect to any Person, securities of any class of Capital Stock of such Person then outstanding and normally entitled to vote in the election of

members of the Board of Directors (or equivalent governing body) of such Person. The term "normally entitled" means without regard to any contingency.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years (calculated to the nearest one twelfth) obtained by dividing:

(1) the then outstanding aggregate principal amount or liquidation preferences, as the case may be, of such Indebtedness into,

(2) the sum of the products obtained by multiplying:

(a) the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal or liquidation preference, as the case may be, including payment at final maturity, in respect thereof, by

(b) the number of years (calculated to the nearest one twelfth) which will elapse between such date and the making of such payment.

Section 1.2 Rules of Construction. Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) "including" means including without limitation;

(5) words in the singular include the plural and words in the plural include the singular;

(6) references to the payment of principal of the Notes shall include applicable premium, if any;

(7) references to payments on the Notes shall include Additional Amounts payable on the Notes, if any;

(8) all references to Sections or Articles refer to Sections or Articles of this Indenture;

(9) references to any law are to be construed as including all statutory and regulatory provisions or rules consolidating, amending, replacing, supplementing or implementing such law; and

(10) the term "obligor," when used with respect to the Notes, means the Company and any other obligor as of the date of this Indenture.

ARTICLE II

THE NOTES

Section 2.1 Form and Dating.

(a) The Initial Notes are being originally issued by the Company on the Issue Date. The Notes shall be issued in fully registered certificated global form without coupon, and in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. The Notes and the certificate of authentication shall be substantially in the form of Exhibit A.

(b) The terms and provisions of the Notes, the form of which is in Exhibit A, shall constitute, and are hereby expressly made, a part of this Indenture, and, to the extent applicable, the Company and the Trustee, by their execution and delivery of this Indenture expressly agree to such terms and provisions and to be bound thereby. Except as otherwise expressly permitted in this Indenture, all Notes shall be identical in all respects. Notwithstanding any differences among them, all Notes issued under this Indenture shall vote and consent together on all matters as one class.

(c) The Notes may have notations, legends or endorsements as specified in Section 2.8 or as otherwise required by law, stock exchange rule or DTC rule or usage. The Company and the Trustee shall approve the form of the Notes and any notation, legend or endorsement on them. Each Note shall be dated the date of its authentication.

(d) Notes originally offered and sold to QIBs in reliance on Rule 144A shall be represented by a single permanent global certificate (which may be subdivided) without interest coupons (each, a "Rule 144A Global Note").

(e) Notes originally offered and sold outside the United States of America in reliance on Regulation S shall be represented by a single permanent global certificate (which may be subdivided) without interest coupons (each, a "Regulation S Global Note").

Section 2.2 Execution and Authentication.

(a) An Officer shall sign the Notes for the Company by manual or facsimile signature. If an Officer whose signature is on a Note no longer holds that office at the time the Trustee authenticates the Note, the Note shall be valid nevertheless.

(b) A Note shall not be valid until an authorized signatory of the Trustee manually authenticates the Note. The signature of the Trustee on the certificate of authentication on a Note shall be conclusive evidence that such Note has been duly and validly authenticated and issued under this Indenture.

(c) At any time and from time to time after the execution and delivery of this Indenture, the Trustee shall authenticate and make available for delivery Notes upon a written order of the Company signed by an Officer of the Company (the "Company Order"). A

Company Order shall specify the amount of the Notes to be authenticated and the date on which such original issue of Notes is to be authenticated.

(d) The Trustee may appoint an agent (the "Authenticating Agent") reasonably acceptable to the Company to authenticate the Notes. Unless limited by the terms of such appointment, any such Authenticating Agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by the Authenticating Agent.

(e) In case a Surviving Entity has executed an indenture supplemental hereto with the Trustee pursuant to Article IV, any of the Notes authenticated or delivered prior to such transaction may, from time to time, at the request of the Surviving Entity, be exchanged for other Notes executed in the name of the Surviving Entity with such changes in phraseology and form as may be appropriate, but otherwise identical to the Notes surrendered for such exchange and of like principal amount; and the Trustee, upon Company Order of the Surviving Entity, shall authenticate and deliver Notes as specified in such order for the purpose of such exchange. If Notes shall at any time be authenticated and delivered in any new name of a Surviving Entity pursuant to this Section 2.2 in exchange or substitution for or upon registration of transfer of any Notes, such Surviving Entity, at the option of the Holders but without expense to them, shall provide for the exchange of all Notes at the time Outstanding for Notes authenticated and delivered in such new name.

Section 2.3 Registrar, Transfer Agent and Paying Agent.

(a) The Company shall maintain an office or agency in the Borough of Manhattan, City of New York, where Notes may be presented or surrendered for registration of transfer or for exchange (the "Registrar" and "Transfer Agent," respectively) and where Notes may be presented for payment (the "Paying Agent"). The Registrar shall keep a register of the Notes and of their transfer and exchange (the "Note Register"). The Company may have one or more co-Registrars and one or more additional paying agents or transfer agents. The terms "Paying Agent" and "Transfer Agent" include any additional paying agent and any additional transfer agent, as the case may be.

(b) The Company shall enter into an appropriate agency agreement with any Registrar, Paying Agent or co-Registrar not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such agent. The Company shall notify the Trustee of the name and address of each such agent. If the Company fails to maintain a Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.7. The Company may act as Paying Agent, Registrar, co-Registrar or Transfer Agent.

(c) The Company initially appoints the Trustee as Registrar, Paying Agent and Transfer Agent (and the Trustee hereby accepts such appointment), until such time as another Person is appointed as such, and Banque Internationale à Luxembourg, société anonyme, as Luxembourg Paying Agent (and Banque Internationale à Luxembourg, société anonyme, hereby accepts such appointment), until such time as another Person is appointed as such.

(d) The Company may change the Registrar, Paying Agent and Transfer Agent without notice to Holders.

Section 2.4 Paying Agent to Hold Money in Trust. The Company shall require each Paying Agent (other than the Trustee) to agree that such Paying Agent shall hold in trust separate and apart from, and not commingle with any other properties, for the benefit of Holders or the Trustee all money held by such Paying Agent for the payment of principal of or interest on the Notes (whether such money has been distributed to it by the Company or any other obligor of the Notes) in accordance with the terms of this Indenture and shall notify the Trustee in writing of any Default by the Company or any Guarantor (or any other obligor on the Notes) in making any such payment. If the Company or an Affiliate of the Company or any Guarantor acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Company at any time may require a Paying Agent (other than the Trustee) to pay all money held by it to the Trustee and to account for any funds disbursed by such Paying Agent. The Paying Agent shall not hold any money under this Indenture in the British Virgin Islands, nor will the Paying Agent under this Indenture be a British Virgin Islands entity at any time. Upon complying with this Section 2.4, the Paying Agent (if other than the Company) shall have no further liability for the money delivered to the Trustee. Upon any proceeding under any Bankruptcy Law with respect to the Company or any Affiliate of the Company or any Guarantor, if the Company, a Guarantor or such Affiliate, is then acting as Paying Agent, the Trustee shall replace the Company, such Guarantor or such Affiliate as Paying Agent.

The receipt by the Paying Agent or the Trustee from the Company of each payment of principal, interest and/or other amounts due in respect of the Notes in the manner specified herein and on the date on which such amount of principal, interest and/or other amounts are then due, shall satisfy the obligations of the Company herein and under the Notes to make such payment to the Holders on the due date thereof; *provided, however*, that the liability of any Paying Agent hereunder shall not exceed any amounts paid to it by the Company, or held by it, on behalf of the Holders under this Indenture. Notwithstanding the preceding sentence or any other provision of this Indenture to the contrary, the Company shall indemnify the Holders in the event that there is subsequent failure by the Trustee or any Paying Agent to pay any amount due in respect of the Notes in accordance with the Notes and this Indenture as shall result in the receipt by the Holders of such amounts as would have been received by them had no such failure occurred.

Section 2.5 CUSIP and ISIN Numbers. In issuing the Notes, the Company may use CUSIP and ISIN numbers (if then generally in use) and, if so, the Trustee shall use CUSIP and ISIN numbers in notices of redemption as a convenience to Holders; *provided* that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company shall promptly notify the Trustee in writing of any initial CUSIP and/or ISIN numbers and any change in the CUSIP or ISIN numbers.

Section 2.6 Holder Lists. The Registrar shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders. If the Trustee is not the Registrar, the Company shall furnish to the Trustee, in writing at least seven Business Days before each Interest Payment Date and at such other times as the Trustee may reasonably request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders.

Section 2.7 Global Note Provisions.

(a) Each Global Note initially shall: (i) be registered in the name of DTC or the nominee of DTC; (ii) be delivered to the Note Custodian; and (iii) bear the appropriate legend, as set forth in Section 2.8 and Exhibit A. Any Global Note may be represented by more than one certificate. The aggregate principal amount of each Global Note may from time to time be increased or decreased by adjustments made on the records of the Note Custodian, as provided in this Indenture.

(b) Members of, or participants in, DTC ("Agent Members") shall have no rights under this Indenture with respect to any Global Note held on their behalf by DTC or by the Note Custodian under such Global Note, and DTC may be treated by the Company, the Trustee, the Paying Agent and the Registrar and any of their agents as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee, the Paying Agent or the Registrar or any of their agents from giving effect to any written certification, proxy or other authorization furnished by DTC. The registered Holder of a Global Note may grant proxies and otherwise authorize any person, including Agent Members and persons that may hold interests through Agent Members, to take any action that a Holder is entitled to take under this Indenture or the Notes.

(c) Except as provided below, owners of beneficial interests in Global Notes shall not be entitled to receive Certificated Notes. Global Notes shall be exchangeable for Certificated Notes only in the following limited circumstances:

(i) DTC notifies the Company that it is unwilling or unable to continue as depositary for such Global Note or DTC ceases to be a clearing agency registered under the Exchange Act, at a time when DTC is required to be so registered in order to act as depositary, and in each case a successor depositary is not appointed by the Company within 90 days of such notice;

(ii) the Company executes and delivers to the Trustee and Registrar an Officers' Certificate stating that such Global Note shall be so exchangeable; or

(iii) an Event of Default has occurred and is continuing with respect to the Notes.

In connection with the exchange of an entire Global Note for Certificated Notes pursuant to this Section 2.7(c), such Global Note shall be deemed to be surrendered to the Trustee for cancellation, and the Company shall execute, and upon Company Order the Trustee shall authenticate and deliver, to each beneficial owner identified by DTC in exchange for its

beneficial interest in such Global Note, an equal aggregate principal amount of Certificated Notes of authorized denominations.

Section 2.8 Legends.

(a) Each Global Note shall bear the legend specified therefor in Exhibit A on the face thereof.

(b) Each Restricted Note shall bear the private placement legend specified therefor in Exhibit A on the face thereof (the "Private Placement Legend").

Section 2.9 Transfer and Exchange.

The following provisions shall apply with respect to any proposed transfer of an interest in a Rule 144A Global Note that is a Restricted Note:

(a) If (1) the owner of a beneficial interest in a Rule 144A Global Note wishes to transfer such interest (or portion thereof) to a Non-U.S. Person pursuant to Regulation S and (2) such Non-U.S. Person wishes to hold its interest in the Notes through a beneficial interest in the Regulation S Global Note, subject to the rules and procedures of DTC, upon receipt by the Note Custodian and Registrar of:

(i) instructions from the Holder of the Rule 144A Global Note directing the Note Custodian and Registrar to credit or cause to be credited a beneficial interest in the Regulation S Global Note equal to the principal amount of the beneficial interest in the Rule 144A Global Note to be transferred; and

(ii) a certificate in the form of Exhibit C from the transferor,

the Note Custodian and Registrar shall increase the Regulation S Global Note and decrease the Rule 144A Global Note by such amount in accordance with the foregoing.

(b) If the owner of a beneficial interest in a Regulation S Global Note wishes to transfer such interest (or any portion thereof) to a QIB pursuant to Rule 144A prior to the expiration of the Distribution Compliance Period therefor, subject to the rules and procedures of DTC, upon receipt by the Note Custodian and Registrar of:

(i) instructions from the Holder of the Regulation S Global Note directing the Note Custodian and Registrar to credit or cause to be credited a beneficial interest in the Rule 144A Global Note equal to the principal amount of the beneficial interest in the Regulation S Global Note to be transferred; and

(ii) a certificate in the form of Exhibit B duly executed by the transferor,

the Note Custodian and Registrar shall increase the Rule 144A Global Note and decrease the Regulation S Global Note by such amount in accordance with the foregoing.

(c) Other Transfers. Any transfer of Restricted Notes not described in Section 2.9 (other than a transfer of a beneficial interest in a Global Note that does not involve an

exchange of such interest for a Certificated Note or a beneficial interest in another Global Note, which must be effected in accordance with applicable law and the rules and procedures of DTC, but is not subject to any procedure required by this Indenture) shall be made only upon receipt by the Company, the Trustee and the Registrar of such Opinions of Counsel, certificates and/or other information reasonably required by and satisfactory to it in order to ensure compliance with the Securities Act or in accordance with Section 2.9(d).

(d) Use and Removal of Private Placement Legends. Upon the registration of transfer, exchange or replacement of Notes (or beneficial interests in a Global Note) not bearing (or not required to bear upon such registration of transfer, exchange or replacement) a Private Placement Legend, the Note Custodian and Registrar shall exchange such Notes (or beneficial interests) for beneficial interests in a Global Note (or Certificated Notes if they have been issued pursuant to Section 2.7(c)) that does not bear a Private Placement Legend. Upon the transfer, exchange or replacement of Notes (or beneficial interests in a Global Note) bearing a Private Placement Legend, the Note Custodian and Registrar shall deliver only Notes (or beneficial interests in a Global Note) that bear a Private Placement Legend unless:

(i) such Notes (or beneficial interests) are transferred pursuant to Rule 144 upon delivery to the Registrar of a certificate of the transferor in the form of Exhibit D and an Opinion of Counsel reasonably satisfactory to the Registrar;

(ii) a transfer of such Notes is made pursuant to an effective Shelf Registration Statement, in which case the Private Placement Legend shall be removed from such Note so transferred at the request of the Holder; or

(iii) in connection with such registration of transfer, exchange or replacement the Registrar shall have received an Opinion of Counsel addressed to it, the Trustee and the Company and other evidence reasonably satisfactory to the Company to the effect that neither such Private Placement Legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

The Private Placement Legend on any Rule 144A Global Note shall be removed only at the option of the Company. The Private Placement Legend on any Regulation S Global Note shall be removed at the request of the Holder after the Distribution Compliance Period therefore has ended. The Holder of a Global Note may exchange an interest therein for an equivalent interest in a Global Note not bearing a Private Placement Legend (other than a Regulation S Global Note) upon transfer of such interest pursuant to any of clauses (i) through (iii) of this Section 2.9(d).

(e) Consolidation of Global Notes. Nothing in this Indenture shall provide for the consolidation of any Notes with any other Notes unless they constitute, as determined pursuant to an Opinion of Counsel, the same classes of securities for U.S. federal income tax purposes.

(f) Retention of Documents. The Registrar shall retain copies of all letters, notices and other written communications received pursuant to this Article II. The Company shall have the right to inspect and make copies of all such letters, notices or other written

communications at any reasonable time upon the giving of reasonable written notice to the Registrar.

(g) Execution, Authentication of Notes, etc.

(i) Subject to the other provisions of this Section 2.9 when Notes are presented to the Registrar or a co-Registrar with a request to register the transfer of such Notes or to exchange such Notes for an equal principal amount of Notes of other authorized denominations, the Registrar or co-Registrar shall register the transfer or make the exchange as requested if its requirements for such transaction are met; *provided* that any Notes presented or surrendered for registration of transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Company and to the Registrar or co-Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing. To permit registrations of transfers and exchanges and subject to the other terms and conditions of this Article II, the Company shall execute and upon Company Order the Trustee shall authenticate Certificated Notes and Global Notes at the Registrar's or co-Registrar's request.

(ii) No service charge shall be made to a Holder for any registration of transfer or exchange, but the Company, the Registrar, or the Trustee may require payment of a sum sufficient to cover any transfer tax, assessment, or similar governmental charge payable in connection therewith (other than any such transfer taxes, assessments or similar governmental charges payable upon exchange or transfer pursuant to Section 3.7).

(iii) The Registrar or co-Registrar shall not be required to register the transfer of or exchange of any Note for a period beginning: (1) 15 days before the mailing of a notice of an offer to repurchase or redeem Notes and ending at the close of business on the day of such mailing; or (2) 15 days before an Interest Payment Date and ending on such Interest Payment Date.

(iv) Prior to the due presentation for registration of transfer of any Note, the Company, the Trustee, the Paying Agent, the Registrar or any co-Registrar may deem and treat the person in whose name a Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Note and for all other purposes whatsoever, whether or not such Note is overdue, and none of the Company, the Trustee, the Paying Agent, the Registrar or any co-Registrar shall be affected by notice to the contrary.

(v) All Notes issued upon any registration of transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Notes surrendered upon such registration of transfer or exchange.

(vi) The Registrar shall be entitled to request such evidence reasonably satisfactory to it documenting the identity and/or signatures of the transferor and the transferee.

(h) No Obligation of the Trustee.

(i) The Trustee shall have no responsibility or obligation to any beneficial owner of an interest in a Global Note, a member of, or a participant in, DTC or other Person with

respect to the accuracy of the records of DTC or its nominee or of any participant or member thereof, with respect to any ownership interest in the Notes or with respect to the delivery to any participant, member, beneficial owner or other Person (other than DTC) of any notice (including any notice of redemption) or the payment of any amount or delivery of any Notes (or other security or property) under or with respect to such Notes. All notices and communications to be given to the Holders and all payments to be made to Holders in respect of the Notes shall be given or made only to or upon the order of the registered Holders (which shall be DTC or its nominee in the case of a Global Note). The rights of beneficial owners in any Global Note shall be exercised only through DTC subject to the applicable rules and procedures of DTC. The Trustee may conclusively rely and shall be fully protected in conclusively relying upon information furnished by DTC with respect to its members, participants and any beneficial owners.

(ii) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer or exchange imposed under this Indenture or under applicable law with respect to any transfer or exchange of any interest in any Note (including any transfers between or among DTC participants, members or beneficial owners in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the express terms of this Indenture, to examine the same to determine if it substantially complies on its face as to form with the express requirements hereof, and to notify the party delivering the same if the certificate does not so comply.

Section 2.10 Mutilated, Destroyed, Lost or Stolen Notes.

(a) If a mutilated Note is surrendered to the Registrar or if the Holder of a Note claims that the Note has been lost, destroyed or wrongfully taken and if the requirements of Section 8-405 of the Uniform Commercial Code of the State of New York are met, the Company shall execute and upon Company Order the Trustee shall authenticate a replacement Note if the Holder satisfies any other reasonable requirements of the Trustee. Such Holder shall furnish an affidavit of loss and indemnity bond sufficient in the judgment of the Company and the Trustee to protect the Company, the Trustee, the Paying Agent, the Registrar and any co-Registrar from any loss that any of them may suffer if a Note is replaced, and, in the absence of notice to the Company or a Trust Officer of the Trustee that such Note has been acquired by a protected purchaser (as defined in Section 8-303 of the Uniform Commercial Code of the State of New York), the Company shall execute and upon Company Order the Trustee shall authenticate and make available for delivery, in exchange for any such mutilated Note or in lieu of any such destroyed, lost or stolen Note, a new Note of like tenor and principal amount, bearing a number not contemporaneously Outstanding.

(b) Upon the issuance of any new Note under this Section 2.10, the Company, the Trustee and the Registrar may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Company's counsel, the Trustee and its counsel) in connection therewith.

(c) In case any mutilated, destroyed or wrongfully taken Note has become or is about to become due and payable, the Company may, in its discretion, pay such Notes instead of issuing a new Note in replacement thereof.

(d) Every new Note issued pursuant to this Section 2.10 in exchange for any mutilated Note, or in lieu of any destroyed, lost or stolen Note, shall constitute an original additional contractual obligation of the Company and any other obligor upon the Notes, and shall be entitled to all benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder.

(e) The provisions of this Section 2.10 shall be exclusive and shall be in lieu of, to the fullest extent permitted by applicable law, all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

Section 2.11 Temporary Notes. Until definitive Notes are ready for delivery, the Company may execute and upon Company Order the Trustee shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of definitive Notes but may have variations that the Company considers appropriate for temporary Notes. Without unreasonable delay, the Company shall prepare and execute and upon Company Order the Trustee shall authenticate definitive Notes. After the preparation of definitive Notes, the temporary Notes shall be exchangeable for definitive Notes upon surrender of the temporary Notes at any office or agency maintained by the Company for that purpose and such exchange shall be without charge to the Holder. Upon surrender for cancellation of any one or more temporary Notes, the Company shall execute and upon Company Order the Trustee shall authenticate and make available for delivery in exchange therefor one or more definitive Notes representing an equal principal amount of Notes. Until so exchanged, the Holder of temporary Notes shall in all respects be entitled to the same benefits under this Indenture as a Holder of definitive Notes.

Section 2.12 Cancellation. The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel and dispose of cancelled Notes in accordance with its customary procedures or return to the Company all Notes surrendered for registration of transfer, exchange, payment or cancellation. Subject to Section 2.10, the Company may not issue new Notes to replace Notes it has paid or delivered to the Trustee for cancellation for any reason other than in connection with a transfer or exchange upon Company Order.

Section 2.13 Defaulted Interest. When any installment of interest becomes Defaulted Interest, such installment shall forthwith cease to be payable to the Holders in whose names the Notes were registered on the Record Date applicable to such installment of interest. Defaulted Interest (including any interest on such Defaulted Interest) may be paid by the Company, at its election, as provided in Section 2.13(a) or Section 2.13(b).

(a) The Company may elect to make payment of any Defaulted Interest (including any interest on such Defaulted Interest) to the Holders in whose names the Notes are registered at the close of business on a special record date for the payment of such Defaulted Interest (a "Special Record Date"), which shall be fixed in the following manner. The Company

shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Holders entitled to such Defaulted Interest as provided in this Section 2.13(a). Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest, which shall be not more than 15 calendar days and not less than ten calendar days prior to the date of the proposed payment and not less than ten calendar days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be sent, first-class mail, postage prepaid, to each Holder at such Holder's address as it appears in the registration books of the Registrar, not less than ten calendar days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Holders in whose names the Notes are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to Section 2.13(b).

(b) Alternatively, the Company may make payment of any Defaulted Interest (including any interest on such Defaulted Interest) in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this Section 2.13(b) such manner of payment shall be deemed practicable by the Trustee.

Section 2.14 Additional Notes. The Company may, from time to time, subject to compliance with any other applicable provisions of this Indenture, without the consent of the Holders, create and issue pursuant to this Indenture Additional Notes having terms and conditions set forth in Exhibit A identical to those of the Initial Notes, except that Additional Notes:

(a) may have a different issue price, issue date and, if applicable, date from which the interest shall accrue from the Initial Notes;

(b) may have a different amount of interest payable on the first Interest Payment Date after issuance than is payable on the Initial Notes; and

(c) may have terms specified in the Additional Note Board Resolution or Additional Note Supplemental Indenture for such Additional Notes making appropriate adjustments to this Article II and Exhibit A (and related definitions) applicable to such Additional Notes in order to conform to and ensure compliance with the Securities Act (or other applicable securities laws). Unless such Additional Notes are fungible with the Initial Notes for U.S. federal income tax purposes, such Additional Notes shall be issued with a separate CUSIP number.

ARTICLE III
COVENANTS

Section 3.1 Payment of Notes.

(a) The Company shall pay the principal of and interest (including Defaulted Interest) on the Notes in U.S. Dollars on the dates and in the manner provided in the Notes and in this Indenture. Prior to 11:00 a.m. (New York City time) on the Business Day prior to each Interest Payment Date and the Maturity Date, the Company shall deposit with the Paying Agent in immediately available funds U.S. Dollars sufficient to make cash payments due on such Interest Payment Date or Maturity Date, as the case may be. If the Company or an Affiliate of the Company is acting as Paying Agent, the Company or such Affiliate shall, prior to 11:00 a.m. (New York City time) on each Interest Payment Date and the Maturity Date, segregate and hold in trust U.S. Dollars sufficient to make cash payments due on such Interest Payment Date or Maturity Date, as the case may be. Principal and interest shall be considered paid on the date due if on such date the Trustee or the Paying Agent (other than the Company or an Affiliate of the Company) holds in accordance with this Indenture U.S. Dollars designated for and sufficient to pay all principal and interest then due and the Trustee or the Paying Agent, as the case may be, is not prohibited from paying such money to the Holders on that date pursuant to the terms of this Indenture. Notwithstanding the foregoing, the Company may elect to make the payments of interest by check mailed to the registered Holders at their registered addresses.

(b) If a Holder of Certificated Notes in an aggregate principal amount of at least U.S.$1,000,000 has given wire transfer instructions to the Company and the Trustee, the Trustee, as Paying Agent, shall make all principal and interest payments on those Notes in accordance with such instructions.

(c) Notwithstanding anything to the contrary contained in this Indenture, the Company may, to the extent it is required to do so by law, deduct or withhold income or other similar taxes imposed by the United States of America from principal or interest payments hereunder.

Section 3.2 Maintenance of Office or Agency.

(a) The Company shall maintain each office or agency required under Section 2.3 where Notes may be presented or surrendered for registration of transfer or for exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of any such office or agency.

(b) The Company may also from time to time designate one or more other offices or agencies (in or outside of The City of New York) where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind any such designation; *provided, however*, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in The City of New York. The Company shall give prompt written notice to the Trustee of any such designation or rescission and any change in the location of any such other office or agency.

Section 3.3 Corporate Existence. Subject to Article IV, (i) the Parent Guarantor shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and good standing under the BVI Business Companies Act, 2004, and (ii) the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and good standing under the Dutch law.

Section 3.4 Payment of Taxes. The Parent Guarantor shall pay or discharge or cause to be paid or discharged, before the same shall become delinquent, all taxes, assessments and governmental charges (including stamp, issuance or transfer or similarly documentary taxes) or duties levied or imposed upon the Parent Guarantor or any Subsidiary or for which it or any of them are otherwise liable, or upon the income, profits or property of the Parent Guarantor or any Subsidiary, and the Company shall reimburse the Trustee and Holders for any fines, penalties or other fees they are required to pay as a result of the failure by the Parent Guarantor or any Subsidiary to pay or discharge any of the abovementioned taxes, assessments and government charges; *provided, however*, that, other than with respect to any taxes or duties described herein that would become payable by the Trustee or the Holders in the event the Parent Guarantor or any Subsidiary fails to pay such taxes or duties, the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment or charge whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which appropriate reserves, if necessary (in the good faith judgment of management of the Company), are being maintained in accordance with GAAP or where the failure to effect such payment shall not have a material adverse effect upon the financial condition of the Parent Guarantor and its Subsidiaries, taken as a whole, or on the performance of the Company's obligations hereunder.

Section 3.5 Further Instruments and Acts. The Parent Guarantor, the Company and each Subsidiary Guarantor shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper or as may be required by applicable law to carry out more effectively the purpose of this Indenture.

Section 3.6 Waiver of Stay, Extension or Usury Laws. The Parent Guarantor, the Company and each Subsidiary Guarantor covenants (to the fullest extent permitted by applicable law) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law that would prohibit or forgive the Parent Guarantor, the Company or such Subsidiary Guarantor from paying all or any portion of the principal of or interest on the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Indenture. The Parent Guarantor, the Company and each Subsidiary Guarantor hereby expressly waives (to the fullest extent permitted by applicable law) all benefit or advantage of any such law, and covenants that it shall not hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

Section 3.7 Change of Control.

(a) Upon the occurrence of a Change of Control Repurchase Event, the Company shall provide a Change of Control Notice and make an offer to purchase Notes (the "Change of Control Offer"), pursuant to which the Company shall be required, if requested by any Holder, to purchase all or a portion (in integral multiples of U.S.$1,000, *provided* that the principal amount of such Holder's Note shall not be less than U.S.$200,000) of such Holder's Notes at a purchase price equal to 101% of the principal amount thereof, plus any accrued and unpaid interest thereon through the purchase date (the "Change of Control Payment").

(b) On the Business Day immediately preceding the Change of Control Payment Date, the Company will, to the extent lawful, deposit with the Paying Agent funds in an amount equal to the Change of Control Payment, in respect of all Notes or portions thereof so tendered.

(c) On the Change of Control Payment Date, the Company shall, to the extent lawful:

(i) accept for payment all Notes or portions thereof properly tendered and not withdrawn pursuant to the Change of Control Offer; and

(ii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Company.

(d) If only a portion of a Note is purchased pursuant to a Change of Control Offer, a new Note in a principal amount equal to the portion thereof not purchased shall be issued in the name of the Holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a Global Note shall be made, as appropriate). Notes (or portions thereof) purchased pursuant to a Change of Control Offer shall be cancelled and cannot be reissued.

(e) The Company shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations thereunder in connection with the purchase of Notes in connection with a Change of Control Offer. To the extent that the provisions of any applicable securities laws or regulations conflict with this Section 3.7, the Company shall comply with such securities laws and regulations and shall not be deemed to have breached its obligations under this Indenture by doing so.

(f) The Company shall not be required to make a Change of Control Offer upon a Change of Control Repurchase Event if (i) a third party makes the Change of Control Offer in compliance with the conditions and requirements of this Indenture and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (ii) prior to the date the Change of Control Offer is required to be made, the Company has given notice of redemption in respect of all of the Outstanding Notes in accordance with this Indenture.

(g) The provisions of this Section 3.7 shall be applicable whether or not any other provisions of this Indenture are applicable. The obligation of the Company to make an

offer to purchase the Notes as a result of the occurrence of a Change of Control Repurchase Event may be waived or modified at any time prior to the occurrence of such Change of Control Repurchase Event with the written consent of Holders of a majority in principal amount of the Notes.

Section 3.8 Limitation on Liens.

(a) The Parent Guarantor shall not, and shall not cause or permit any of its Subsidiaries to, directly or indirectly, Incur any Liens of any kind (except for Permitted Liens) against or upon any of their respective properties or assets, whether owned on the Issue Date or acquired after the Issue Date, or any proceeds therefrom, to secure any Indebtedness, unless contemporaneously therewith effective provision is made to secure the Notes, the Note Guarantees and all other amounts due under this Indenture equally and ratably with such Indebtedness (or, in the event that such Indebtedness is subordinated in right of payment to the Notes or the Note Guarantees prior to such Indebtedness) with a Lien on the same properties and assets securing such Indebtedness for so long as such Indebtedness is secured by such Lien.

Section 3.9 Limitation on Sale and Lease-Back Transactions.

(a) The Parent Guarantor shall not, and shall not permit any of its Subsidiaries to, enter into any Sale and Lease-Back Transaction with respect to any property of such Person, unless either:

(i) the Parent Guarantor or that Subsidiary would be entitled pursuant to Section 3.8 of this Indenture (including any exception to the restrictions set forth therein) to issue, assume or guarantee Indebtedness secured by a Lien on any such property at least equal in amount to the Attributable Debt with respect to such Sale and Lease-Back Transaction, without equally and ratably securing the Notes, or

(ii) the Parent Guarantor or that Subsidiary shall apply or cause to be applied, in the case of a sale or transfer for cash, an amount equal to the net proceeds thereof and, in the case of a sale or transfer otherwise than for cash, an amount equal to the fair market value of the property so leased, to (1) the retirement, within 12 months after the effective date of the Sale and Lease-Back Transaction, of any of the Parent Guarantor's Indebtedness ranking at least *pari passu* with the Notes or Indebtedness of any Subsidiary, in each case owing to a Person other than the Parent Guarantor or any of its Subsidiaries or (2) to the acquisition, purchase, construction or improvement of real property or personal property used or to be used by the Parent Guarantor or any of its Subsidiaries in the ordinary course of business.

(b) These restrictions will not apply to:

(i) transactions providing for a lease term, including any renewal, of not more than three years; and

(ii) transactions between the Parent Guarantor and any of its Subsidiaries or between the Parent Guarantor's Subsidiaries.

Section 3.10 Reports to Holders.

(a) If at any point the Parent Guarantor is no longer subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, so long as any Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Company will furnish to the Holders of the Notes and to prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

(b) If at any point the Parent Guarantor is no longer subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Company will furnish or cause to be furnished to the Trustee in English (for distribution only to the Holders of Notes upon their request):

(i) within 90 days after the end of the first, second and third quarters of the Parent Guarantor's fiscal year (commencing with the quarter ending immediately following the Parent Guarantor no longer being subject to such reporting requirements), quarterly unaudited financial statements (consolidated) prepared in accordance with GAAP of the Parent Guarantor for such period; and

(ii) within 120 days after the end of the fiscal year of the Parent Guarantor (commencing with the first fiscal year ending immediately following the Parent Guarantor no longer being subject to such reporting requirements), annual audited financial statements (consolidated) prepared in accordance with GAAP of the Parent Guarantor for such fiscal year and a report on such annual financial statements by the auditors.

(c) Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's or any other Person's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

Section 3.11 Payment of Additional Amounts.

(a) All payments in respect of the Notes by the Company, and in respect of the Guarantee, by each Guarantor, shall be made free and clear of, and without withholding or deduction for or on account of any present or future taxes, duties, assessments or other governmental charges, unless the withholding or deduction of such taxes is required by law. In the event such taxes are imposed or levied by or on behalf of the Netherlands or any other jurisdiction in which the Company is organized, resident or carrying on business for tax purposes (or if a Guarantor is obligated to deduct any withholding taxes imposed or levied by or on behalf of the Netherlands or any other jurisdiction in which the Guarantor is organized, resident or carrying on business for tax purposes from payments made under a Guarantee), or any political subdivision thereof (a "Relevant Jurisdiction"), or by any taxing authority of a Relevant Jurisdiction, the Company shall (or, with respect to a Guarantee, each Guarantor shall), subject to the exceptions set forth below, pay to Holders of the Notes additional amounts ("Additional Amounts") as may be necessary so that every payment of interest, premium upon redemption of the Notes or principal to the Holders shall not be less than the amount provided for in the Notes.

(b) The Company, and each Guarantor, shall not pay Additional Amounts to any Holder for or solely on account of any of the following:

(i) any present or future taxes, duties, assessments or other governmental charges that would not have been imposed but for any present or former connection between the Holder (or a fiduciary, settlor, beneficiary, member or shareholder of the Holder) and the Relevant Jurisdiction (other than the mere receipt of a payment or the ownership or holding of a Note);

(ii) any estate, inheritance, capital gains, excise, personal property tax, sales, transfer, gift or similar tax, assessment or other governmental charge imposed with respect to the Notes;

(iii) any taxes, duties, assessments or other governmental charges that would not have been imposed but for the failure of the Holder or any other Person to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with the Relevant Jurisdiction, for tax purposes, of the Holder or any beneficial owner of the Note if compliance is required by law, regulation or by an applicable income tax treaty to which the Relevant Jurisdiction is a party, as a precondition to exemption from, or reduction in the rate of, the tax, assessment or other governmental charge (including withholding taxes payable on interest payments under the Notes) and the Company has given the Holders at least 30 days' notice that Holders will be required to provide such certification, identification or information;

(iv) any tax, duty, assessment or other governmental charge payable otherwise than by deduction or withholding from payments on or in respect of the Notes;

(v) any present or future taxes, duties, assessments or other governmental charges with respect to a Note presented for payment, where presentation is required, more than 30 days after the date on which the payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later, except to the extent that the Holder of such Note would have been entitled to such Additional Amounts on presenting such Note for payment on any date during such 30-day period;

(vi) any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of the principal of, or premium or interest on any Note, if such tax, assessment or other governmental charge results from the presentation of any Note for payment and the payment can be made without such withholding or deduction by the presentation of the Note for payment by at least one other reasonably available paying agent of the Company;

(vii) any payment on the Note to a Holder that is a fiduciary, a partnership, a limited liability company or a person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership, an interest holder in such a limited liability company or the beneficial owner of the payment would not have been entitled to the Additional Amounts had the beneficiary, settlor, member or beneficial owner been the Holder of the Note;

(viii) any tax, assessment or other governmental charge required pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (or successor provisions), any current or future regulations, rules, practices or agreements entered into pursuant thereto, official interpretations thereof or any law implementing an intergovernmental approach thereto;

(ix) any tax required to be withheld or deducted pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*)

(x) in the case of any combination of the items listed above.

(c) The Company shall provide the Trustee with customary and satisfactory documentation evidencing the payment of taxes in respect of which the Company has paid any Additional Amount. Copies of such documentation shall be reasonably available to the Holders of the Notes or the relevant paying agent upon written request.

(d) Any reference in this Indenture or the Notes to principal, premium, interest or any other amount payable in respect of the Notes by us will be deemed also to refer to any Additional Amount that may be payable with respect to that amount under the obligations referred to in this section.

(e) In the event of any merger or other transaction involving the Company described and permitted under Section 4.1, all references to the Netherlands, the laws or regulations of the Netherlands, and the political subdivisions or taxing authorities of the Netherlands under this Section 3.11 and under Article IV and Section 5(b) of Exhibit A will be deemed to also include the jurisdiction of incorporation or tax residence of the Issuer Surviving Entity, if different from the Netherlands, and any political subdivision therein or thereof, law or regulations, and any taxing authority of such other jurisdiction or any political subdivision therein or thereof, respectively.

Section 3.12 Compliance Certificates.

(a) Upon the formation, creation or acquisition of any new Subsidiary that is also a Non-Guarantor Subsidiary after the Issue Date, the Company shall deliver to the Trustee promptly an Officers' Certificate certifying that such Subsidiary is prevented by local law or the existence of minority shareholders from guaranteeing the Notes.

(b) The Trustee shall not be obligated to monitor or confirm, on a continuing basis or otherwise, the Company's or any other Person's compliance with the covenants described above or with respect to any reports or other documents filed under this Indenture; *provided, however*, that nothing herein shall relieve the Trustee of any obligations to monitor the Parent Guarantor's timely delivery of the reports and certificates described in Section 3.10.

Section 3.13 Listing.

(a) In the event that the Notes are listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market, the Company shall use its commercially reasonable efforts to maintain such listing; *provided* that if, as a result of the European Union regulated market

amended Directive 2001/34/EC (the "Transparency Directive") or any legislation implementing the Transparency Directive or other directives or legislation, the Company or, to the extent applicable, the Parent Guarantor, could be required to publish financial information either more regularly than it otherwise would be required to or according to accounting principles which are materially different from the accounting principles which the Company or the Parent Guarantor would otherwise use to prepare its published financial information, the Company may delist the Notes from the Luxembourg Stock Exchange in accordance with the rules of such Exchange and seek an alternative admission to listing, trading and/or quotation for the Notes on a different section of the Luxembourg Stock Exchange or by such other listing authority, stock exchange and/or quotation system inside or outside the European Union as the Board of Directors of the Company may decide.

(b) From and after the date the Notes are listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market, and so long as it is required by the rules of such Exchange, all notices to the Holders shall be published in English in accordance with Section 11.1(g).

ARTICLE IV

LIMITATION ON MERGER, CONSOLIDATION AND SALE OF ASSETS

Section 4.1 Merger, Consolidation and Sale of Assets.

(a) The Parent Guarantor shall not, in a single transaction or series of related transactions, consolidate or merge with or into any Person (whether or not the Parent Guarantor is the surviving or continuing Person), or sell, assign, transfer, lease, convey or otherwise dispose of (or cause or permit any Subsidiary to sell, assign, transfer, lease, convey or otherwise dispose of) all or substantially all of the Parent Guarantor's properties and assets (determined on a consolidated basis for the Parent Guarantor and its Subsidiaries), to any Person unless:

(i) either:

(1) the Parent Guarantor is the surviving or continuing Person; or

(2) the Person (if other than the Parent Guarantor) formed by such consolidation or into which the Parent Guarantor is merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of the Parent Guarantor and of the Parent Guarantor's Subsidiaries substantially as an entirety (the "Parent Guarantor Surviving Entity"):

(A) is a corporation or company organized or incorporated and validly existing under the laws of the British Virgin Islands or the United States of America, any State thereof or the District of Columbia, Uruguay, Curaçao, the United Kingdom, the Netherlands or any member state of the European Union; and

(B) expressly assumes, by supplemental indenture (in form and substance satisfactory to the Trustee), executed and delivered to the Trustee, the due and punctual payment of the principal of, and premium, if any, and interest on all of the Notes and the performance and observance of the covenants of the Notes and the Indenture on the part of the Parent Guarantor to be performed or observed;

(ii) immediately before and immediately after giving effect to such transaction, no Default or Event of Default has occurred or is continuing; and

(iii) the Parent Guarantor or the Parent Guarantor Surviving Entity has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that the consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition and, if required in connection with such transaction, the supplemental indenture(s), if any, comply with the applicable provisions of the Indenture and that all conditions precedent in the Indenture relating to the transaction have been satisfied.

(b) The Company shall not, in a single transaction or series of related transactions, consolidate or merge with or into any Person (whether or not the Company is the surviving or continuing Person), or sell, assign, transfer, lease, convey or otherwise dispose of (or cause or permit any Subsidiary to sell, assign, transfer, lease, convey or otherwise dispose of) all or substantially all of the Company's properties and assets (determined on a consolidated basis for the Company and its Subsidiaries), to any Person unless:

(i) either:

(1) the Company is the surviving or continuing Person; or

(2) the Person (if other than the Company) formed by such consolidation or into which the Company is merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of the Company and of the Company's Subsidiaries substantially as an entirety (the "Issuer Surviving Entity"):

(A) is a corporation or company organized or incorporated and validly existing under the laws of the Netherlands or the United States of America, any State thereof or the District of Columbia, Uruguay, Curaçao, the United Kingdom or any member state of the European Union; and

(B) expressly assumes, by supplemental indenture (in form and substance satisfactory to the Trustee), executed and delivered to the Trustee, the due and punctual payment of the principal of, and premium, if any, and interest on all of the Notes and the performance and observance of the covenants of the Notes and the Indenture on the part of the Company to be performed or observed;

(ii) immediately before and immediately after giving effect to such transaction, no Default or Event of Default has occurred or is continuing;

(iii) if the surviving or Continuing Person is not the Company, each Guarantor has confirmed by supplemental indenture that its Note Guarantee will apply to the obligations of the Issuer Surviving Entity in respect of the Indenture and the Notes; and

(iv) the Company or the Issuer Surviving Entity has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that the consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition and, if required in connection with such transaction, the supplemental indenture(s), if any, comply with the applicable provisions of the Indenture and that all conditions precedent in the Indenture relating to the transaction have been satisfied.

(c) For purposes of this Section 4.1, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Subsidiaries, the Capital Stock of which constitutes all or substantially all of the properties and assets of the Parent Guarantor (determined on a consolidated basis for the Parent Guarantor and its Subsidiaries), shall be deemed to be the transfer of all or substantially all of the properties and assets of the Parent Guarantor.

(d) The provisions of (x) Section 4.1(a)(ii) above shall not apply to any merger or consolidation of the Parent Guarantor into an Affiliate of the Parent Guarantor incorporated solely for the purpose of reincorporating the Parent Guarantor in another jurisdiction so long as the Indebtedness of the Parent Guarantor and its Subsidiaries taken as a whole is not increased thereby, and (y) Section 4.1(b)(ii) above shall not apply to any merger or consolidation of the Company into an Affiliate of the Company incorporated solely for the purpose of reincorporating the Company in another jurisdiction so long as the Indebtedness of the Parent Guarantor and its Subsidiaries taken as a whole is not increased thereby.

(e) Section 4.1(a), Section 4.1(b), Section 4.1(c) and Section 4.1(d) shall not apply to (i) any transfer of assets by the Company to any Guarantor, (ii) any transfer of assets among Guarantors or (iii) any transfer of assets by a Non-Guarantor Subsidiary to (x) another Non-Guarantor Subsidiary or (y) the Company or any Guarantor.

(f) Upon any consolidation, combination or merger or any transfer of all or substantially all of the properties and assets of the Parent Guarantor or the Company and any of their respective Subsidiaries in accordance with this covenant, in which the Company is not the continuing Person, the Parent Guarantor Surviving Entity or Issuer Surviving Entity, as applicable formed by such consolidation or into which the Parent Guarantor or the Company is merged or to which such conveyance, lease or transfer is made will succeed to, and be substituted for, and may exercise every right and power of, the Parent Guarantor or the Company under this Indenture and the Notes with the same effect as if such Parent Guarantor Surviving Entity or Issuer Surviving Entity, as applicable, had been named as such and the Company shall be relieved of its obligations under this Indenture and the Notes. For the avoidance of doubt, compliance with this Section 4.1(e) will not affect the obligations of the Company (including an Issuer Surviving Entity, if applicable) under Section 3.7 if applicable.

(g) No Subsidiary Guarantor shall consolidate with or merge with or into any Person, or sell, convey, transfer or dispose of, all or substantially all its assets as an entirety or

substantially as an entirety, in one transaction or a series of related transactions, to any Person, or permit any Person to merge with or into the Subsidiary Guarantor unless:

(i) the other Person is the Company or any Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction; or

(ii) (1) either (x) the Subsidiary Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes by supplemental indenture all of the obligations of the Subsidiary Guarantor under its Note Guarantee; and (2) immediately after giving effect to the transaction, no Default has occurred and is continuing; or

(iii) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Subsidiary Guarantor or the sale or disposition of all or substantially all the assets of the Subsidiary Guarantor (in each case other than to the Company or a Subsidiary of the Parent Guarantor) otherwise permitted by this Indenture.

ARTICLE V
REDEMPTION OF NOTES

Section 5.1 Redemption. The Company may or shall redeem the Notes, as a whole or from time to time in part, subject to the conditions and at the redemption prices specified in the form of Notes in Exhibit A.

Section 5.2 Election to Redeem. In the case of an optional redemption, the Company shall evidence its election to redeem any Notes pursuant to Section 5.1 by a Board Resolution.

Section 5.3 Notice of Redemption.

(a) The Company shall give, or cause the Trustee to give, notice of redemption, in the manner provided for in Section 11.1, not less than 10 nor more than 60 days prior to the Redemption Date to each Holder of Notes to be redeemed. If the Company itself gives the notice, it shall also promptly deliver a copy to the Trustee.

(b) If the Company elects to have the Trustee give notice of redemption, then the Company shall deliver to the Trustee, at least 15 days but not more than 30 days prior to the Redemption Date (unless the Trustee is satisfied with a shorter period), an Officers' Certificate requesting that the Trustee request that DTC (in the case of Global Notes) give notice of redemption and setting forth the information required by Section 5.3(c). If the Company elects to have the Trustee give notice of redemption, the Trustee shall give the notice in the name of the Company and at the Company's expense. For so long as the Notes are listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market and the rules of the exchange so require, the Company will cause notices of redemption to also be published pursuant to Section 11.1(g) of this Indenture.

(c) All notices of redemption shall state:

(i) the Redemption Date;

(ii) the redemption price and the amount of any accrued interest payable as provided in Section 5.6;

(iii) whether or not the Company is redeeming all Outstanding Notes;

(iv) if the Company is not redeeming all Outstanding Notes, the aggregate principal amount of Notes that the Company is redeeming and the aggregate principal amount of Notes that shall be Outstanding after the partial redemption, as well as the identification of the particular Notes, or portions of the particular Notes, that the Company is redeeming;

(v) if the Company is redeeming only part of a Note, the notice that relates to that Note shall state that on and after the Redemption Date, upon surrender of that Note, the Holder shall receive, without charge, a new Note or Notes of authorized denominations for the principal amount of the Note remaining unredeemed;

(vi) that on the Redemption Date the redemption price and any accrued interest payable to but not including the Redemption Date as provided in Section 5.6 shall become due and payable in respect of each Note, or the portion of each Note, to be redeemed, and, unless the Company defaults in making the redemption payment, that interest on each Note, or the portion of each Note, to be redeemed shall cease to accrue on and after the Redemption Date;

(vii) the place or places where a Holder must surrender the Holder's Notes for payment of the redemption price;

(viii) if the redemption is subject to the satisfaction of any condition as provided in clause (d) of this Section 5.3; and

(ix) the CUSIP or ISIN number, if any, listed in the notice or printed on the Notes, and that no representation is made as to the accuracy or correctness of such CUSIP or ISIN number.

(d) Notice of any voluntary redemption of the Notes may, at the discretion of the Company, be subject to the satisfaction (or waiver by the Company in its sole discretion) of one or more conditions precedent, which may include consummation of any related incurrence of Indebtedness or the occurrence of a Change of Control. If such optional redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, in the Company's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Company in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been (or, in the Company's sole determination, may not be) satisfied (or waived by the Company in its sole discretion) by the redemption date, or by the redemption date so delayed. If any such condition precedent has not been satisfied, the Company shall provide written notice to the Holders of the Notes and the Trustee prior to the close of business one Business Day prior to the Redemption Date.

Section 5.4 Selection of Notes to Be Redeemed in Part.

(a) If fewer than all of the Notes are being redeemed, the Notes to be redeemed shall be selected as follows: (1) if the Notes are listed on an exchange, in compliance with the requirements of such exchange, (2) if the Notes are not so listed but are Global Notes, then by lot or otherwise in accordance with the procedures of DTC or the applicable depositary or (3) if the Notes are not so listed and are not Global Notes, on a pro rata basis to the extent practicable, or, if the pro rata basis is not practicable for any reason, by lot or by such other method as the Trustee in its sole discretion shall deem fair and appropriate. In the event of partial redemption or purchase by lot, the particular Notes to be redeemed or purchased shall be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the redemption date by the Trustee from the then outstanding Notes not previously called for redemption or purchase. Notes and portions of Notes selected shall be in amounts of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof; no Notes of U.S.$200,000 or less shall be redeemed in part, except that if all of the Notes of a Holder are to be redeemed or purchased, the entire outstanding amount of Notes held by such Holder, even if not U.S.$200,000 or a multiple of U.S.$1,000 in excess thereof, shall be redeemed or purchased. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption or purchase also apply to portions of Notes called for redemption or purchase. After the redemption date, upon surrender of a Note to be redeemed in part only, a new Note or Notes in principal amount equal to the unredeemed portion of the original Note, representing the same Indebtedness to the extent not redeemed, shall be issued in the name of the Holder of the Notes upon cancellation of the original Note (or appropriate book entries shall be made to reflect such partial redemption).

(b) For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to redemption of Notes shall relate, in the case of any Note redeemed or to be redeemed only in part, to the portion of the principal amount of that Note which has been or is to be redeemed.

Section 5.5 Deposit of Redemption Price. Prior to 11:00 a.m. New York City time on the Business Day prior to the relevant Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as Paying Agent, segregate and hold in trust as provided in Section 2.4) an amount of money in immediately available funds sufficient to pay the redemption price and accrued interest on all the Notes that the Company is redeeming on that date.

Section 5.6 Notes Payable on Redemption Date. If the Company, or the Trustee on behalf of the Company, gives notice of redemption in accordance with this Article V, the Notes, or the portion of Notes, called for redemption shall, on the Redemption Date, become due and payable at the redemption price specified in the notice (together with accrued interest, if any, to the Redemption Date) and from and after the Redemption Date (unless the Company shall default in the payment of the redemption price and accrued interest) the Notes, or the portion of Notes, shall cease to bear interest. Upon surrender of any Note for redemption in accordance with the notice, the Company shall pay the Notes at the redemption price, together with accrued interest, if any, to the Redemption Date. If the Company shall fail to pay any Note called for

redemption upon its surrender for redemption, the principal shall, until paid, bear interest from the Redemption Date at the rate borne by the Notes. Upon redemption of any Notes by the Company, the redeemed Notes shall be cancelled and cannot be reissued. The Company's actions and determinations in determining any redemption price shall be conclusive and binding for all purposes, absent manifest error.

Section 5.7 Unredeemed Portions of Partially Redeemed Note. Upon surrender of a Note that is to be redeemed in part, the Company shall execute, and the Trustee shall authenticate and make available for delivery to the Holder of the Note at the expense of the Company, a new Note or Notes, of any authorized denomination as requested by the Holder, in an aggregate principal amount equal to, and in exchange for, the unredeemed portion of the principal of the Note surrendered; *provided* that each new Note shall be in a principal amount of U.S.$200,000 or integral multiples of U.S.$1,000 excess thereof.

ARTICLE VI
DEFAULTS AND REMEDIES

Section 6.1 Events of Default.

(a) Each of the following is an "Event of Default" with respect to the Notes:

(i) default in the payment when due of the principal of or premium, if any, on (including, in each case, any related Additional Amounts) any Notes, including the failure to make a required payment to purchase Notes tendered pursuant to an optional redemption, mandatory redemption or a Change of Control Offer;

(ii) default for 30 days or more in the payment when due of interest (including any related Additional Amounts) on any Notes;

(iii) the failure by the Parent Guarantor or any Subsidiary to comply with any other covenant or agreement contained herein or in the Notes for 60 days or more after written notice to the Company from the Trustee or the Holders of at least 25% in aggregate principal amount of the Outstanding Notes;

(iv) default by the Parent Guarantor, the Company or any Significant Subsidiary under any indebtedness for borrowed money which:

(1) is caused by a failure to pay principal of or premium, if any, or interest on such indebtedness for borrowed money prior to the expiration of any applicable grace period provided in such indebtedness for borrowed money on the date of such default; or

(2) results in the acceleration of such indebtedness for borrowed money prior to its Stated Maturity;

and the principal or accreted amount of indebtedness for borrowed money covered by subclauses (1) or (2) at the relevant time, (i) in the case of any or all Venezuelan Subsidiaries aggregates U.S.$50,000,000 (or the equivalent in other currencies) or (ii) in the case of the Parent Guarantor, the Company and all other Significant Subsidiaries (other than any and all Venezuelan Subsidiaries), aggregates U.S.$75,000,000 (or the equivalent in other currencies) or more;

(v) failure by the Parent Guarantor, the Company or any Significant Subsidiary to pay one or more final judgments against any of them, (i) in the case of any and all Venezuelan Subsidiaries aggregating U.S.$50,000,000 (or the equivalent in other currencies) or (ii) in the case of the Parent Guarantor, the Company and all other Significant Subsidiaries (other than any and all Venezuelan Subsidiaries), aggregating U.S.$75,000,000 (or the equivalent in other currencies) or more, which are not paid, discharged or stayed for a period of 60 days or more (to the extent not covered by a reputable and creditworthy insurance company);

(vi) either Master Franchise Agreement shall, for any reason, be terminated; *provided* that no Call Option Redemption Event shall have occurred;

(vii) the occurrence of a Bankruptcy Law Event of Default; or

(viii) except as permitted herein, any Note Guarantee is held to be unenforceable or invalid in a judicial proceeding or ceases for any reason to be in full force and effect or any Guarantor denies or disaffirms its obligations under its Note Guarantee; *provided* that the Note Guarantee of a Guarantor becoming unenforceable or invalid as a result of a change in law shall not constitute an Event of Default hereunder if the Company reclassifies such Subsidiary as a Non-Guarantor Subsidiary within 30 days of the announcement of such change in law; and *provided further* that it shall not be an Event of Default hereunder if a Note Guarantee of a Venezuelan Subsidiary is held to be unenforceable or invalid in a judicial proceeding or ceases for any reason to be in full force and effect as a result of a change in law in Venezuela after the Issue Date.

(b) Upon becoming aware of any Default or Event of Default, the Company shall promptly deliver to the Trustee written notice of events which would constitute such Default or Event of Default, the status thereof and what action the Company is taking or proposes to take in respect thereof.

Section 6.2 Acceleration.

(a) If an Event of Default (other than an Event of Default specified in Section 6.1(a)(vi) or Section 6.1(a)(vii) with respect to the Parent Guarantor or the Company) has occurred and is continuing, the Trustee or the Holders of at least 25% in principal amount of Outstanding Notes may declare the unpaid principal of and premium, if any, and accrued and unpaid interest on all the Notes to be immediately due and payable by notice in writing to the Company (if given by the Trustee or the Holders) and the Trustee (if given by the Holders) specifying the Event of Default and that it is a "notice of acceleration." If an Event of Default specified in Section 6.1(a)(vi) or Section 6.1(a)(vii) occurs with respect to the Parent Guarantor or the Company, then the unpaid principal of and premium, if any, and accrued and unpaid

interest on all the Notes shall become immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

(b) At any time after a declaration of acceleration with respect to the Notes as described in Section 6.2(a), the Holders of a majority in aggregate principal amount of the then Outstanding Notes may rescind and cancel such declaration and its consequences:

(i) if the rescission would not conflict with any judgment or decree;

(ii) if all existing Events of Default have been cured or waived, except nonpayment of principal or interest that has become due solely because of the acceleration;

(iii) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal, which has become due otherwise than by such declaration of acceleration, has been paid; and

(iv) if the Company has paid the Trustee its compensation and reimbursed the Trustee for its expenses, disbursements and advances outstanding at that time.

No rescission shall affect any subsequent Default or impair any rights relating thereto.

Section 6.3 Other Remedies.

(a) If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal of and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

(b) The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative to the extent permitted by law.

Section 6.4 Waiver of Past Defaults. Subject to Section 6.2, the Holders of a majority in aggregate principal amount of the then Outstanding Notes may waive any existing Default or Event of Default hereunder, and its consequences, except a Default in the payment of the principal of, premium, if any, or interest on any Notes.

Section 6.5 Control by Majority. Subject to the provisions of this Indenture and applicable law, the Holders of a majority in aggregate principal amount of the then Outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee.

Section 6.6 Limitation on Suits.

(a) No Holder of any Notes shall have any right to institute any proceeding with respect hereto or for any remedy hereunder, unless:

(i) such Holder gives to the Trustee written notice of a continuing Event of Default;

(ii) Holders of at least 25% in aggregate principal amount of the then Outstanding Notes make a written request to pursue the remedy;

(iii) such Holders of the Notes provide to the Trustee satisfactory indemnity;

(iv) the Trustee does not comply within 60 days; and

(v) during such 60 day period the Holders of a majority in aggregate principal amount of the then Outstanding Notes do not give the Trustee a written direction which, in the opinion of the Trustee, is inconsistent with the request;

provided that a Holder of a Note may institute suit for enforcement of payment of the principal of and premium, if any, or interest on such Note on or after the respective due dates expressed in such Note. Notwithstanding any provision of this Indenture to the contrary, no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb, or prejudice the rights of any other of such Holders (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Holders).

Section 6.7 Rights of Holders to Receive Payment. Notwithstanding any other provision hereof (including, without limitation, Section 6.6), the right of any Holder to receive payment of principal of or interest on the Notes held by such Holder, on or after the respective due dates, Redemption Dates or repurchase date expressed herein or the Notes, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.8 Collection Suit by Trustee. If an Event of Default specified in Section 6.1(a)(i) and Section 6.1(a)(ii) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company for the whole amount then due and owing (together with applicable interest on any overdue principal and, to the extent lawful, interest on overdue interest) and the amounts provided for in Section 7.7.

Section 6.9 Trustee May File Proofs of Claim, etc.

(a) In case of any judicial proceeding relative to the Company (or any other obligor upon the Notes), its property or its creditors, the Trustee shall be entitled and empowered, by intervention in such proceeding or otherwise, to take any and all actions authorized under applicable law in order to have claims of the Holders and the Trustee allowed in any such proceeding. In particular, the Trustee may (irrespective of whether the principal of the Notes is then due):

(i) file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Holders under this Indenture and the Notes allowed in any bankruptcy, insolvency, liquidation or other judicial

proceedings relative to the Company, any Subsidiary Guarantor or any Subsidiary of the Company or their respective creditors or properties; and

(ii) collect and receive any moneys or other property payable or deliverable in respect of any such claims and distribute them in accordance with this Indenture.

Any receiver, trustee, liquidator, sequestrator (or other similar official) in any such proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, taxes, disbursements and advances of the Trustee, its agent and counsel, and any other amounts due to the Trustee pursuant to Section 7.7.

(b) Nothing in this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 Priorities. If the Trustee collects any money or property pursuant to this Article VI, it shall pay out the money or property in the following order:

FIRST: to the Trustee for amounts due under Section 7.7;

SECOND: to Holders for amounts due and unpaid on the Notes for principal and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal and interest, respectively; and

THIRD: to the Company or, to the extent the Trustee collects any amount pursuant to any Note Guarantee from any Guarantor, to such Guarantor.

The Trustee may, upon notice to the Company, fix a record date and payment date for any payment to Holders pursuant to this Section 6.10.

Section 6.11 Undertaking for Costs. All parties agree, and each Holder by its acceptance of its Notes shall be deemed to have agreed, that in any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by the Company, a suit by a Holder pursuant to Section 6.7 or a suit by Holders of more than 10% in principal amount of Outstanding Notes.

ARTICLE VII
TRUSTEE

Section 7.1 Duties of Trustee.

(a) If a Default or an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise thereof as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of a Default or an Event of Default:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable order) on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any such certificates or opinions, which by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall examine such certificates and opinions to determine whether or not they conform to the requirements of this Indenture (it being understood that the Trustee need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liability for its own grossly negligent action, its own grossly negligent failure to act or its own willful misconduct, except that:

(i) this Section 7.1(c) does not limit the effect of Section 7.1(b);

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Trustee was grossly negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.2, Section 6.5 or Section 6.8 or any other provision of this Indenture.

(d) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company.

(e) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(f) No provision hereof shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder

or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(g) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VII.

(h) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficient if signed by an Officer of the Company.

(i) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Holders unless such Holders shall have offered to the Trustee indemnity and/or security reasonably satisfactory to it against the costs, expenses (including reasonable attorneys' fees and expenses) and liabilities that might be incurred by it in compliance with such request or direction.

Section 7.2 Rights of Trustee.

Subject to Section 7.1:

(a) The Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any document, instrument, opinion, direction, order, notice or request reasonably believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in such document, instrument, opinion, direction, order, notice or request.

(b) Before the Trustee acts or refrains from acting at the direction of the Company, it may require an Officers' Certificate, advice of counsel and/or an Opinion of Counsel, and such Officers' Certificate, advice and/or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or omitted to be taken by it hereunder. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on an Officers' Certificate, advice of counsel and/or Opinion of Counsel.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence or gross negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; *provided*, *however*, that the Trustee's conduct does not constitute willful misconduct or gross negligence.

(e) The Trustee may consult with counsel of its selection, and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Notes shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled, upon notice to the Company, to examine the books, records and premises of the Company, personally or by agent or attorney at the sole cost of the Company and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(g) The Trustee shall not be deemed to have notice of any Default or Event of Default (other than payment default under Section 6.1(a)(i) or Section 6.1(a)(ii)) unless a Trust Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a Default or Event of Default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and this Indenture. For purposes of determining the Trustee's responsibility and liability hereunder, whenever reference is made in this Indenture to a Default or Event of Default, such reference shall be construed to refer only to such Default or Event of Default for which the Trustee is deemed to have notice pursuant to this Section 7.2(g).

(h) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder.

(i) In no event shall the Trustee be responsible or liable for special, indirect, punitive, or consequential loss or damage of any kind whatsoever (including, without limitation, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(j) The Trustee may request that the Company deliver an Officers' Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officers' Certificate may be signed by any person authorized to sign an Officers' Certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded.

(k) The permissive rights of the Trustee enumerated herein shall not be construed as duties.

(l) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including without limitation, acts of God; earthquakes; fires; floods; wars; civil or military disturbances; sabotage; epidemics; pandemics; recognized public emergencies; quarantine restrictions; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service, and hacking, cyber-attacks, or other use or infiltration of the Trustee's technological infrastructure exceeding authorized access; accidents; labor disputes; acts of civil or military authority or governmental

actions (it being understood that the Trustee shall use its best efforts to resume performance as soon as practicable under the circumstances).

(m) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys.

(n) To the extent permitted by applicable law, the Trustee shall not be required to give any bond or surety in respect of the execution of this Indenture or otherwise.

(o) To help fight the funding of terrorism and money laundering activities, the Trustee will obtain, verify, and record information that identifies individuals or entities that establish a relationship or open an account with the Trustee. The Trustee will ask for the name, address, tax identification number and other information that will allow the Trustee to identify the individual or entity who is establishing the relationship or opening the account. The Trustee may also ask for formation documents such as articles of incorporation, an offering memorandum, or other identifying documents to be provided. The parties to this Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

(p) Notwithstanding anything to the contrary herein, any and all communications (both text and attachments) by or from the Trustee that the Trustee in its sole discretion deems to contain confidential, proprietary, and/or sensitive information and sent by electronic mail will be encrypted. The recipient of the email communication will be required to complete a one-time registration process. Information and assistance on registering and using the email encryption technology can be found at the Trustee's secure website https://www.citigroup.com/rcs/citigpa/akpublic/storage/public/secureemail_external.pdf/ or by calling (866) 535-2504 (in the U.S.) or (904) 954-6181.

Section 7.3 Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or any of its Affiliates with the same rights it would have if it were not Trustee. Any Paying Agent, Registrar or co-Registrar may do the same with like rights. However, the Trustee must comply with Section 7.10.

Section 7.4 Trustee's Disclaimer. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Company's use of the proceeds from the Notes, and it shall not be responsible for any statement of the Company in this Indenture or in any document issued in connection with the sale of the Notes or in the Notes other than the Trustee's certificate of authentication, except that the Trustee represents that it is duly authorized to execute and deliver this Indenture, authenticate the Notes and perform its obligations hereunder.

Section 7.5 Notice of Defaults. If a Default occurs hereunder with respect to the Notes, the Trustee shall promptly give the Holders of the Notes notice of such Default. In addition, if a Default or Event of Default occurs and is continuing and if it is a payment default or a Trust Officer has actual knowledge thereof, or has received written notice thereof pursuant to Section 7.2(g) the Trustee shall mail to each Holder, with a copy to the Company, notice of the

Default or Event of Default within 45 days after the occurrence thereof. Except in the case of a Default or Event of Default in the payment of principal of, premium, if any, or interest on any Note, the Trustee may withhold the notice if and so long as it in good faith determines that withholding the notice is in the interests of the Holders.

Section 7.6 Reports by Trustee to Holders. The Trustee shall notify Holders of any Defaults under this Indenture pursuant to Section 7.5. The Company agrees to promptly notify the Trustee whenever the Notes become listed on any stock exchange and of any delisting thereof.

Section 7.7 Compensation and Indemnity.

(a) The Company shall pay to the Trustee from time to time such compensation for its acceptance of this Indenture and services hereunder as the Company and the Trustee shall from time to time agree in writing. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses incurred or made by it in connection with the performance of its duties under this Indenture, except for any such expense as may arise from the Trustee's gross negligence or willful misconduct. Such expenses shall include the reasonable fees and expenses of the Trustee's agents and counsel.

(b) The Company shall indemnify the Trustee and its officers, directors, employees and agents against any and all loss, damage, claim, liability or expense or any actions in respect thereof (including reasonable attorneys' fees and expenses) incurred by it without gross negligence or willful misconduct on its part in connection with the acceptance or administration of this trust and the performance of its duties hereunder, including the costs and expenses of defending themselves (including reasonable attorney's fees and costs) against any claim (including by the Company, a Holder or any other Person) or liability related to the exercise or performance of any of their powers or duties hereunder (including this Section 7.7) and under any other agreement or instrument related thereto. The Trustee shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company shall not relieve the Company of its obligations hereunder. The Company shall defend the claim and the Trustee may have separate counsel and the Company shall pay the reasonable fees and expenses of such counsel; *provided* that the Company shall not be required to pay such fees and expenses if it assumes the Trustee's defense, and, in the reasonable judgment of outside counsel to the Trustee, there is no conflict of interest between the Company and the Trustee in connection with such defense. The Company need not pay for any settlement made without its written consent, which consent shall not be unreasonably withheld.

(c) To secure the Company's payment obligations in this Section 7.7, the Trustee shall have a lien prior to the Notes on all money or property held or collected by the Trustee other than money or property held in trust to pay principal of and interest on particular Notes. The Trustee's right to receive payment of any amounts due under this Section 7.7 shall not be subordinate to any other liability or Indebtedness of the Company.

(d) The Company's payment obligations pursuant to this Section 7.7 shall survive the discharge of this Indenture and the resignation or removal of the Trustee. When the

Trustee incurs expenses after the occurrence of a Bankruptcy Law Event of Default, the expenses are intended to constitute expenses of administration under any Bankruptcy Law; *provided, however*, that this shall not affect the Trustee's rights as set forth in this Section 7.7 or Section 6.10.

Section 7.8 Replacement of Trustee.

(a) The Trustee may resign at any time by so notifying the Company. In addition, the Holders of a majority in aggregate principal amount of the then Outstanding Notes may remove the Trustee by so notifying the Trustee and may appoint a successor Trustee. Moreover, if the Trustee is no longer eligible pursuant to Section 7.10 to act as such, or does not have a combined capital and surplus of at least U.S.$50,000,000 as set forth in its most recent published annual report or does not have its corporate trust office in the City of New York, New York, any Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee. The Company shall remove the Trustee if:

(i) the Trustee fails to comply with Section 7.10;

(ii) the Trustee is adjudged bankrupt or insolvent;

(iii) a receiver or other public officer takes charge of the Trustee or its property; or

(iv) the Trustee otherwise becomes incapable of acting.

(b) If the Trustee resigns or is removed by the Company or by the Holders of a majority in principal amount of the then Outstanding Notes and such Holders do not reasonably promptly appoint a successor Trustee, or if a vacancy exists in the office of the Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Company shall promptly appoint a successor Trustee.

(c) A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.7.

(d) If a successor Trustee does not take office within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee or the Holders of 10% in principal amount of the Outstanding Notes may petition, at the Company's expense, any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee fails to comply with Section 7.10, any Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) Notwithstanding the replacement of the Trustee pursuant to this Section 7.8, the Company's obligations under Section 7.7 shall continue for the benefit of the retiring Trustee.

Section 7.9 Successor Trustee by Merger.

(a) If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation, trust company or national banking association, the resulting, surviving or transferee entity without any further act shall be the successor Trustee; *provided* that such Persons shall be otherwise qualified and eligible under this Article VII.

(b) In case at the time such successor or successors to the Trustee shall succeed to the trusts created by this Indenture, any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Notes or in this Indenture provided that the certificate of the Trustee shall have.

Section 7.10 Eligibility .

(a) The Trustee shall have a combined capital and surplus of at least U.S.$50,000,000 as set forth in its most recent published annual report of condition.

Section 7.11 Paying Agent and Registrar. The rights, protections and immunities granted to the Trustee under this Article VII shall apply *mutatis mutandis* to the Paying Agent, Registrar, any Authenticating Agent.

ARTICLE VIII
DEFEASANCE; DISCHARGE OF INDENTURE

Section 8.1 Legal Defeasance and Covenant Defeasance.

(a) The Company may, at its option, at any time, upon compliance with the conditions set forth in Section 8.2, elect to have either Section 8.1(b) or Section 8.1(c) be applied to its obligations with respect to all Outstanding Notes and all obligations of the Guarantors under the Note Guarantees.

(b) Upon the Company's exercise under Section 8.1(a) of the option applicable to this Section 8.1(b), the Company shall, subject to the satisfaction of the conditions set forth in Section 8.2, be deemed to have paid and discharged the entire indebtedness represented by the Outstanding Notes and Note Guarantees on the 91st day after the deposit specified in Section 8.2(a) (hereinafter, "Legal Defeasance"). For this purpose, Legal Defeasance means that the Company shall be deemed to have paid and discharged the entire

Indebtedness represented by the Outstanding Notes, which shall thereafter be deemed to be Outstanding only for the purposes of the sections of this Indenture referred to in clause (i) or (ii) of this Section 8.1(b), and the Company shall have been deemed to have satisfied all their other obligations under such Notes, and hereunder (and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following provisions, which shall survive until otherwise terminated or discharged hereunder:

(i) the rights of Holders to receive solely from the trust described in Section 8.2(a) below, as more fully set forth in such section, payments in respect of the principal of, premium, if any, and interest on the Notes when such payments are due,

(ii) the Company's obligations with respect to such Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payments,

(iii) the rights, powers, trusts, duties and immunities of the Trustee as described in Article VII and hereunder and the Company's obligations in connection therewith, and

(iv) this Article VIII.

Subject to compliance with this Article VIII, the Company may exercise its option under this Section 8.1(b) notwithstanding the prior exercise of its option under Section 8.1(c).

(c) Upon the Company's exercise under Section 8.1(a) of the option applicable to this Section 8.1(c), the Company, Parent Guarantor and Parent Guarantor's Subsidiaries shall be, subject to the satisfaction of the applicable conditions set forth in Section 8.2, released and discharged from their obligations under the covenants (including, without limitation, the obligations contained in Section 3.4, Section 3.7, Section 3.8, Section 3.9, Section 3.10 and Section 3.12 with respect to the Outstanding Notes and the operation of Sections 6.1(a)(iii), (iv), (v), (vi), (vii) but only as it applies to any Subsidiary, and (viii) shall terminate on and after the date the conditions set forth below are satisfied) (hereinafter, "Covenant Defeasance"), and the Notes shall thereafter be deemed not Outstanding for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be Outstanding for all other purposes hereunder (it being understood that such Notes shall not be deemed Outstanding for accounting purposes). For this purpose, such Covenant Defeasance means that, with respect to the Outstanding Notes, the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event or Default with respect to the Notes or the Note Guarantees under Section 6.1, but, except as specified above, the remainder hereof and such Notes shall be unaffected thereby.

Section 8.2 Conditions to Defeasance. The Company may exercise its Legal Defeasance option or its Covenant Defeasance option only if:

(a) the Company has irrevocably deposited with the Trustee, in trust, for the benefit of the Holders cash in U.S. Dollars, certain direct non-callable obligations of, or guaranteed by, the United States, or a combination thereof, in such amounts as shall be sufficient without reinvestment, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, and premium, if any, and interest on the Notes (including Additional Amounts) on the stated date for payment thereof or on the applicable redemption date, as the case may be;

(b) in the case of Legal Defeasance, the Company has delivered to the Trustee an Opinion of Counsel from a nationally recognized law firm in the U.S. reasonably acceptable to the Trustee and independent of the Company to the effect that:

(i) the Company has received from, or there has been published by, the Internal Revenue Service a ruling; or

(ii) since the Issue Date, there has been a change in the applicable U.S. federal income tax law;

in either case to the effect that, and based thereon such Opinion of Counsel shall state that, the beneficial owners of the Notes shall not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and shall be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of Covenant Defeasance, the Company has delivered to the Trustee an Opinion of Counsel from a nationally recognized law firm in the U.S. reasonably acceptable to the Trustee and independent of the Company to the effect that the beneficial owners of the Notes shall not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and shall be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) no Default or Event of Default has occurred and is continuing on the date of the deposit pursuant to Section 8.2(a);

(e) the Company has delivered to the Trustee an Officers' Certificate stating that such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under this Indenture or any other material agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(f) the Company has delivered to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders over any other creditors of the Company or any Subsidiary of the Company or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company or others;

(g) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel from U.S. counsel reasonably acceptable to the Trustee and independent of the Company, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with; and

(h) the Company has delivered to the Trustee an Opinion of Counsel from U.S. counsel reasonably acceptable to the Trustee and independent of the Company to the effect that the trust funds shall not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally.

Section 8.3 Application of Trust Money. The Trustee shall hold in trust U.S. Dollars or U.S. Government Obligations deposited with it pursuant to this Article VIII. It shall apply the deposited money and the U.S. Dollars from U.S. Government Obligations, together with earnings thereon, through the Paying Agent and in accordance with this Indenture to the payment of principal of and interest on the Notes.

Section 8.4 Repayment to Company.

(a) The Trustee and the Paying Agent shall promptly turn over to the Company upon request any excess money or securities held by them upon payment of all the obligations under this Indenture.

(b) Subject to any applicable abandoned property law, the Trustee and the Paying Agent shall pay to the Company upon request any money held by them for the payment of principal of or interest on the Notes that remains unclaimed for two years, and, thereafter, Holders entitled to the money must look to the Company for payment as general creditors.

Section 8.5 Indemnity for U.S. Government Obligations. The Company shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against U.S. Government Obligations or the principal and interest received on such U.S. Government Obligations deposited with the Trustee pursuant to this Article VIII.

Section 8.6 Reinstatement. If the Trustee or Paying Agent is unable to apply any U.S. Dollars or U.S. Government Obligations in accordance with this Article VIII by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the obligations of the Company under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to this Article VIII until such time as the Trustee or Paying Agent is permitted to apply all such U.S. Dollars or U.S. Government Obligations in accordance with this Article VIII; *provided, however*, that, if the Company has made any payment of principal of or interest on any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the U.S. Dollars or U.S. Government Obligations held by the Trustee or Paying Agent.

Section 8.7 Satisfaction and Discharge. This Indenture shall be discharged and shall cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the Notes, as expressly provided for herein) as to all Outstanding Notes, and the Trustee, on

written demand of and at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when:

(a) either:

(i) all the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust) have been delivered to the Trustee for cancellation; or

(ii) all Notes not theretofore delivered to the Trustee for cancellation have become due and payable and the Company has irrevocably deposited or caused to be deposited with the Trustee funds or U.S. Government Obligations sufficient without reinvestment to pay and discharge the entire Indebtedness on the Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and accrued and unpaid interest on the Notes to the date of deposit (in the case of Notes that have become due and payable) or to the maturity or Redemption Date, as the case may be, together with irrevocable instructions from the Company directing the Trustee to apply such funds to the payment;

(b) the Company has paid all other sums payable under this Indenture and the Notes by the Company; and

(c) the Company has delivered to the Trustee an Officers' Certificate stating that all conditions precedent under this Indenture relating to the satisfaction and discharge of this Indenture have been complied with.

ARTICLE IX
AMENDMENTS

Section 9.1 Without Consent of Holders.

(a) The Company, the Guarantors and the Trustee may amend, modify or supplement this Indenture and the Notes without notice to or consent of any Holder:

(i) to cure any ambiguity, omission, defect or inconsistency contained in this Indenture or the Notes;

(ii) to provide for the assumption by an Issuer Surviving Entity or Parent Guarantor Surviving Entity or another Guarantor of the obligations of the Company or a Guarantor under this Indenture;

(iii) to add Note Guarantees or additional guarantees with respect to the Notes or release a Note Guarantee in accordance with the terms of this Indenture;

(iv) to secure the Notes;

(v) to add to the covenants of the Company for the benefit of the Holders or to surrender any right or power herein conferred upon the Company;

(vi) to provide for the issuance of Additional Notes in accordance with the terms hereof;

(vii) to evidence the replacement of the Trustee as provided for under this Indenture;

(viii) if necessary, in connection with any release of any security permitted under this Indenture;

(ix) to make any other changes which do not adversely affect the rights of any Holder in any material respect;

(x) to provide for uncertificated Notes in addition to or in place of certificated Notes; or

(xi) to conform the terms of this Indenture, the Note Guarantees or the Notes with the description thereof set forth in the "Description of Notes" section of the Offering Memorandum, as provided in an Officers' Certificate;

(b) [Reserved].

(c) After an amendment under this Section 9.1 becomes effective, the Company shall mail to Holders a notice briefly describing such amendment. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.1.

Section 9.2 With Consent of Holders.

(a) Modifications to, amendments of, and supplements to, this Indenture or the Notes not set forth under Section 9.1 may be made with the consent of the Holders of a majority in principal amount of the then Outstanding Notes issued under this Indenture, except that, without the consent of each Holder affected thereby, no amendment may:

(i) reduce the percentage of the principal amount of the Notes whose Holders must consent to an amendment, supplement or waiver;

(ii) reduce the rate of or change or have the effect of changing the time for payment of interest on any Notes;

(iii) change any place of payment where the principal of or interest on the Notes is payable;

(iv) reduce the principal of or change or have the effect of changing the fixed maturity of any Notes, or change the date on which any Notes may be subject to redemption, or reduce the redemption price therefor;

(v) make any Notes payable in money other than that stated in the Notes;

(vi) make any change in the provisions of this Indenture entitling each Holder to receive payment of principal of, premium, if any, and interest on such Notes on or after the due date thereof or to bring suit to enforce such payment, or permitting Holders of a majority in principal amount of Notes to waive Defaults or Events of Default;

(vii) amend, change or modify in any material respect any obligation of the Company to make and consummate a Change of Control Offer in respect of a Change of Control Repurchase Event that has occurred;

(viii) eliminate or modify in any manner the obligations of a Guarantor with respect to its Note Guarantee which adversely affects Holders in any material respect, except as contemplated in this Indenture;

(ix) make any change to Section 3.11 that adversely affects the rights of any Holder; and

(x) make any change to the provisions of this Indenture or the Notes that adversely affects the ranking of the Notes (for the avoidance of doubt, a change to the covenants described in Section 3.8 and Section 3.9 does not adversely affect the ranking of the Notes).

Section 9.3 Revocation and Effect of Consents and Waivers.

(a) A consent to an amendment, supplement or waiver by a Holder of a Note shall bind the Holder and every subsequent Holder of that Note or portion of the Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent or waiver is not made on the Note. However, any such Holder or subsequent Holder may revoke the consent or waiver as to such Holder's Note or portion of the Note if the Trustee receives the notice of revocation before the date the amendment, supplement or waiver becomes effective. After an amendment, supplement or waiver becomes effective, it shall bind every Holder, except as otherwise provided in this Article IX. An amendment, supplement or waiver under Section 9.2 shall become effective upon receipt by the Trustee of the requisite number of written consents under Section 9.2.

(b) The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 90 days after such record date.

Section 9.4 Notation on or Exchange of Notes. If an amendment or supplement changes the terms of a Note, the Trustee may require the Holder of the Note to deliver it to the Trustee. The Trustee may place an appropriate notation on the Note regarding the changed terms

and return it to the Holder. Alternatively, if the Company or the Trustee so determines, the Company in exchange for the Note shall execute and upon Company Order the Trustee shall authenticate a new Note that reflects the changed terms. Failure to make the appropriate notation or to issue a new Note shall not affect the validity of such amendment or supplement.

Section 9.5 Trustee to Sign Amendments and Supplements. The Trustee shall sign any amendment or supplement authorized pursuant to this Article IX if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may but need not sign it. In signing such amendment or supplement the Trustee shall be entitled to receive indemnity reasonably satisfactory to it and shall receive, and (subject to Section 7.1 and Section 7.2) shall be fully protected in conclusively relying upon, such evidence as it deems appropriate, including, without limitation, the documents required by Section 11.2 and solely on an Opinion of Counsel and Officers' Certificate, each stating that such amendment or supplement is authorized or permitted hereby and is the legal valid and binding obligation of the Company and the Guarantors.

ARTICLE X NOTE GUARANTEES

Section 10.1 Note Guarantees.

(a) Each Guarantor hereby fully and unconditionally guarantees on a general unsecured senior basis, as primary obligor and not merely as surety, jointly and severally with each other Guarantor, to each Holder and to the Trustee the full and punctual payment when due, whether at maturity, by acceleration, by redemption or otherwise, of the principal, interest, premium, Additional Amounts, penalties, fees, indemnifications, reimbursements, damages, and other liabilities payable under the Notes, Note Guarantees and the Indenture (such guaranteed obligations, the "Guaranteed Obligations"). Each Guarantor further agrees (to the extent permitted by law) that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from it, and that it will remain bound under this Article X notwithstanding any extension or renewal of any Guaranteed Obligation. Each Guarantor hereby agrees to pay, in addition to the amounts stated above, any and all expenses (including reasonable counsel fees and expenses) incurred by the Trustee or the Holders in enforcing any rights under any Note Guarantee.

(b) Each Guarantor waives presentment to, demand of payment from and protest to the Company of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. Each Guarantor waives notice of any default under the Notes or the Guaranteed Obligations. The obligations of each Guarantor hereunder shall not be affected by (i) the failure of any Holder to assert any claim or demand or to enforce any right or remedy against the Company or any other Person under this Indenture, the Notes or any other agreement or otherwise; (ii) any extension or renewal of any thereof; (iii) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement; (iv) the release of any security held by any Holder or the Trustee for the Guaranteed Obligations or any of them; (v) the failure of any Holder to exercise any right or remedy against any other Guarantor; or (vi) any change in the ownership of the Company.

(c) Each Guarantor further agrees that its Note Guarantee herein constitutes a guarantee of payment when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder to any security held for payment of the Guaranteed Obligations.

(d) Each of the Guarantors further expressly waives irrevocably and unconditionally:

(i) Any right it may have to first require any Holder to proceed against, initiate any actions before a court of law or any other judge or authority, or enforce any other rights or security or claim payment from the Company or any other Person (including any Guarantor or any other guarantor) before claiming from it under this Indenture;

(ii) Any rights to the benefits of *orden*, *excusión*, *división*, *quita* and *espera* arising from Articles 2814, 2815, 2817, 2818, 2819, 2820, 2821, 2822, 2823, 2826, 2837, 2839, 2840, 2845, 2846, 2847 and any other related or applicable Articles that are not explicitly set forth herein because of the Guarantor's knowledge thereof, of the *Código Civil Federal* of Mexico and the *Código Civil* of each State of the Mexican Republic and for the Federal District of Mexico;

(iii) Any right to which it may be entitled to have the assets of the Company or any other Person (including any Guarantor or any other guarantor) first be used, applied or depleted as payment of the Company's or the Guarantors' obligations hereunder, prior to any amount being claimed from or paid by any of the Guarantors hereunder; and

(iv) Any right to which it may be entitled to have claims hereunder divided between the Guarantors.

(e) The obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason (other than payment of the Guaranteed Obligations in full), including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder to assert any claim or demand or to enforce any remedy under this Indenture, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the Guaranteed Obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of such Guarantor or would otherwise operate as a discharge of such Guarantor as a matter of law or equity.

(f) Each Guarantor further agrees that its Note Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any of the Guaranteed Obligations is rescinded or must otherwise be restored by any Holder upon the bankruptcy, or reorganization of the Company or otherwise.

(g) In furtherance of the foregoing and not in limitation of any other right which any Holder has at law or in equity against each Guarantor by virtue hereof, upon the failure of the Company to pay any of the Guaranteed Obligations when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, each Guarantor hereby promises to and will, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders an amount equal to the sum of:

(i) the unpaid amount of such Guaranteed Obligations then due and owing in U.S. Dollars; and

(ii) accrued and unpaid interest on such Guaranteed Obligations then due and owing (but only to the extent not prohibited by law).

(h) Each Guarantor further agrees that, as between such Guarantor, on the one hand, and the Holders, on the other hand:

(i) the maturity of the Guaranteed Obligations guaranteed hereby may be accelerated as provided in this Indenture for the purposes of its Note Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations guaranteed hereby; and

(ii) in the event of any such declaration of acceleration of such Guaranteed Obligations, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by such Guarantor for the purposes of its Note Guarantee.

Section 10.2 Limitation on Liability; Termination, Release and Discharge

(a) The obligations of each Guarantor hereunder shall be limited to the maximum amount as shall, after giving effect to all other contingent and fixed liabilities of such Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Note Guarantee or pursuant to its contribution obligations under this Indenture, result in the Guaranteed Obligations not constituting a fraudulent conveyance, fraudulent transfer or similar illegal transfer under applicable law.

(b) Each Guarantor shall be released and relieved of its obligations under its Note Guarantee in the event that:

(i) there is a Legal Defeasance or a Covenant Defeasance of the Notes pursuant to Article VIII;

(ii) there is a sale or other disposition (including through a consolidation or merger) of Capital Stock of such Guarantor following which such Guarantor is no longer a direct or indirect Subsidiary of the Parent Guarantor;

(iii) there is a sale of all or substantially all of the assets of such Guarantor (including by way of merger, stock purchase, asset sale or otherwise) to a Person that is not (either before or after giving effect to such transaction) the Company or a Guarantor;

(iv) the Guarantor shall become prevented from guaranteeing the Notes by local law; or

(v) there is a satisfaction and discharge of this Indenture pursuant to Section 8.7;

provided, in each case, such transactions are carried out pursuant to and in accordance with all applicable covenants and provisions hereof.

Section 10.3 Right of Contribution. Each Guarantor that makes a payment or distribution under a Note Guarantee will be entitled to a contribution from each other Guarantor in a pro rata amount, based on the net assets of each Guarantor determined in accordance with GAAP. The provisions of this Section 10.3 shall in no respect limit the obligations and liabilities of each Guarantor to the Trustee and the Holders and each Guarantor shall remain liable to the Trustee and the Holders for the full amount guaranteed by such Guarantor hereunder.

Section 10.4 No Subrogation. Each Guarantor agrees that it shall not be entitled to any right of subrogation in respect of any Guaranteed Obligations until payment in full in cash of all Guaranteed Obligations. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Guaranteed Obligations shall not have been paid in full in cash, such amount shall be held by such Guarantor in trust for the Trustee and the Holders, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Trustee in the exact form received by such Guarantor (duly endorsed by such Guarantor to the Trustee, if required), to be applied against the Guaranteed Obligations.

Section 10.5 Additional Note Guarantees.

(a) The Parent Guarantor covenants and agrees that, if at any time after the date hereof (i) any Subsidiary of the Parent Guarantor is incorporated, formed or acquired under the laws of Argentina, Brazil, Mexico, Puerto Rico or Venezuela (provided such Venezuelan Subsidiary represents greater than 10% of Consolidated Adjusted EBITDA of the Parent Guarantor), other than an Unlevered Subsidiary, or (ii) any Venezuelan Subsidiary represents greater than 10% of Consolidated Adjusted EBITDA of the Parent Guarantor, and in respect to any such Subsidiary of the Parent Guarantor in clauses (i) and (ii) above, such Subsidiary of the Parent Guarantor is not prevented from becoming a Guarantor because of local laws or the existence of minority shareholders (a "Non-Guarantor Subsidiary"), the Parent Guarantor shall, after becoming aware of such event, (i) promptly notify the Trustee in writing of such event and (ii) cause such Subsidiary of the Parent Guarantor (an "Additional Subsidiary Guarantor") concurrently to become a Guarantor on a general unsecured senior basis (promptly following the determination in accordance with the terms of this Indenture that such Subsidiary is a Guarantor) by executing a supplemental indenture substantially in the form of Exhibit E hereto and providing the Trustee with an Officers' Certificate and to comply in all respects with the provisions of this Indenture and the Notes, as applicable; *provided*, *however*, that each Additional Subsidiary Guarantor will be automatically and unconditionally released and discharged from its obligations under such additional note guarantee ("Additional Note

Guarantee") only in accordance with Section 10.2; and *provided further* that no Officers' Certificate shall be required solely pursuant to this Section 10.5(a) on the Issue Date.

(b) The Company shall notify, in accordance with Section 11.1, the Holders of any execution of a supplemental indenture pursuant to and in accordance with Section 10.5(a); *provided* that no notice shall be required solely pursuant to this Section 10.5(b) as a result of the execution of any supplemental indenture pursuant to and in accordance with Section 10.5(a) on the Issue Date.

(c) To the extent otherwise permitted under this Indenture, the Company may form, create or acquire new Subsidiaries under the laws of Argentina, Brazil, Mexico, Puerto Rico or Venezuela that may also be Non-Guarantor Subsidiaries, to the extent they are prevented by local law or the existence of minority shareholders from guaranteeing the Notes; *provided* that the Company provides the Trustee with an Officers' Certificate certifying that such Subsidiary is prevented by local law or the existence of minority shareholders from guaranteeing the Notes. If a Non-Guarantor Subsidiary is no longer prevented from guaranteeing the Notes, the Parent Guarantor shall promptly cause such Non-Guarantor Subsidiary to become a Guarantor by executing a supplemental indenture. Further, to the extent a Guarantor is no longer able to guarantee the Notes because of local law, the Company shall be permitted to designate such Guarantor as a Non-Guarantor Subsidiary in accordance with the terms hereof.

ARTICLE XI
MISCELLANEOUS

Section 11.1 Notices.

(a) Any notice or communication shall be in writing and delivered in Person, by telecopy or mailed by first-class mail, postage prepaid, addressed as follows:

if to the Company or any Guarantor:

Arcos Dorados B.V.
Muiderstraat 5/F
1011 PZ Amsterdam
The Netherlands
Attention: Mariano Tannenbaum, Chief Financial Officer
c/o Arcos Dorados Holdings Inc.
Rio Negro 1338, First Floor
Montevideo, Uruguay 11100

if to the Trustee:

Citibank, N.A.
388 Greenwich Street, 26th Floor
New York, New York 10013
email: citi.cspag.debt@citi.com
Attention: Peter Lopez

The Company or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

(b) [Reserved]

(c) Notices to Holders of non-Global Notes shall be mailed to them by first- class mail by the Company or, at the Company's request, by the Trustee. Notices to Holders of Global Notes shall be given to DTC in accordance with its applicable procedures.

(d) Notices shall be deemed to have been given on the date of delivery to DTC or mailing, as applicable. In addition, notices shall be delivered to Holders of Notes at their registered addresses.

(e) Any notice or communication mailed to a registered Holder shall be mailed to the Holder at the Holder's address as it appears on the registration books of the Registrar and shall be sufficiently given if so mailed within the time prescribed.

(f) Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

(g) From and after the date the Notes are admitted to listing on the Official List of the Luxembourg Stock Exchange, and so long as it is required by the rules of such exchange, all notices to Holders of Notes shall be in English:

(1) in a leading newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*); or

(2) if such Luxembourg publication is not practicable, in one other leading English language newspaper being published on each day in morning editions, whether or not it shall be published in Saturday, Sunday or holiday editions.

(h) In lieu of the foregoing, notices to Holders of Notes may be published via the website of the Luxembourg Stock Exchange at www.bourse.lu; provided that such method of publication satisfies the rules of such exchange.

Section 11.2 Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Company to the Trustee to take or refrain from taking any action under this Indenture, the Company shall furnish to the Trustee:

(a) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been

complied with; *provided*, *however*, that no such Opinion of Counsel shall be delivered with respect to the authentication and delivery of any Initial Notes on the Issue Date.

Section 11.3 Statements Required in Officers' Certificate or Opinion of Counsel. Each certificate or opinion, including each Officers' Certificate or Opinion of Counsel with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(a) a statement that the individual making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with.

In giving an Opinion of Counsel, counsel may rely as to factual matters on an Officers' Certificate or on certificates of public officials.

Section 11.4 Rules by Trustee, Paying Agent and Registrar. The Trustee may make reasonable rules for action by, or a meeting of, Holders. The Registrar and the Paying Agent may make reasonable rules for their functions.

Section 11.5 Legal Holidays. A "Legal Holiday" is a Saturday, a Sunday or other day on which commercial banks and foreign exchange markets are authorized or obligated to be closed in New York City, United States. If a payment date is a Legal Holiday, payment shall be made on the next succeeding Business Day, and no interest shall accrue for the intervening period. If a regular record date is a Legal Holiday, the record date shall not be affected.

Section 11.6 Governing Law, etc.

(a) THIS INDENTURE, THE NOTES AND THE NOTE GUARANTEES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) EACH OF PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING AS BETWEEN THE COMPANY AND THE TRUSTEE (BUT NOT THE HOLDERS OF THE NOTES) ARISING OUT OF OR RELATING TO THIS INDENTURE OR THE NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

(c) Each of the parties hereto:

(i) agrees that any suit, action or proceeding against it arising out of or relating to this Indenture or the Notes, as the case may be, may be instituted in any U.S. federal or New York state court sitting in The City of New York, New York,

(ii) irrevocably submits to the jurisdiction of such courts in any suit, action or proceeding,

(iii) waives, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding, any claim that any suit, action or proceeding in such a court has been brought in an inconvenient forum and any right to the jurisdiction of any other courts to which it may be entitled on account of place of residence or domicile, and

(iv) agrees that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding may be enforced in the courts of the jurisdiction of which it is subject by a suit upon judgment.

(d) The Company and each of the Guarantors has appointed Cogency Global Inc., 122 East 42nd Street, 18th Floor, New York, New York, 10168, as its authorized agent (the "Authorized Agent") upon whom all writs, process and summonses may be served in any suit, action or proceeding arising out of or based upon this Indenture or the Notes which may be instituted in any New York state or U.S. federal court in The City of New York, New York. The Company and each of the Guarantors 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 agree to take any and all action, including the filing of any and all documents, that may be necessary to continue each such appointment in full force and effect as aforesaid so long as the Notes remain outstanding. The Company and each Guarantor agree that the appointment of the Authorized Agent shall be irrevocable so long as any of the Notes remain outstanding or until the irrevocable appointment by the Company and each Guarantor of a successor agent in The City of New York, New York as their authorized agent for such purpose and the acceptance of such appointment by such successor. Service of process upon the Authorized Agent shall be deemed, in every respect, effective service of process upon the Company and any Guarantor.

(e) To the extent that the Company or any Guarantor has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment in aid or otherwise) with respect to itself or any of its property, the Company and each of the Guarantors hereby irrevocably waives and agrees not to plead or claim such immunity in respect of its obligations under this Indenture or the Notes.

(f) Nothing in this Section 11.6 shall affect the right of the Trustee or any Holder of the Notes to serve process in any other manner permitted by law.

Section 11.7 No Recourse Against Others. No past, present or future incorporator, director, officer, employee, shareholder or controlling person, as such, of the Company or any Guarantor shall have any liability for any obligations of the Company under the Notes, this Indenture or any Note Guarantee or for any claims based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder shall waive and release all such liability. The waiver and release shall be part of the consideration for issuance of the Notes.

Section 11.8 Successors. All agreements of the Company or any Guarantor in this Indenture and the Notes shall bind its respective successors. All agreements of the Trustee in this Indenture shall bind its successors.

Section 11.9 Duplicate and Counterpart Originals. The parties may sign any number of copies of this Indenture. One signed copy is enough to prove this Indenture. This Indenture may be executed in any number of counterparts, each of which so executed shall be an original, but all of them together represent the same agreement. This Indenture may also be executed in Argentina via the exchange of an offer letter and an acceptance letter (substantially in the form of Exhibit F hereto), and delivery of such letters shall be effective as delivery of an executed counterpart of this Indenture.

Section 11.10 Severability. In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11.11 Currency Indemnity.

(a) U.S. Dollars is the sole currency of account and payment for all sums payable by the Company and any Guarantor, under or in connection with the Notes, this Indenture or any Note Guarantee. Any amount received or recovered in currency other than U.S. Dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Company, any Subsidiary or otherwise) by any payee in respect of any sum expressed to be due to it from the Company and any Guarantor shall only constitute a discharge of it under the Notes, this Indenture and such Note Guarantee to the extent of the U.S. Dollar amount which such payee is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which such payee is able to do so). If that U.S. Dollar amount is less than the U.S. Dollar amount expressed to be due to the recipient under the Notes, this Indenture, or the Note Guarantee, the Company and any Guarantor shall indemnify the recipient against any loss sustained by it in making any such purchase. In any event, the Company and the Guarantors shall indemnify each payee, to the greatest extent permitted under applicable law, against the cost of making any purchase of U.S. Dollars. For the purposes of this Section 11.11, it shall be sufficient for a payee to certify in a satisfactory manner that it would have suffered a loss had an actual purchase of U.S. Dollars been made with the amount received in that other currency on the date of receipt or recovery (or, if a purchase of U.S. Dollars on such date had not been practicable, on the first date on which it would have been practicable) and that the change of the purchase date was needed.

(b) The indemnities of the Company and any Guarantor contained in this Section 11.11, to the extent permitted by law: (i) constitute a separate and independent obligation from the other obligations of the Company and the Guarantors under this Indenture and the Notes; (ii) shall give rise to a separate and independent cause of action against the Company; (iii) shall apply irrespective of any indulgence granted by any Holder of the Notes or the Trustee from time to time; (iv) shall continue in full force and effect notwithstanding any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Indenture, the Notes or any Note Guarantee; and (v) shall survive the termination of this Indenture.

Section 11.12 Table of Contents; Headings. The table of contents and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed as of the date first written above.

ARCOS DORADOS B.V.

By: /s/ Lucas Brizuela
Name: Lucas Brizuela
Title: Corporate Treasurer

ARCOS DORADOS HOLDINGS INC.

By: /s/ Lucas Brizuela
Name: Lucas Brizuela
Title: Corporate Treasurer

ARCOS DOURADOS COMÉRCIO DE ALIMENTOS S.A.

By: /s/ Lucas Brizuela
Name: Lucas Brizuela
Title: Corporate Treasurer

ARCOS DOURADOS RESTAURANTES, LTDA.

By: /s/ Lucas Brizuela
Name: Lucas Brizuela
Title: Corporate Treasurer

ARCOS SERCAL INMOBILIARIA, S. DE R.L. DE C.V.

By: /s/ Lucas Brizuela

Name: Lucas Brizuela

Title: Corporate Treasurer

RESTAURANTES ADMX, S. DE R.L. DE C.V. R.L. DE C.V.

By: /s/ Lucas Brizuela
Name: Lucas Brizuela
Title: Corporate Treasurer

ARCOS DORADOS PUERTO RICO, LLC R.L. DE C.V.

By: /s/ Lucas Brizuela
Name: Lucas Brizuela
Title: Corporate Treasurer

GOLDEN ARCH DEVELOPMENT, LLC R.L. DE C.V.

By: /s/ Lucas Brizuela
Name: Lucas Brizuela
Title: Corporate Treasurer

CITIBANK, N.A.,
as Trustee, Registrar, Paying Agent and Transfer Agent

By: /s/ Peter Lopez
Name: Peter Lopez
Title: Senior Trust Officer

(Signature Page to Indenture)

Solely for the purposes of accepting the appointment of Luxembourg Paying Agent together with the rights, protections and Immunities granted to the Trustee under Article VII, which shall apply *mutatis mutandis* to the Luxembourg Paying Agent

BANQUE INTERNATIONALE À LUXEMBOURG, SOCIÉTÉ ANONYME,
as Luxembourg Paying Agent

By: /s/ Laura Martin
Name: Laura MARTIN
Title: Business Developer
New Issues & Listing

By: /s/ Guo Xingshi
Name: GUO Xingshi
Title: Business Developer
New Issues & Listing

SCHEDULE I

MCDONALD'S FOREIGN PLEDGE AGREEMENTS

1. Stock Pledge Agreement (*Contrato de Prenda de Acciones y Cesion Fiduciaria con Fines de Garantia*), dated as of August 3, 2007, among the lenders party to the Credit Agreement, LatAm LLC ("LatAm") and Woods White Staton Welten, as pledgors, Arcos Dorados S.A., McDonald's Latin America, LLC ("McDonald's") and Deutsche Bank Trust Company Americas, as amended, supplemented or otherwise modified to date;

2. Stock Pledge Agreement (*Contrato de Prenda de Acciones y Cesion Fiduciaria con Fines de Garantia*), dated as of August 3, 2007, among the lenders party to the Credit Agreement, LatAm, Arcos Dorados Caribbean Development Corp. ("ADCDC"), Compañia de Inversiones Inmobiliarias (C.I.I.) S.A. and Deutsche Bank Trust Company Americas, as amended, supplemented or otherwise modified to date;

3. Second Lien Brazilian Quota Pledge Agreement, dated as of August 3, 2007, among McDonald's, as the pledgee, and LatAm, ADCDC and Arcos Dorados B.V.;

4. Ratification to Pledge Agreement, dated as of August 3, 2008, made by Arcos Dorados B.V., LatAm and ADCDC in favor of McDonald's (the "McDonald's U.S. Stock Pledge Agreement"), dated on or about August 3, 2007, among LatAm, McDonald's and the other parties to the McDonald's U.S. Stock Pledge Agreement;

5. Venezuelan Share Pledge Agreement, dated as of August 3, 2007, between LatAm, Management Operations Company and Deutsche Bank Trust Company Americas, as amended, supplemented or otherwise modified to date;

6. McDonald's Aruba Deed of Pledge of Shares, dated on or about August 3, 2007, among McDonald's, LatAm, McDonald's Aruba N.V.;

7. McDonald's *Contrato de Prenda Abierta sobre Cuotas en Colombia*, dated on or about August 3, 2007, among LatAm, ADCDC and McDonald's;

8. McDonald's *Contrato de Prenda Abierta sobre Acciones en Colombia*, dated on or about August 3, 2007, among LatAm, ADCDC and McDonald's;

9. McDonald's Netherlands Antilles Deed of Pledge of Shares, dated on or about August 3, 2007, among McDonald's, LatAm and McDonald's St. Maarten and Curaçao N.V.;

10. Second Lien Ecuadorian Stock Pledge Agreement, dated on or about August 3, 2007, between LatAm and McDonald's;

11. McDonald's Panamanian Stock Pledge Agreement, dated on or about August 3, 2007, between LatAm and Eduardo de Alba, as pledgors, and McDonald's, as pledgee;

12. *Constitución y Preconstitución de Garantía Mobiliaria de Segundo Rango sobre Acciones*, dated on or about August 3, 2007, among LatAm, McDonald's and Operaciones Arcos Dorados de Perú S.A.;

13. McDonald's Uruguay Stock Pledge Agreement, dated on or about August 3, 2007, among McDonald's, LatAm and Gauchito de Oro S.A.;

14. McDonald's Uruguay Social Quotas Pledge Agreement, dated on or about August 3, 2007, among McDonald's, LatAm, ADCDC and Arcos del Sur S.R.L.;

15. First Lien Quota Pledge Agreement dated as of March 2018, among McDonald's Latin America, LLC, Arcos Dorados Group B.V. and Arcos Dorados Curacao, N.V., as amended, supplemented or otherwise modified to date;

16. Deed of Pledge of Shares, dated as of March 21, 2018, among McDonald's, Arcos Dorados Group B.V. and Arcos Dorados Curacao N.V., as amended, supplemented or otherwise modified to date;

17. Pledge Agreement, dated as of September 29, 2020, among LatAm, Arcos Dorados Development B.V., Arcos Dourados Comercio de Alimentos, S.A., Woods W. Staton, Arcos Dorados Argentina S.A. and McDonald's, with respect to the Equity Interests of Arcos Dorados Argentina S.A., as amended, supplemented or otherwise modified to date;

18. Chilean Deed of Pledge of Shares, dated as of July 2, 2024, between LatAm and McDonald's, with respect to the Equity Interests of Arcos Dorados Restaurantes de Chile SpA, as amended, supplemented or otherwise modified to date; and

19. Pledge Certificate, dated as of July 9, 2024, between LatAm and McDonald's, with respect to the Equity Interests of Arcos Dorados Restaurantes de Chile SpA, as amended, supplemented or otherwise modified to date.

SCHEDULE II

SECURED RESTRICTED REAL ESTATE

Country Code	Property Number	Name	City	Province	Address	Parcel Size (sq. m.)	Building Size (sq. m)	Property Type
ARG	51	Nuñez	Buenos Aires	Capital	Libertador 7112	2955	676	Stand Alone
CHILE	5	KENNEDY	Santiago		Kennedy 5055	5002	862	Stand Alone
VZ	31	La Castellana	Caracas		Av Eugenio Mendoza con 2da Transversal, frente a la Plaza La Castellana	2449	1096	Stand Alone
ARG	32	Florida	Buenos Aires	Capital	Florida 568	886	2207	Street Retail
COL	6	CIUDAD SALITRE	BOGOTA		Carrera 68B No. 40A-30	4127	551	Stand Alone
COL	1	ANDINO	BOGOTA		Carrera 11 No. 82-02 L 355	N/A	424	Shopping Mall
ARG	20	Cabildo y F. Lacroze	Buenos Aires	Capital	Av. Cabildo 756	1546	447	Stand Alone
ARG	31	Florida	Buenos Aires	Capital	Florida 281	445	1107	Street Retail

EXHIBIT A

FORM OF NOTE

THIS IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE REFERRED TO HEREINAFTER.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

Include the following Private Placement Legend on all Restricted Notes:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF ARCOS DORADOS B.V. (THE "COMPANY") THAT THIS NOTE OR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO THE COMPANY, (2) SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A) IN ACCORDANCE WITH RULE 144A, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER APPLICABLE JURISDICTION. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, REPRESENTS AND AGREES THAT

IT SHALL NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

THE FOREGOING LEGEND MAY BE REMOVED FROM THIS NOTE ONLY AT THE OPTION OF THE COMPANY."

Include the following Private Placement Legend on all Regulation S Global Notes:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES THAT NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTION.

THE FOREGOING LEGEND MAY BE REMOVED FROM THIS NOTE ON MARCH 10, 2025."

FORM OF FACE OF NOTE

ARCOS DORADOS B.V.

6.375% SENIOR NOTES DUE 2032

No. [___] Principal Amount U.S.$[_____]

[If the Note is a Global Note include the following two lines:
as revised by the Schedule of Increases and
Decreases in Global Note attached hereto]

[*If the Note is a Global Rule 144A Note, insert*:
CUSIP NO. 03965T AC7
ISIN US03965TAC71]

[*If the Note is a Global Regulation S Note, insert*:
CUSIP NO. P04568 AC8
ISIN USP04568AC88]

Arcos Dorados B.V., a Dutch private limited liability company (*besloten venmootschap met beperkte aansprakelijkheid*), promises to pay to Cede & Co., the nominee for The Depository Trust Company, or registered assigns, the principal sum of [_____] U.S. Dollars [*If the Note is a Global Note, add the following*: as revised by the Schedule of Increases and Decreases in Global Note attached hereto], on January 29, 2032.

Initial Rate of Interest: 6.375% per annum

Interest Payment Dates: January 29 and July 29 of each year, commencing on July 29, 2025

Record Dates: January 24 and July 24

Additional provisions of this Note are set forth on the other side of this Note.

ARCOS DORADOS B.V.

By: ____
Name:
Title:

TRUSTEE'S CERTIFICATE OF
AUTHENTICATION

Citibank, N.A., not in its individual capacity, but solely as Trustee, certifies that this is one of the Notes referred to in the Indenture.

By: _____
Authorized Signatory

Dated: _____

FORM OF REVERSE SIDE OF NOTE

1. Interest

Arcos Dorados B.V., a Dutch private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) (and its successors and assigns under the Indenture hereinafter referred to, the "Company"), promises to pay interest on the principal amount of this Note at the rate per annum shown above.

The Company shall pay interest semi-annually in arrears on each Interest Payment Date of each year, commencing on July 29, 2025. Payments will be made to the persons who are registered Holders at the close of business on the 5th calendar day immediately preceding an Interest Payment Date (whether or not a Business Day). The Company shall pay interest on overdue principal (plus interest on such interest to the extent lawful), at the rate borne by the Notes to the extent lawful. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from and including the Issue Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and, to the extent such payments are lawful, interest on overdue installments of interest ("Defaulted Interest") without regard to any applicable grace periods at the interest rate shown on this Note, as provided in the Indenture.

All payments made by or on behalf of the Company in respect of the Notes shall be made free and clear of and without deduction or withholding for or on account of any present or future taxes, duties, assessments or other governmental charges, unless the withholding or deduction of such taxes is required by law. In the event such taxes are imposed or levied by or on behalf of the Netherlands or any jurisdiction in which the Company is organized, resident or carrying on business for tax purposes (or if a Guarantor is obligated to deduct any withholding taxes imposed or levied by or on behalf of the Netherlands or any other jurisdiction in which the Guarantor is organized, resident or carrying on business for tax purposes from payments made under a Guarantee), or any political subdivision thereof (a "Relevant Jurisdiction"), or by any taxing authority of a Relevant Jurisdiction, the Company shall (or, with respect to a Guarantee, each Guarantor shall) pay to each Holder of the Notes Additional Amounts as provided Section 3.11 of the Indenture subject to the limitations set forth in Section 3.11 of the Indenture.

2. Method of Payment

Prior to 11:00 a.m. (New York City time) on the Business Day prior to the date on which any principal of or interest on any Note is due and payable, the Company shall irrevocably deposit with the Trustee or the Paying Agent immediately available funds in U.S. Dollars sufficient to pay such principal and/or interest. The Company shall pay interest (except Defaulted Interest) to the Persons who are registered Holders of Notes at the close of business on the Record Date preceding the Interest Payment Date even if Notes are canceled, repurchased or redeemed after the Record Date and on or before the relevant Interest Payment Date. Holders must surrender Notes to a Paying Agent to collect principal payments. The Company shall pay principal and interest in U.S. Dollars.

Payments in respect of Notes represented by a Global Note (including principal and interest) shall be made by the transfer of immediately available funds to the accounts specified by DTC. The Company shall make all payments in respect of a Certificated Note (including principal and interest) by mailing a check to the registered address of each Holder thereof; *provided*, *however*, that if a Holder of Certified Notes in an aggregate principal amount of at least U.S.$1,000,000 has given wire transfer instructions to the Company and the Trustee, the Trustee, as Paying Agent, shall make all principal and interest payments on those Notes in accordance with such instructions.

3. Paying Agent and Registrar

Initially, Citibank, N.A. (the "Trustee"), shall act as Trustee, Paying Agent and Registrar. The Company may appoint and change any Paying Agent, Registrar or co-Registrar without notice to any Holder. The Company may act as Paying Agent, Registrar or co-Registrar.

4. Indenture

The Company originally issued the Notes under an Indenture, dated as of January 29, 2025 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the "Indenture"), among the Company, Arcos Dorados Holdings Inc., a British Virgin Islands business company (the "Parent Guarantor"), the Subsidiary Guarantors named therein, the Trustee and Banque Internationale à Luxembourg, Société Anonyme. The terms of the Notes include those stated in the Indenture. Capitalized terms used herein and not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of those terms. Each Holder by accepting a Note, agrees to be bound by all of the terms and provisions of the Indenture, as amended or supplemented from time to time.

The Notes are senior unsecured obligations of the Company. Subject to the conditions set forth in the Indenture and without the consent of the Holders, the Company may issue Additional Notes. All Notes shall be treated as a single class of securities under the Indenture.

The Indenture imposes certain limitations, subject to certain exceptions, on, among other things, the ability of the Company and its Subsidiaries to incur Liens, enter into Sale and Lease-Back Transactions, or consolidate or merge or transfer or convey all or substantially all of the Company's and its Subsidiaries' assets.

5. Optional Redemption

(a) *Optional Redemption with a Make-Whole Premium*.

At any time and from time to time prior to November 29, 2031 (the "Par Call Date"), the Company will have the right, at its option, to redeem any of the Notes, in whole or in part, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

(1) 100% of the principal amount of such Notes, and

(2) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date (assuming the Notes matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 30 basis points less (b) interest accrued to the date of redemption,

plus, in either case, accrued and unpaid interest thereon to the redemption date.

On or after the Par Call Date, the Company will have the right, at its option, to redeem any of the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest thereon to the redemption date.

*"*Treasury Rate*"* means, with respect to any redemption date, the yield determined by the Company in accordance with the following two paragraphs.

The Treasury Rate shall be determined by the Company after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third business day preceding the redemption date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as "Selected Interest Rates (Daily) - H.15" (or any successor designation or publication) ("H.15") under the caption "U.S. government securities–Treasury constant maturities–Nominal" (or any successor caption or heading) ("H.15 TCM"). In determining the Treasury Rate, the Company shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the redemption date to the Par Call Date (the "Remaining Life"); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the Par Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the redemption date.

If on the third business day preceding the redemption date H.15 TCM is no longer published, the Company shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second business day preceding such redemption date of the United States Treasury security maturing on, or with a maturity that is closest to, the Par Call Date, as applicable. If there is no United States Treasury security maturing on the Par Call Date but there are two or more United States Treasury securities with a maturity date equally distant from the Par Call Date, one with a maturity date preceding the Par Call Date and one with a maturity date following the Par Call Date, the Company shall select the United States Treasury security with a maturity date preceding the Par

Call Date. If there are two or more United States Treasury securities maturing on the Par Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Company shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

(b) *Optional Redemption Upon Tax Event.* If the Company determines that, as a result of any amendment to, or change in, the laws (or any rules or regulations thereunder) of any Relevant Jurisdiction, any taxing authority thereof or therein affecting taxation, or any amendment to, or change in an official interpretation or application of such laws, rules or regulations, which amendment to, or change in such laws, rules or regulations is legislated or promulgated or, in the case of a change in official interpretation or application, is announced or otherwise made available on or after the date of the Issue Date (or on or after the date an Issuer Surviving Entity assumes the obligations under the Notes, in the case of an Issuer Surviving Entity with a different Relevant Jurisdiction than the Company), the Company (or a Guarantor) would be obligated, to pay any Additional Amounts, *provided* that the Company, in its business judgment, determines that such obligation cannot be avoided by the Company taking reasonable measures available to it, including, without limitation, taking reasonable measures to change the Paying Agent, then, at the Company's option, all, but not less than all, of the Notes may be redeemed at any time at a redemption price equal to 100% of the outstanding principal amount, plus any accrued and unpaid interest to the redemption date due thereon up to but not including the date of redemption; *provided* that (1) no notice of redemption for tax reasons may be given earlier than 90 days prior to the earliest date on which the Company (or a Guarantor) would be obligated to pay these Additional Amounts if a payment on the Notes were then due, and (2) at the time such notice of redemption is given such obligation to pay such Additional Amounts remains in effect.

Prior to the giving of any notice of redemption pursuant to this provision, the Company will deliver to the Trustee:

(i) an Officers' Certificate stating that the Company is entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to the Company's right to redeem have occurred; and

(ii) an Opinion of Counsel from legal counsel in a Relevant Jurisdiction (which may be the Company's counsel) of recognized standing to the effect that the Company has or will become obligated to pay such Additional Amounts as a result of such change or amendment.

Notice of the redemption, once delivered by the Company to the Trustee, will be irrevocable.

(c) *Optional Redemption Procedures.* If fewer than all of the Notes are being redeemed, the Notes to be redeemed shall be selected as follows: (1) if the Notes are listed on an exchange, in compliance with the requirements of such exchange, (2) if the Notes are not so listed but are Global Notes, then by lot or otherwise in accordance with the procedures of DTC or the applicable depositary or (3) if the Notes are not so listed and are not in global form, on a pro rata basis to the extent practicable, or, if the pro rata basis is not practicable for any reason, by lot or by such other method as the Trustee in its sole discretion shall deem fair and appropriate. In the event of partial redemption or purchase by lot, the particular Notes to be redeemed or purchased shall be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the redemption date by the Trustee from the then outstanding Notes not previously called for redemption or purchase. The Trustee shall promptly notify the Company in writing of the Notes selected for redemption or purchase. Notes and portions of Notes selected shall be in amounts of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof; no Notes of U.S.$200,000 or less shall be redeemed in part, except that if all of the Notes of a Holder are to be redeemed or purchased, the entire outstanding amount of Notes held by such Holder, even if not U.S.$200,000 or a multiple of U.S.$1,000 in excess thereof, shall be redeemed or purchased. Except as provided in the preceding sentence, provisions of the Indenture that apply to Notes called for redemption or purchase also apply to portions of Notes called for redemption or purchase. After the redemption date, upon surrender of a Note to be redeemed in part only, a new Note or Notes in principal amount equal to the unredeemed portion of the original Note, representing the same Indebtedness to the extent not redeemed, shall be issued in the name of the Holder of the Notes upon cancellation of the original Note (or appropriate book entries shall be made to reflect such partial redemption). Once notice of redemption is sent to the Holders, Notes called for redemption become due and payable at the redemption price on the redemption date, and, commencing on the redemption date, Notes redeemed will cease to accrue interest (unless the company defaults in the payment of the redemption price).

The Company shall give, or cause the Trustee to give, notice of redemption, in the manner provided for in Section 11.1 of the Indenture, to Holders of Notes to be redeemed at least 10 but not more than 30 days before the redemption date. If Notes are to be redeemed in part only, the notice of redemption shall state the portion of the principal amount thereof to be redeemed. A new Note in a principal amount equal to the unredeemed portion thereof, if any, shall be issued in the name of the Holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a Global Note shall be made, as appropriate).

Notes called for redemption shall become due on the date fixed for redemption. The Company shall pay the redemption price for any Note together with accrued and unpaid interest thereon through but not including the date of redemption. On and after the redemption date, interest shall cease to accrue on Notes or portions thereof called for redemption as long as the Company has deposited with the Paying Agent funds in satisfaction of the applicable redemption price pursuant to the Indenture. Upon redemption of any Notes by the Company, such redeemed Notes shall be cancelled and cannot be reissued. The Company's actions and determinations in determining any redemption price shall be conclusive and binding for all purposes, absent manifest error.

6. Mandatory Repurchase Provisions

(a) *Mandatory Redemption upon Exercise of Call Option*. No later than five (5) Business Days following the date upon which the Call Option Redemption Event occurs, the Company will provide the Trustee with a notice to redeem all of the Notes at a purchase price equal to 101% of the principal amount thereof, plus any accrued and unpaid interest thereon through the date of redemption (the "Call Option Exercise Payment"). For the avoidance of doubt, a Call Option Redemption Event will only occur in connection with the exercise by McDonald's of the McDonald's Call Option under the Master Franchise Agreements with respect to the Master Franchisee or the Brazilian Master Franchisee. An exercise by McDonald's of the McDonald's Call Option with respect to any other Subsidiary of the Company shall not be treated as a Call Option Redemption Event.

Notes subject to mandatory redemption following a Call Option Redemption Event will become due on the earlier of the date fixed for redemption or the 30th day following the Call Option Redemption Event. On and after the redemption date, interest will cease to accrue on the Notes as long as the Company has deposited with the Paying Agent funds in an amount equal to the Call Option Exercise Payment. Upon redemption of the Notes by the Company, the redeemed Notes will be cancelled.

(b) *Change Of Control Offer*. Upon the occurrence of a Change of Control Repurchase Event, each Holder of Notes shall have the right to require that the Company purchase all or a portion (in integral multiples of U.S.$1,000, *provided* that the principal amount of such Holder's Note will not be less than U.S.$200,000) of the Holder's Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest through the date of purchase.

Within 30 days following the date upon which the Change of Control Repurchase Event occurs, the Company must make a Change of Control Offer pursuant to a Change of Control Notice. As more fully described in the Indenture, the Change of Control Notice shall state, among other things, the Change of Control Payment Date, which must be no earlier than 30 days nor later than 60 days from the date the notice is mailed, other than as may be required by applicable law.

7. Denominations; Transfer; Exchange

The Notes are in fully registered form without coupons, and only in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Registrar shall be entitled to request such evidence reasonably satisfactory to it documenting the identity and/or signatures of the transferor and the transferee. The Registrar need not register the transfer of or exchange (i) any Notes selected for redemption (except, in the case of a Note to be redeemed in part, the portion of the Note not to be redeemed) for a period beginning 15 days before the mailing of a notice of Notes to be redeemed and ending on the date of such mailing or (ii) any

Notes for a period beginning 15 days before an interest payment date and ending on such interest payment date.

8. Persons Deemed Owners

The registered holder of this Note shall be treated as the owner of it for all purposes.

9. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Company at its request unless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look only to the Company and not to the Trustee for payment.

10. Discharge Prior to Redemption or Maturity

Subject to certain conditions set forth in the Indenture, the Company at any time may terminate some or all of its obligations under the Notes and the Indenture if the Company deposits with the Trustee U.S. Dollars or U.S. Government Obligations for the payment of principal of and interest on the Notes to redemption or maturity, as the case may be.

11. Amendment, Waiver

(a) Subject to certain exceptions set forth in the Indenture, without the consent of any Holder, the Company, the Guarantors and the Trustee may, among other things, amend or supplement the Indenture or the Notes to cure any ambiguity, omission, defect or inconsistency; to provide for the assumption by a Surviving Entity of the obligations of the Company or a Guarantor under the Indenture; to add Note Guarantees or additional guarantees with respect to the Notes or release a Note Guarantee in accordance with the terms of the Indenture; to secure the Notes; to add to the covenants of the Company for the benefit of the Holders or to surrender any right or power herein conferred upon the Company; to provide for the issuance of Additional Notes; to conform the text of the Indenture, the Note Guarantees or the Notes to any provision of the Offering Memorandum; to evidence the replacement of the Trustee as provided for under the Indenture; if necessary, in connection with any release of any security permitted under the Indenture; to provide for uncertificated Notes in addition to or in place of certificated Notes; if necessary, in connection with any release of any security permitted under the Indenture; or to make any other changes which do not adversely affect the rights of any of the Holders in any material respect.

(b) Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Notes may be amended or supplemented with the written consent of the Holders of at least a majority in principal amount of the then Outstanding Notes and (ii) any Default or Event of Default under the Indenture (except a Default in the payment of the principal of, premium, if any, or interest on any Notes) may be waived with the written consent of the Holders of a majority in aggregate principal amount of the then Outstanding Notes. However, without the consent of each Holder affected thereby, no amendment may, among other things, reduce the percentage of the principal amount of the Notes whose Holders must consent to an amendment, supplement or

waiver; reduce the rate of or change or have the effect of changing the time for payment of interest on any Notes; change any place of payment where the principal of or interest on the Notes is payable; reduce the principal of or change or have the effect of changing the fixed maturity of any Notes, or change the date on which any Notes may be subject to redemption, or reduce the redemption price therefor; make any Notes payable in money other than that stated in the Notes; make any change in the provisions of the Indenture entitling each Holder to receive payment of principal of, premium, if any, and interest on the Notes on or after the due date thereof or to bring suit to enforce such payment, or permitting Holders of a majority in principal amount of Notes to waive Defaults or Events of Default; amend, change or modify in any material respect the obligation of the Company to make and consummate a Change of Control Offer in respect of a Change of Control Repurchase Event that has occurred; eliminate or modify in any manner a Guarantor's obligations with respect to its Note Guarantee which adversely affects Holders in any material respect, except as contemplated in the Indenture; make any change in the Additional Amounts provisions of the Indenture that adversely affects the rights of any Holder; or make any change to the provisions of this Indenture or the Notes that adversely affects the ranking of the Notes (for the avoidance of doubt, a change to the covenants described in Section 3.8 and Section 3.9 of the Indenture does not adversely affect the ranking of the Notes).

12. Defaults and Remedies

If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the then Outstanding Notes may declare all the Notes to be due and payable immediately. Certain events of bankruptcy or insolvency are Events of Default, which shall result in the Notes being due and payable immediately upon the occurrence of such Events of Default.

Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Notes unless it receives indemnity and/or security reasonably satisfactory to it. Subject to certain limitations, Holders of a majority in aggregate principal amount of the Outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing Default or Event of Default (except a Default or Event of Default in payment of principal or interest) if it determines that withholding notice is in their interest.

13. Trustee Dealings with the Company

Subject to certain limitations set forth in the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

14. No Recourse Against Others

No past, present or future incorporator, director, officer, employee, shareholder or controlling person, as such, of the Company or any Guarantor, shall have any liability for any

obligations of the Company under the Notes, the Indenture or a Note Guarantee or for any claims based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

15. Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent acting on its behalf) manually signs the certificate of authentication on the other side of this Note.

16. Abbreviations

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entirety), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian) and U/G/M/A (=Uniform Gift to Minors Act).

17. CUSIP or ISIN Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures the Company has caused CUSIP or ISIN numbers to be printed on the Notes and has directed the Trustee to use CUSIP or ISIN numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

18. Governing Law

This Note shall be governed by, and construed in accordance with, the laws of the State of New York.

19. Currency of Account; Conversion of Currency.

U.S. Dollars is the sole currency of account and payment for all sums payable by the Company or any Guarantor under or in connection with the Notes, any Note Guarantee or the Indenture. The Company and any Guarantor shall indemnify the Holders as provided in respect of the conversion of currency relating to the Notes, any Note Guarantee and the Indenture.

20. Agent for Service; Submission to Jurisdiction; Waiver of Immunities.

The parties hereto have agreed that any suit, action or proceeding arising out of or based upon the Indenture or the Notes may be instituted in any New York state or U.S. federal court in The City of New York, New York. The parties hereto have irrevocably submitted to the jurisdiction of such courts for such purpose and waived, to the fullest extent permitted by law, trial by jury, any objection they may now or hereafter have to the laying of venue of any such proceeding, and any claim they may now or hereafter have that any proceeding in any such court is brought in an inconvenient forum and any right to the jurisdiction of any other courts to which any of them may be entitled, on account of place of residence or domicile. The Company has

appointed Cogency Global Inc., 122 East 42nd Street, 18th Floor, New York, New York, 10168, as its authorized agent upon whom all writs, process and summonses may be served in any suit, action or proceeding arising out of or based upon the Indenture or the Notes which may be instituted in any New York state or U.S. federal court in The City of New York, New York. To the extent that the Company has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment in aid or otherwise) with respect to it or any of their property, the Company has irrevocably waived and agreed not to plead or claim such immunity in respect of its obligations under the Indenture or the Notes.

Nothing in the preceding paragraph shall affect the right of the Trustee or any Holder of the Notes to serve process in any other manner permitted by law.

The Company shall furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture which has in it the text of this Note in larger type. Requests may be made to:

Arcos Dorados B.V.
Muiderstraat 5/F
1011 PZ Amsterdam
The Netherlands
Attention: Mariano Tannenbaum, Chief Financial Officer

c/o Arcos Dorados Holdings Inc.
Rio Negro 1338, First Floor
Montevideo, Uruguay 11100

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to:

(Print or type assignee's name, address and zip code)

(Insert assignee's Social Security or Tax I.D. Number)

and irrevocably appoint _____ to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date:_____ Your Signature: _____
(Sign exactly as your name appears on the other side of this Note.)

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

[To be attached to Global Notes only]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL NOTE

The following increases or decreases in this Global Note have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee or Note Custodian

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have part of this Note purchased by the Company pursuant to Section 3.7 of the Indenture, state the principal amount (which must be an integral multiple of U.S.$1,000, *provided* that the principal amount is not less than U.S.$200,000) that you want to have purchased by the Company:

U.S.$_____

Date: _____ Your Signature _____
(Sign exactly as your name appears on the other side of the Note)

Tax Identification No.:_____

Signature Guarantee: _____
(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to Exchange Act Rule 17Ad-15.

EXHIBIT B

FORM OF CERTIFICATE FOR TRANSFER TO QIB

[Date]

Citibank, N.A., as Trustee
480 Washington Boulevard, 30th Floor
Jersey City, New Jersey 07310
Attention: Citi Agency & Trust, Arcos Dorados

Re: 6.375% Senior Notes due 2032 (the "Notes")
of Arcos Dorados B.V. (the "Company")

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of January 29, 2025 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the "Indenture"), among the Company, Arcos Dorados Holdings Inc., a British Virgin Islands business company (the "Parent Guarantor"), the Subsidiary Guarantors named therein, Citibank, N.A., as Trustee, and Banque Internationale à Luxembourg, Société Anonyme. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

This letter relates to U.S.$_____ aggregate principal amount of Notes [*in the case of a transfer of an interest in a Regulation S Global Note:* which represents an interest in a Regulation S Global Note] beneficially owned by the undersigned (the "Transferor") to effect the transfer of such Notes in exchange for an equivalent beneficial interest in the Rule 144A Global Note.

In connection with such request, and with respect to such Notes, the Transferor does hereby certify that such Notes are being transferred in accordance with Rule 144A under the U.S. Securities Act of 1933, as amended ("Rule 144A"), to a transferee that the Transferor reasonably believes is purchasing the Notes for its own account or an account with respect to which the transferee exercises sole investment discretion, and the transferee, as well as any such account, is a "qualified institutional buyer" within the meaning of Rule 144A, in a transaction meeting the requirements of Rule 144A and in accordance with applicable securities laws of any state of the United States or any other jurisdiction.

You and the Company are entitled to conclusively rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferor]

By:_____

_____
Authorized Signature

EXHIBIT C

FORM OF CERTIFICATE FOR TRANSFER
PURSUANT TO REGULATION S

[Date]

Citibank, N.A., as Trustee
480 Washington Boulevard, 30th Floor
Jersey City, New Jersey 07310
Attention: Citi Agency & Trust, Arcos Dorados

Re: 6.375% Senior Notes due 2032 (the "Notes")
of Arcos Dorados B.V. (the "Company")

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of January 29, 2025 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the "Indenture"), among the Company, Arcos Dorados Holdings Inc., a British Virgin Islands business company (the "Parent Guarantor"), the Subsidiary Guarantors named therein, Citibank, N.A., as Trustee, and Banque Internationale à Luxembourg, Société Anonyme. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

In connection with our proposed sale of U.S.$_____ aggregate principal amount of the Notes [*in the case of a transfer of an interest in a 144A Global Note:*, which represent an interest in a 144A Global Note] beneficially owned by the undersigned ("Transferor"), we confirm that such sale has been effected pursuant to and in accordance with Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, we represent that:

(a) the offer of the Notes was not made to a person in the United States;

(b) either (i) at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States or (ii) the transaction was executed in, on or through the facilities of a designated off-shore securities market and neither we nor any person acting on our behalf knows that the transaction has been pre-arranged with a buyer in the United States;

(c) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable;

(d) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and

(e) we are the beneficial owner of the principal amount of Notes being transferred.

In addition, if the sale is made during a Distribution Compliance Period and the provisions of Rule 904(b)(1) or Rule 904(b)(2) of Regulation S are applicable thereto, we confirm that such sale has been made in accordance with the applicable provisions of Rule 904(b)(1) or Rule 904(b)(2), as the case may be.

You and the Company are entitled to conclusively rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this letter have the meanings set forth in Regulation S.

Very truly yours,

[Name of Transferor]

By:_____

_____
Authorized Signature

EXHIBIT D

FORM OF CERTIFICATE FOR TRANSFER
PURSUANT TO RULE 144

[Date]

Citibank, N.A., as Trustee
480 Washington Boulevard, 30th Floor
Jersey City, New Jersey 07310
Attention: Citi Agency & Trust, Arcos Dorados

Re: 6.375% Senior Notes due 2032 (the "Notes")
of Arcos Dorados B.V. (the "Company")

Ladies and Gentlemen:

Reference is hereby made to the Indenture, dated as of January 29, 2025 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the "Indenture"), among the Company, Arcos Dorados Holdings Inc., a British Virgin Islands business company (the "Parent Guarantor"), the Subsidiary Guarantors named therein, Citibank, N.A., as Trustee, and Banque Internationale à Luxembourg, Société Anonyme. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

In connection with our proposed sale of U.S.$_____ aggregate principal amount of the Notes [*in the case of a transfer of an interest in a 144A Global Note:*, which represent an interest in a 144A Global Note] beneficially owned by the undersigned ("Transferor"), we confirm that such sale has been effected pursuant to and in accordance with Rule 144 under the Securities Act.

You and the Company are entitled to conclusively rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

[Name of Transferor]

By:_____

_____
Authorized Signature

EXHIBIT E

FORM OF SUPPLEMENTAL INDENTURE
FOR NOTE GUARANTEE

This Supplemental Indenture, dated as of [_____] (this "Supplemental Indenture"), among [*name of Subsidiary*], a [_____] [corporation] [limited liability company] (the "Additional Subsidiary Guarantor"), Arcos Dorados B.V., a Dutch private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) (together with its successors and assigns, the "Company") and Citibank, N.A., as Trustee under the Indenture referred to below.

W I T N E S S E T H:

WHEREAS, the Company, the Trustee and the Guarantors named therein (each a "Guarantor" and together the "Guarantors") have heretofore executed and delivered an Indenture, dated as of January 29, 2025 (as amended, supplemented, waived or otherwise modified, the "Indenture"), providing for the issuance of 6.375% Senior Notes due 2032 of the Company (the "Notes"); and

WHEREAS, pursuant to Section 9.1 of the Indenture, the Trustee and the Company are authorized to execute and deliver this Supplemental Indenture to supplement the Indenture, without the consent of any Holder;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Additional Subsidiary Guarantor, the Company and the Trustee mutually covenant and agree for the equal and ratable benefit of the holders of the Notes as follows:

ARTICLE I
DEFINITIONS

Section 1.1. Defined Terms. Unless otherwise defined in this Supplemental Indenture, terms defined in the Indenture are used herein as therein defined.

ARTICLE II
AGREEMENT TO BE BOUND; GUARANTEE

Section 2.1. Agreement to be Bound. The Additional Subsidiary Guarantor hereby becomes a party to the Indenture as a Guarantor and as such shall have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture. The Additional Subsidiary Guarantor hereby agrees to be bound by all of the provisions of the Indenture applicable to a Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.

Section 2.2. Subsidiary Guarantees.

(a) The Additional Subsidiary Guarantor hereby fully and unconditionally guarantees on a general unsecured senior basis, as primary obligor and not merely as surety, jointly and severally with each other Guarantor, to each Holder and to the Trustee the full and punctual payment when due, whether at maturity, by acceleration, by redemption or otherwise, of the principal, interest, premium, Additional Amounts, penalties, fees, indemnifications, reimbursements, damages, and other liabilities payable under the Notes, Note Guarantees and the Indenture (such guaranteed obligations, the "Guaranteed Obligations"). The Additional Subsidiary Guarantor further agrees (to the extent permitted by law) that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from it, and that it will remain bound under this Agreement notwithstanding any extension or renewal of any Guaranteed Obligation. The Additional Subsidiary Guarantor hereby agrees to pay, in addition to the amounts stated above, any and all expenses (including reasonable counsel fees and expenses) incurred by the Trustee or the Holders in enforcing any rights under any Guarantee.

(b) The Additional Subsidiary Guarantor waives presentment to, demand of payment from and protest to the Company of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. The Additional Subsidiary Guarantor waives notice of any default under the Notes or the Guaranteed Obligations. The obligations of the Additional Subsidiary Guarantor hereunder shall not be affected by (i) the failure of any Holder to assert any claim or demand or to enforce any right or remedy against the Company or any other Person under the Indenture, the Notes or any other agreement or otherwise; (ii) any extension or renewal of any thereof; (iii) any rescission, waiver, amendment or modification of any of the terms or provisions of the Indenture, the Notes or any other agreement; (iv) the release of any security held by any Holder or the Trustee for the Guaranteed Obligations or any of them; (v) the failure of any Holder to exercise any right or remedy against any other Guarantor; or (vi) any change in the ownership of the Company.

(c) The Additional Subsidiary Guarantor further agrees that its Note Guarantee herein constitutes a guarantee of payment when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder to any security held for payment of the Guaranteed Obligations.

(d) The Additional Subsidiary Guarantors further expressly waives irrevocably and unconditionally:

(i) Any right it may have to first require any Holder to proceed against, initiate any actions before a court of law or any other judge or authority, or enforce any other rights or security or claim payment from the Company or any other Person (including any Guarantor or any other guarantor) before claiming from it under this Indenture;

(ii) [Any rights and benefits set forth in the following provisions of the Argentine Civil and Commercial Code: Articles 831 (*defensas*), 1578 (*retractación de fianza*), 1583 (*beneficio de excusión*), 1584 (*excepciones al beneficio de excusión*), 1585 (*beneficio de excusión en caso de coobligados*), 1586 (*exigibilidad en caso de concurso o quiebra*), 1587 (*defensas*) (other than with respect to defenses or motions based on documented payment (*pago*)), 1588 (*oponibilidad de sentencia*), 1589 (*beneficio de división*), 1592 (*subrogación*), 1594 (*embargo al deudor*), 1596 (*extinción de fianza*) and 1597 (*novación*) of the Argentine Civil and Commercial Code];

(iii) [Any rights to the benefits of *orden*, *excusión*, *división*, *quita* and *espera* arising from Articles 2814, 2815, 2817, 2818, 2819, 2820, 2821, 2822, 2823, 2826, 2837, 2839, 2840, 2845, 2846, 2847 and any other related or applicable Articles that are not explicitly set forth herein because of the Additional Subsidiary Guarantor's knowledge thereof, of the *Código Civil Federal* of Mexico and the *Código Civil* of each State of the Mexican Republic and for the Federal District of Mexico];

(iv) (1) [the collection benefit (*beneficio de excusión*) granted by articles 1812, 1815, 1816, 1818 of the Venezuelan Civil Code; (2) the division benefit (*beneficio de división*) granted in articles 1819 and 1820 of the Venezuelan Civil Code];

(v) Any right to which it may be entitled to have the assets of the Company or any other Person (including any Guarantor or any other guarantor) first be used, applied or depleted as payment of the Company's or the Additional Subsidiary Guarantors' obligations hereunder, prior to any amount being claimed from or paid by the Additional Subsidiary Guarantors hereunder; and

(vi) Any right to which it may be entitled to have claims hereunder divided among the Guarantors and the Additional Subsidiary Guarantor.

(e) The obligations of the Additional Subsidiary Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason (other than payment of the Guaranteed Obligations in full), including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of the Additional Subsidiary Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder to assert any claim or demand or to enforce any remedy under the Indenture, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the Guaranteed Obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of the Additional Subsidiary Guarantor or would otherwise operate as a discharge of the Additional Subsidiary Guarantor as a matter of law or equity.

(f) The Additional Subsidiary Guarantor further agrees that its Note Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any of the Guaranteed Obligations is rescinded or must otherwise be restored by any Holder upon the bankruptcy, or reorganization of the Company or otherwise.

(g) In furtherance of the foregoing and not in limitation of any other right which any Holder has at law or in equity against the Additional Subsidiary Guarantor by virtue hereof, upon the failure of the Company to pay any of the Guaranteed Obligations when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, the Additional Subsidiary Guarantor hereby promises to and will, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders an amount equal to the sum of:

(i) the unpaid amount of such Guaranteed Obligations then due and owing in U.S. Dollars; and

(ii) accrued and unpaid interest on such Guaranteed Obligations then due and owing (but only to the extent not prohibited by law).

(h) The Additional Subsidiary Guarantor further agrees that, as between the Additional Subsidiary Guarantor, on the one hand, and the Holders, on the other hand:

(i) the maturity of the Guaranteed Obligations guaranteed hereby may be accelerated as provided in the Indenture for the purposes of its Note Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations guaranteed hereby; and

(ii) in the event of any such declaration of acceleration of such Guaranteed Obligations, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by the Additional Subsidiary Guarantor for the purposes of its Note Guarantee.

Section 2.3 Limitation on Liability; Termination, Release and Discharge.

(a) The obligations of the Additional Subsidiary Guarantor hereunder shall be limited to the maximum amount as shall, after giving effect to all other contingent and fixed liabilities of the Additional Subsidiary Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Note Guarantee or pursuant to its contribution obligations under the Indenture, result in the Guaranteed Obligations not constituting a fraudulent conveyance, fraudulent transfer or similar illegal transfer under applicable law.

(b) The Additional Subsidiary Guarantor shall be released and relieved of its obligations under its Note Guarantee (except with respect to Guaranteed Obligations that by their terms survive) in the event that:

(i) there is a Legal Defeasance or Covenant Defeasance of the Notes pursuant to the Indenture;

(ii) there is a sale or other disposition (including through a consolidation or merger) of Capital Stock of the Additional Subsidiary Guarantor following which the Additional Subsidiary Guarantor is no longer a direct or indirect Subsidiary of the Company;

(iii) there is a sale of all or substantially all of the assets of the Additional Subsidiary Guarantor (including by way of merger, stock purchase, asset sale or otherwise) to a Person that is not (either before or after giving effect to such transaction) the Company or a Guarantor;

(iv) the Additional Subsidiary Guarantor shall become prevented from guaranteeing the Notes by local law; or

(v) there is a satisfaction and discharge of the Indenture pursuant to Section 8.7 of the Indenture;

provided, in each case, such transactions are carried out pursuant to and in accordance with all applicable covenants and provisions thereof.

Section 2.4 Right of Contribution. If the Additional Subsidiary Guarantor makes a payment or distribution under its Note Guarantee, it will be entitled to a contribution from each other Guarantor in a pro rata amount, based on the net assets of each Guarantor and the Additional Subsidiary Guarantor determined in accordance with GAAP. The provisions of this Section 2.4 and Section 10.3 of the Indenture shall in no respect limit the obligations and liabilities of the Additional Subsidiary Guarantor to the Trustee and the Holders and the Additional Subsidiary Guarantor shall remain liable to the Trustee and the Holders for the full amount guaranteed by the Additional Subsidiary Guarantor hereunder.

Section 2.5 No Subrogation. The Additional Subsidiary Guarantor agrees that it shall not be entitled to any right of subrogation in respect of any Guaranteed Obligations until payment in full in cash of all Guaranteed Obligations. If any amount shall be paid to the Additional Subsidiary Guarantor on account of such subrogation rights at any time when all of the Guaranteed Obligations shall not have been paid in full in cash, such amount shall be held by the Additional Subsidiary Guarantor in trust for the Trustee and the Holders, segregated from other funds of the Additional Subsidiary Guarantor, and shall, forthwith upon receipt by the Additional Subsidiary Guarantor, be turned over to the Trustee in the exact form received by the Additional Subsidiary Guarantor (duly endorsed by the Additional Subsidiary Guarantor to the Trustee, if required), to be applied against the Guaranteed Obligations.

ARTICLE III
MISCELLANEOUS

Section 3.1. Notices. Any notice or communication delivered to the Company under the provisions of the Indenture shall constitute notice to the Additional Subsidiary Guarantor.

Section 3.2. Parties. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the Holders and the Trustee, any legal or equitable right, remedy or claim under or in respect of this Supplemental Indenture or the Indenture or any provision herein or therein contained.

Section 3.3. Governing Law, etc. This Supplemental Indenture shall be governed by the provisions set forth in Section 11.6 of the Indenture.

Section 3.4. Severability. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

Section 3.5. Ratification of Indenture; Supplemental Indenture Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby. The Trustee makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture.

Section 3.6. Duplicate and Counterpart Originals. The parties may sign any number of copies of this Supplemental Indenture. One signed copy is enough to prove this Supplemental Indenture. This Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be an original, but all of them together represent the same agreement.

Section 3.7. Headings. The headings of the Articles and Sections in this Supplemental Indenture have been inserted for convenience of reference only, are not intended to be considered as a part hereof and shall not modify or restrict any of the terms or provisions hereof.

Section 3.8. The Trustee. The recitals in this Supplemental Indenture are made by the Company and the Additional Subsidiary Guarantor only and not by the Trustee, and all of the provisions contained in the Indenture in respect of the rights, privileges, immunities, powers and duties of the Trustee shall be applicable in respect of this Supplemental Indenture as fully and with like effect as if set forth herein in full. The Trustee makes no representations or warranties as to the correctness of the recitals contained herein, which shall be taken as statements of the Company, or the validity or sufficiency of this Supplemental Indenture and the Trustee shall not be accountable or responsible for or with respect to nor shall the Trustee have any responsibility for provisions thereof. The Trustee represents that it is duly authorized to execute and deliver this Supplemental Indenture and perform its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

ARCOS DORADOS B.V.

By: __
Name:
Title:

[*NAME OF GUARANTOR*],
as Additional Subsidiary Guarantor

By: __
Name:
Title:

CITIBANK, N.A.,
as Trustee

By: __
Name:
Title:

EXHIBIT F

FORM OF INDENTURE OFFER LETTER AND
INDENTURE ACCEPTANCE LETTER

Exhibit 4.1

THIRD AMENDED AND RESTATED MASTER FRANCHISE AGREEMENT FOR McDONALD'S RESTAURANTS AMONG McDonald's Latin America, LLC, Arcos Dorados B.V., Each of the Arcos Subsidiaries, Arcos Dorados Holdings Inc., Arcos Dorados Group B.V., and Los Laureles, Ltd.

Dated as of April 28, 2025

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THIRD AMENDED AND RESTATED
MASTER FRANCHISE AGREEMENT
FOR
McDONALD'S RESTAURANTS

THIS THIRD AMENDED AND RESTATED MASTER FRANCHISE AGREEMENT FOR McDONALD'S RESTAURANTS (together with all Sch Exhibits hereto, this "Agreement"), dated as of April 28, 2025 (the "Execution Date"), among (1) McDonald's Latin America, LLC, a limited liability company organized unde the laws of the State of Delaware with its principal office at Chicago, Illinois ("McDonald's"), (2) Arcos Dorados B.V., a company organized under the laws of the Netherlands with its principal office at Muiderstraat 5/F, 1011 PZ Amsterdam, The Netherlands ("Master Franchisee"), (3) each of the Arcos Subsidiaries (as defined below), organized in the jurisdiction, and with its respective principal office at the location, set forth herein, (4) Arcos Dorados Group B.V., a company organized and existing under the laws of Curaçao with its principal office at Kaya C. Winkel, Blok G z/n, Saliña, Willemstad, Curaçao ("Curacao Entity"), (5) Arcos Dorados Holdings Inc., a BVI business compan limited by shares incorporated in the British Virgin Islands under the BVI Business Companies Act (As Revised) with its registered office at Kingston Chambers, PO Box 1 Road Town, Tortola, British Virgin Islands ("Parent" and, together with Curacao Entity, the "Owner Entities"), and (6) solely for purposes of Sections 2.2, 2.3, 6.1, 6.2, 6.11, 6.12, 7.1, 7.3.1, 7.8, 7.9, 7.18, 7.22, 8.2, 19.3, 20, 21, 22.2, 22.4, 22.5.5, 22.5.10, 22.5.11, 22.6, 22.9, 23, 25.2, 25.3, 25.4, 25.7, 25.8, 25.9, 25.10, 25.11, 25.15, 25.16, 25.18, 25.19, 26, 27 and 28, Los Laureles, Ltd., a company organized and existing under the BVI Business Companies Act, 2004 of the British Virgin Islands with its principal office Tortola, British Virgin Islands ("Beneficial Owner" and, together with each Owner Entity, McDonald's, Master Franchisee and the Arcos Subsidiaries, the "Parties").

WHEREAS, a Master Franchise Agreement was entered into among McDonald's, Master Franchisee, LatAm, LLC, a limited liability company organized under laws of the State of Delaware with its principal office at Miami, Florida ("LatAm"), certain of the Arcos Subsidiaries, Arcos Dorados Cooperatieve U.A., Arcos Dorado Limited and Beneficial Owner on August 3, 2007 (the "Original MFA");

WHEREAS, the Original MFA was amended and restated on November 10, 2008 (as amended, the "A&R MFA");

WHEREAS, pursuant to Accession Agreements dated March 21, 2018 and April 19, 2018, respectively, Curacao Entity and Arcos Dorados Development B.V., company organized and existing under the laws of the Netherlands with its principal office at Muiderstraat 5/F, 1011 PZ Amsterdam, The Netherlands ("Netherlands Subholding") agreed to be bound by, and subject to, all of the covenants, terms and conditions of the A&R MFA and each other applicable Related Agreement (as defined under the A&R MFA) as though an original party thereto and to be deemed an Owner Entity for all purposes thereof;

WHEREAS, pursuant to the delivery by McDonald's of a Renewal Notice (as defined under the A&R MFA) and exercise by Master Franchisee of the Renew Option (as defined under the A&R MFA) and, in each case, under and in accordance with the A&R MFA, the Parties determined that certain amendments to the A&R MFA were necessary and the A&R MFA was amended and restated on December 30, 2024 (the "SA&R MFA");

WHEREAS, the Parties have determined that certain minor amendments to the SA&R MFA are necessary;

NOW, THEREFORE, the SA&R MFA is hereby amended, restated, superseded and replaced in its entirety as follows:

1. Definitions and Interpretation

1.1. Definitions. Defined terms in this Agreement, which may be identified by the capitalization of the first letter of each principal word thereof, have the meanings assigned to them in Exhibit 2.

1.2. Interpretation. In this Agreement, except to the extent that the context otherwise requires:

1.2.1. The Table of Contents and headings are for convenience of reference only and shall not affect the interpretation of this Agreement;

1.2.2. Defined terms include the plural as well as the singular and vice versa;

1.2.3. Words importing gender include all genders;

1.2.4. References to Sections, clauses, Schedules and Exhibits are references to Sections and clauses of, and Schedules and Exhibits to, this Agreement;

1.2.5. References to any document or agreement, including this Agreement, shall be deemed to include references to such document or agreement as amended, restated, supplemented or replaced from time to time in accordance with its terms and (where applicable) subject to compliance with the requirements set forth herein; and

1.2.6. References to any Party or Person include its successors and permitted assigns.

2. Nature and Scope of Agreement

2.1. The System McDonald's and its Affiliates operate a restaurant system (the "System"), which is a comprehensive system for the ongoing development, operation and maintenance of McDonald's Restaurants, and includes the Intellectual Property and other proprietary rights and processes, including the designs and colo schemes for restaurant buildings, signs, equipment layouts, formulas and specifications for certain food products, including food and beverage products designated by McDonald's as permissible to be served and sold in McDonald's Restaurants, methods of inventory, operation, control, bookkeeping and accounting, and manuals covering business practices and policies that form part of the Standards. McDonald's and its Affiliates may add elements to, or modify, alter or delete elements from, the System in their sole discretion from time to time. McDonald's Restaurants have been developed for the retailing of a limited menu of uniform and quality food products, emphasizing prompt and courteous service in a clean, wholesome atmosphere that is intended to be attractive to children and families. The System is operated and advertised widely within the Unitec States of America and in many foreign countries. McDonald's and its Affiliates hold, directly or indirectly, all rights to authorize the adoption and use of the System. The foundation of the System is compliance with the Standards by McDonald's

franchisees, including each of the Master Franchisee Parties and the Franchisees, and compliance with the Standards provides the basis for the valuable goodwill and wid acceptance of the System. Such compliance by each of the Master Franchisee Parties and the Franchisees, the accountability of each of the Master Franchisee Parties for i performance hereunder and the establishment and maintenance by Master Franchisee of a close working relationship with McDonald's in the operation of the Master Franchis Business together constitute the essence of this Agreement. Without limiting McDonald's rights hereunder, McDonald's will consider Master Franchisee's recommendations regarding regional tastes and preferences and will work with Master Franchisee to accommodate such tastes and preferences to the extent that McDonald's reasonabl determines, in its sole discretion, that such actions are consistent with the System.

2.2. Master Franchisee Rights are Personal Master Franchisee acknowledges that the Master Franchisee Rights (as defined below) are being granted based upo the special relationship of trust and confidence that McDonald's and certain of its Affiliates have developed and enjoy with Woods W. Staton, who controls, directly or indirectly, the Master Franchisee Parties, the Owner Entities and Beneficial Owner.This special relationship is based upon Woods W. Staton's reputation and character and his demonstrated skills, ability, knowledge and experience related to the management and operation of McDonald's Restaurants, as well as his thorough understanding of the importance of the Intellectual Property and the Standards to McDonald's and its Affiliates.The Parties acknowledge that the Master Franchisee Rights are granted to th Master Franchisee Parties only and to no other Person and may not, except as expressly permitted by this Agreement, be Transferred to any other Person by assignment, wi or operation of Applicable Law.

2.3. Intent. This Agreement shall be interpreted to give effect to the intent of the Parties stated in this Section so that the Master Franchise Business and an Franchised Restaurants shall be operated at all times in conformity and strict compliance with the System.

3. Grant of Rights

3.1. Master Franchisee Rights. Subject to the terms and conditions of this Agreement, including all rights reserved to McDonald's hereunder, McDonald's grants t Master Franchisee the following rights (collectively, the "Master Franchisee Rights"):

3.1.1. The right to own and operate, directly or indirectly, Franchised Restaurants in each Territory other than Brazil;

3.1.2. The right and license to grant franchises with respect to Franchised Restaurants to Franchisees in each Territory other than Brazil in accordance wit the Franchisee Approval Process and the applicable Franchise Agreement, it being understood and agreed that any Franchisee may establish and operate only on Franchised Restaurant per each Franchise Agreement;provided that a Franchise Agreement relating to Franchised Restaurants owned and operated by any Maste Franchisee Party may relate to more than one Franchised Restaurant;

3.1.3. The right to adopt and use, and to grant the right and license to Franchisees to adopt and use, the System in the Franchised Restaurants in eac Territory other than Brazil;

3.1.4. The right to advertise to the public that it is a franchisee of McDonald's; and

3.1.5. The right and license to grant franchises and sublicenses of each of the foregoing rights and licenses to each Arcos Subsidiary including Arcos Dourados Comercio de Alimentos, S.A. ("ADÇA"), it being understood that any such grant by Master Franchisee to an Arcos Subsidiary shall be wholly derivative of the grant of rights by McDonald's to Master Franchisee under this Agreement and shall not convey any other right not specifically granted hereunder.

3.2. Arcos Subsidiary Rights. Subject to the terms and conditions of this Agreement, including all rights reserved to McDonald's hereunder, Master Franchisee grants to each Arcos Subsidiary the following rights (collectively, the "Arcos Subsidiary Rights"), it being understood that each such grant, other than the grant to ADÇA, is wholly derivative of the grant of rights to Master Franchisee set forth in Section 3.1 and conveys no other right not specifically granted to Master Franchisee in such Section:

3.2.1. The right to own and operate, directly or indirectly, Franchised Restaurants in its respective Territory;

3.2.2. The right and license to grant franchises with respect to Franchised Restaurants to Franchisees in its respective Territory in accordance with the Franchisee Approval Process and the applicable Franchise Agreement, it being understood and agreed that any Franchisee may establish and operate only one Franchised Restaurant per each Franchise Agreement; provided that a Franchise Agreement relating to Franchised Restaurants owned and operated by any Master Franchisee Party may relate to more than one Franchised Restaurant;

3.2.3. The right to adopt and use, and to grant the right and license to Franchisees to adopt and use, the System in the Franchised Restaurants in its respective Territory; and

3.2.4. The right to advertise to the public that it is a franchisee of McDonald's.

3.3. Certain Matters Relating to McCafes, Satellites and Dessert Kiosks.

3.3.1. Master Franchisee acknowledges and agrees that it has no right or license to use or sublicense any Freestanding McCafe, other than the Initial Freestanding McCafes, and that its rights with respect to the "McCafe" brand are limited to the operation of Incorporated McCafes and the Initial Freestanding McCafes subject to the conditions set forth in this Agreement.

3.3.2. Each proposed designation by Master Franchisee of a McDonald's Restaurant as a Satellite shall be subject to the consent of McDonald's to such designation prior to (a) the opening of such proposed Satellite; (b) the acquisition by Master Franchisee or any Subsidiary, directly or indirectly, of the fee simple interest (or the local equivalent) in, or entrance into of a lease (or the local equivalent) directly or indirectly from the owner of such interest, the real property on which such Satellite is to be located; (c) the incurrence of any other contractual obligation relating to such proposed Satellite; or (d) the request of any permit, authorization, consent or approval from any Governmental Authority relating to such proposed Satellite.

3.3.3. Master Franchisee shall have the right to operate Dessert Kiosks within or outside the premises of Franchised Restaurants, subject to the conditions se forth in this Agreement and the Standards. All revenues attributable to sales at Dessert Kiosks shall be included within Gross Sales. Each Dessert Kiosk shall follow the Standards.

3.4. Exclusivity. Subject to Sections 22.4, 22.5, 23 and 24, McDonald's shall not at any time during the Term applicable in any Territory (a) own and/or operate, directly or indirectly, any McDonald's Restaurant in such Territory; (b) grant to any other Person any right to own and/or operate any McDonald's Restaurant in such Territory; or (c) grant the right or license to grant franchises to any other Person to own and/or operate any McDonald's Restaurant in such Territory.

3.5. Reservation of Rights. McDonald's, on behalf of itself and its Affiliates, reserves all rights not specifically granted to Master Franchisee under this Agreement including the right, directly or indirectly, to:

3.5.1. Use and sublicense the Intellectual Property in each Territory for all other purposes and means of distribution, including retail licensing, catalogs, Ronald McDonald House Charities, other charities, grocery, packaged foods, public and corporate relations materials and activities and Internet marketing and distribution;

3.5.2. Sell, promote or license the sale of products or services under the Intellectual Property, including through electronic communications or the use of the Internet; and

3.5.3. Use the Intellectual Property in connection with all other activities not prohibited by this Agreement.

3.6. No Grant; No Authority. For the avoidance of doubt, no grant of any Master Franchisee Rights or Arcos Subsidiary Rights is made to any Owner Entity. Neither any Owner Entity nor any Master Franchisee Party shall make any agreement, guaranty or representation on behalf of McDonald's or any of its Affiliates.

3.7. Certain Matters Relating to Brazil.

3.7.1. Each Party hereto acknowledges that McDonald's and ADÇA ("Brazilian Master Franchisee") have entered into a Third Amended and Restated Master Franchise Agreement dated as of the Commencement Date with respect to Brazil (the "Brazil MFA") pursuant to which McDonald's has granted to ADÇA the Arcos Subsidiary Rights in exchange for the payment of royalties and other amounts as and when specified in the Brazil MFA.

3.7.2. Each Party hereto agrees that, if any provision of this Agreement conflicts with any provision of the Brazil MFA, then the terms of this Agreement shall prevail, and each of the Owner Entities, Master Franchisee, LatAm, Netherlands Subholding and ADÇA shall take all actions necessary or desirable (or will cooperate with McDonald's in taking such actions), to ensure that at all times the Brazil MFA is not inconsistent with any provision of this Agreement.

3.7.3. Each of McDonald's and ADÇA acknowledges and agrees that (a) the new term terms, conditions and procedures set forth in Section 4.3 shall serve as the new term terms, conditions and procedures for purposes of Section 4 of the Brazil MFA, (b) the

Franchisee Approval Process set forth herein shall serve as the franchisee approval process for purposes of Section 6.3.1 of the Brazil MFA; and (c) the New Franchise Agreement shall serve as the form of franchise agreement for purposes of Section 6.4.2 of the Brazil MFA.

3.8. Cooperation. The Parties shall cooperate to execute and deliver such agreements or other documents they may mutually deem appropriate in order to effectuate the grant of Arcos Subsidiary Rights to each of the Arcos Subsidiaries; provided, however, that each such agreement and other document shall be consistent with this Agreement and agree that, in the case of any ambiguity or inconsistency, the provisions of this Agreement shall govern and control.

4. Term of Agreement; New Term

4.1. Term. Unless terminated pursuant to Sections 23 or 24 or other termination rights agreed separately by the Parties, the term of this Agreement shall commence on the Effective Date and shall extend until (a) December 31, 2044 (the "Regular Term") for each of Argentina, Aruba, Brazil, Chile, Colombia, Costa Rica, Curaçao, Ecuador, Mexico, Panama, Peru, Puerto Rico, Trinidad and Tobago, Uruguay, Venezuela and the U.S. Virgin Islands of St. Thomas and St. Croix, and (b) December 31, 2034 (the "French Term" and together with the Regular Term, the "Terms") for French Guiana, Guadeloupe and Martinique.Master Franchisee acknowledges and agrees that McDonald's has made no promise as to the renewal of this Agreement or the grant of a new franchise.

4.2. Renewal of French Term. Master Franchisee shall have the right, in its sole discretion, to extend this Agreement with respect to French Guiana, Guadeloupe and Martinique for an additional ten years after the expiration of the French Term to December 31, 2044 by written notice to McDonald's given not less than one year prior to the expiration of the French Term; provided that if this option is exercised, Master Franchisee must exercise it with respect to all three Territories.

4.3. New Term. McDonald's shall have the right, in its sole judgment, to grant Master Franchisee an option to enter into a new agreement to continue operating the Master Franchise Business for an additional term of (a) twenty (20) years after the expiration of the Regular Term in respect of Argentina, Aruba, Brazil, Chile, Colombia, Costa Rica, Curaçao, Ecuador, Mexico, Panama, Peru, Puerto Rico, Trinidad and Tobago, Uruguay, Venezuela and the U.S. Virgin Islands of St. Thomas and St. Croix. and (b) ten (10) years after the expiration of the Regular Term (together with a further ten (10) year renewal option on the same terms as set out in Section 4.2) in respect of French Guiana, Guadeloupe and Martinique (the "New Term Option"), in accordance with the procedures outlined below.

4.3.1. Notice. McDonald's shall determine whether to grant Master Franchisee a New Term Option in its sole judgment. Not earlier than January 1, 2040 or later than January 1, 2042,McDonald's shall send Master Franchisee a written notice, which notice shall state: (a) if McDonald's decides to consider granting Master Franchisee the New Term Option, the material terms of the new agreement to be entered into between McDonald's or its Affiliate and Master Franchisee (the "New Term Notice"); or (b) if McDonald's decides not to grant Master Franchisee a New Term Option, the material terms on which McDonald's would be willing to approve a Transfer of the Master Franchise Business as permitted by Section 4.3.3 (the "No New Term Notice").

4.3.2. Response. Master Franchisee shall advise McDonald's of its intent to exercise or not to exercise the New Term Option within sixty (60) days following the date of the New Term Notice. If Master Franchisee exercises the New Term Option, then Master Franchisee and McDonald's or its Affiliate shall consummate a new agreement, to reflect the terms specified in the New Term Notice (which may include amended or different terms from the terms as set out in this Agreement relating to the Initial Franchise Fees, Royalties and any other matter as McDonald's may determine in its sole judgment) and such other terms as may be mutually agreed. If Master Franchisee notifies McDonald's that it does not intend to exercise the New Term Option, McDonald's shall provide a written response within sixty (60) days that specifies the material terms on which McDonald's would be willing to approve a Transfer of the Master Franchise Business as permitted by Section 4.3.3 (the "No New Term Response").

4.3.3. Transfer of the Master Franchise Business. If either (a) McDonald's elects not to grant a New Term Option by delivering the No New Term Notice or (b) Master Franchisee elects not to exercise the New Term Option in accordance with Section 4.3.2, then Master Franchisee shall have the right, subject to Sections 22.2, 22.4 and 23.3, to solicit any Person for purposes of consummating a Transfer of the Master Franchise Business during a period of two (2) years and six (6) months commencing on the date of No New Term Notice or the New Term Notice (the "No New Term Solicitation Period"). All solicitation activities conducted pursuant to this Section 4.3.3 will at all times be subject to the terms and conditions of this Agreement, including McDonald's right in its sole judgment to approve any proposed Transfer by Master Franchisee pursuant to Section 22.2, and to impose conditions for such approval pursuant to Section 22.2 (which conditions may be different from those in the No New Term Notice or No New Term Response). During the No New Term Solicitation Period, McDonald's shall cooperate with Master Franchisee to consummate any proposed Transfer to a Transferee approved by McDonald's.

4.3.4. Upon the expiration of the No New Term Solicitation Period, McDonald's shall have the right to exercise the Call Option in accordance with Section 22.5.

5. Franchise and Related Fees

5.1. Initial Franchise Fees.

5.1.1. Unless otherwise agreed by McDonald's, in connection with the opening of any new Master Franchisee Restaurant on or after the Effective Date, a initial franchise fee (the "Initial MFR Fee") shall be paid by Master Franchisee to McDonald's in an amount equal to, in the case of any Master Franchisee Restaurant other than a Satellite, $2,250, and, in the case of any Satellite, $1,125, *multiplied by*, in each case, the lesser of (a) 20; or (b) the number of years remaining in the applicable Term (with any partial remaining year rounded up to one full year) (such number of years, the "MFR Term"). If on the expiration of any MFR Term, Master Franchisee desires to keep operating such Master Franchisee Restaurant, then Master Franchisee shall pay to McDonald's an additional Initial MFR Fee in connection with such Master Franchisee Restaurant. Below is an example of the calculation of an Initial MFR Fee, which is for illustrative purposes only and shall in no event be deemed to conflict with any other provision of this Section 5.1.1.

Example: If the expiration of the Term is December 31, 2044 and Master Franchisee opens a new Master Franchisee Restaurant that is not a Satellite on Jul 1, 2040, then Master Franchisee shall pay to McDonald's an Initial MFR Fee in an amount equal to $11,250 (or $2,250 * 5). If such Master Franchise Restaurant were a Satellite, then Master Franchisee shall pay to McDonald's an amount equal to $5,625.

5.1.2. Subject to Section 5.1.5(b) and unless otherwise agreed by McDonald's, for each Franchise Agreement (or agreement to extend the term of any Franchise Agreement) entered into by Master Franchisee or any of its Subsidiaries with a Franchisee (other than Master Franchisee or any Arcos Subsidiary) on c after the Effective Date, Master Franchisee shall require the applicable Franchisee to pay to Master Franchisee an initial franchise fee (the "Initial SFR Fee") in an amount equal to, in the case of any Franchised Restaurant other than a Satellite, $2,250, and, in the case of any Satellite, $1,125, *multiplied by*, in each case, the greater of (a) the number of years remaining in the applicable Term; or (b) the number of years included in the term of such Franchise Agreement (or agreement to extend the term of the Franchise Agreement), in each case, with any partial remaining year rounded up to one full year. Master Franchisee shall pay to McDonald's 50% of the amount of each Initial SFR Fee, regardless of whether received by Master Franchisee from the applicable FranchiseeBelow is an example of the calculation of an Initial SFR Fee, which is for illustrative purposes only and shall in no event be deemed to conflict with any other provision of this Section 5.1.2.

Example: If the expiration of the Term is December 31, 2044 and Master Franchisee enters into a new Franchise Agreement (or agreement to extend the term of any Franchise Agreement) with a Franchisee on July 1, 2040 in respect of a Franchised Restaurant that is not a Satellite for a 20-year term, then Franchisee shall pay an Initial SFR Fee in an amount equal to $45,000 (or $2,250 * 20) and Master Franchisee shall pay to McDonald's an amount equal to $22,500 regardless of whether such amount is received by Master Franchisee from the applicable Franchisee.If such Franchised Restaurant were a Satellite, then Master Franchisee shall pay to McDonald's an amount equal to $11,250.

5.1.3. With respect to any new Master Franchisee Restaurant, each Initial MFR Fee shall be payable on or prior to the date of the opening of such new Master Franchisee Restaurant. With respect to a Franchised Restaurant that is not a Master Franchisee Restaurant, the Initial SFR Fee shall be payable on or prior t (a) the date of entry into a new Franchise Agreement for such Franchised Restaurant; and (b) the date of entry into an agreement to extend the term of the existing Franchise Agreement for such Franchised Restaurant.

5.1.4. Master Franchisee shall pay to McDonald's an initial franchise fee for each Master Franchisee Restaurant in operation as of January 1, 2025, in a amount equal to $2,250 per Master Franchisee Restaurant, for the period from August 3, 2027 until December 31, 2044 (the "Initial MFA Fee" and, collectively with the Initial MFR Fees and the Initial SFR Fees, the "Initial Franchise Fees"). The Initial MFA Fee shall be paid to McDonald's as follows: (i) 50% of the Initial MFA Fe shall be paid on or before August 1, 2027; and (ii) the remaining 50% of the Initial MFA Fee shall be paid on or before August 1, 2037.

5.1.5.

(a) Master Franchisee shall not be required to pay the Initial Franchise Fee with respect to any Franchised Restaurant that Relocates, unless th term of the applicable Franchise Agreement is extended in connection with such Relocation, in which case the Initial Franchise Fee shall be equal to, in the cas of any Franchised Restaurant other than a Satellite, $2,250, and, in the case of any Satellite, $1,125,*multiplied by*, in each case, the number of years of such extension (with any partial remaining year rounded up to one full year).

(b) If a Franchisee enters into a Franchise Agreement (or agreement to extend the term of any Franchise Agreement) in connection with (i) the acquisition of a Franchised Restaurant from any Master Franchisee Party; or (ii) the exercise of an option to acquire a Franchised Restaurant included as term of a Business Facilities Lease entered into with any Master Franchisee Party, then Franchisee shall only be required to pay the Initial Franchise Fee respect of the years of such Franchise Agreement that extend beyond the Term applicable in such Territory. Below is an example of the calculation of an Initia SFR Fee, which is for illustrative purposes only and shall in no event be deemed to conflict with any other provision of this Section 5.1.5.

Example: If the expiration of the Term is December 31, 2044 and Master Franchisee sells a Master Franchisee Restaurant to a Franchisee and, in connectio therewith, enters into a new Franchise Agreement with respect to such Franchised Restaurant that expires on June 2, 2046, then Franchisee shall pay an Initia Franchise Fee in an amount equal to $4,500 (or $2,250 * 2) and Master Franchisee shall pay to McDonald's an amount equal to $2,250.

5.2. Royalties.

5.2.1. Between the Effective Date and December 31, 2034, Master Franchisee shall pay to McDonald's aggregate royalties ("Base First Royalties") with respect to each calendar month (or ratable portion thereof, including in the case of any Franchised Restaurant subject to an Approved Closing during such calendar month) during the applicable Term in an amount equal to 6% of the U.S. Dollar equivalent of the Gross Sales of (a) each Franchised Restaurant in the Territories that is a Master Franchisee Restaurant, and (b) each Franchised Restaurant in the Territories that is (i) not a Master Franchisee Restaurant; and (ii) opened after January 2025, in each case, for such calendar month (or such ratable portion thereof).

5.2.2. Between the Effective Date and December 31, 2029, Master Franchisee shall pay to McDonald's aggregate royalties ("5% First Royalties") with respect to each calendar month (or ratable portion thereof, including in the case of any Franchised Restaurant subject to an Approved Closing during such calendar month) during the applicable Term in an amount equal to 5% of the U.S. Dollar equivalent of the Gross Sales of each Franchised Restaurant in the Territories that is (i) not a Master Franchisee Restaurant; and (ii) in existence on January 1, 2025 (irrespective of whether, during this period, the Franchise Agreement relating to such Franchised Restaurant is renewed, or a new Franchise Agreement is entered into in relation to such Franchised Restaurant) for such calendar month (or such ratable portion thereof).

5.2.3. Between January 1, 2030 and December 31, 2034, Master Franchisee shall pay to McDonald's aggregate royalties (6% First Royalties" and, together with the Base First Royalties and the 5% First Royalties, First Royalties") with respect to each calendar month (or ratable portion thereof, including in the case of any Franchised Restaurant subject to an Approved Closing during such calendar month) during the applicable Term in an amount equal to 6% of the U.S. Dollar equivalen of the Gross Sales of each Franchised Restaurant in the Territories that is: (i) not a Master Franchisee Restaurant; and (ii) in existence on January 1, 2025 for suc calendar month (or such ratable portion thereof).

5.2.4. Between January 1, 2035 and December 31, 2039, Master Franchisee shall pay to McDonald's aggregate royalties (Second Royalties") with respect to each calendar month (or ratable portion thereof, including in the case of any Franchised Restaurant subject to an Approved Closing during such calendar month during the applicable Term in an amount equal to 6.25% of the U.S. Dollar equivalent of the Gross Sales of each Franchised Restaurant in the Territories for such calendar month (or such ratable portion thereof).

5.2.5. Between January 1, 2040 and December 31, 2044, Master Franchisee shall pay to McDonald's aggregate royalties (Third Royalties" and, together with the First Royalties and Second Royalties, Royalties") with respect to each calendar month (or ratable portion thereof, including in the case of any Franchised Restaurant subject to an Approved Closing during such calendar month) during the applicable Term in an amount equal to 6.5% of the U.S. Dollar equivalent of the Gross Sales of each Franchised Restaurant in the Territories for such calendar month (or such ratable portion thereof).

5.2.6. If any Franchised Restaurant fails to report or generate Gross Sales with respect to any calendar month (or a ratable portion thereof) other than (a) a a result of an Approved Closing or (b) due to the full closure of such Franchised Restaurant directly caused by Force Majeure, then Gross Sales for such Franchise Restaurant with respect to such calendar month (or such ratable portion thereof) shall be deemed to be equal to the average monthly Gross Sales (or comparable ratable portion thereof) reported by such Franchised Restaurant within the 12-month period ending immediately preceding the calendar month in which such failure to report or generate occurred; provided that, if any Franchised Restaurant fails to generate Gross Sales due to the full closure of such Franchised Restaurant directl caused by Force Majeure, to the extent that such Force Majeure is covered by the relevant business interruption insurance policy, the Gross Sales for such Franchise Restaurant for the relevant period shall be deemed to be equal to the lost sales which form the basis for recovery under such business interruption insurance policy (to the extent such amount is recovered under such policy).

5.2.7. Royalties with respect to any calendar month shall be payable by Master Franchisee to McDonald's no later than the seventh Business Day of the nex succeeding calendar month.

5.2.8. Each Arcos Subsidiary agrees that, in exchange for the grant of Arcos Subsidiary Rights to the Arcos Subsidiary pursuant toSections 3.1 and 3.2, it shall pay directly to McDonald's its allocable share of the Initial Franchise Fees and Royalties owed by Master Franchisee to McDonald's.

5.2.9. Each Arcos Subsidiary agrees that it shall be jointly and severally obligated with Master Franchisee for the payment of Initial Franchisee Fees an Royalties.

5.3. Transfer Fees. In the event of any voluntary, involuntary, direct or indirect sale, assignment, transfer or other disposition of a Franchised Restaurant by Master Franchisee, any of its Subsidiaries (including any Arcos Subsidiary), or any Franchisee, Master Franchisee shall charge a transfer fee of not less than $10,000 per Franchise Restaurant and shall remit to McDonald's at the same time that it makes payment of the Royalties in the calendar month in which the transfer fee is payable, an amount equa to 50% of the amount of each such fee so charged ("Transfer Fee"); provided, however, that no such fee shall be charged (a) by Master Franchisee or any of its Subsidiaries tc any other Subsidiary of Master Franchisee; (b) in the event of any such sale, assignment, transfer or other disposition by a Franchisee to any of its Affiliates; or (c) in the even of the exercise of an option to acquire a Franchised Restaurant included as a term of a Business Facilities Lease entered into with Master Franchisee.

5.4. System Support Fees. In addition to the Initial Franchise Fee, Royalties and Transfer Fees, Master Franchisee will pay McDonald's (or its designee) the System Support Fees with respect to the System Support provided to Master Franchisee or one or more Franchised Restaurants in accordance with the terms and conditions of Section 25.2. In the event that Master Franchisee reasonably believes that any fee purported by McDonald's to be a System Support Fee does not satisfy the requirements of a Syster Support Fee hereunder, upon Master Franchisee's request, the Parties shall meet to discuss such fee in good faith; provided that, if within thirty (30) days of commencing such discussion the Parties have failed to reach an agreement with respect to such fee, then such fee shall be deemed to be a System Support Fee and shall be payable by Maste Franchisee to McDonald's (or its designee).

5.5. Summary of Fees Payable. Exhibit 22 summarizes the fees (other than the System Support Fees) payable pursuant to this Section 5. The summary is for convenience of reference only and shall in no event be deemed to conflict with any other provision of this Section 5.

6. Representations and Warranties

On and as of the Effective Date (except with respect to such representations and warranties that are expressly made as of another date, which representations and warranties shall be made as of such other date), Beneficial Owner, each Owner Entity, Master Franchisee, LatAm, Netherlands Subholding and, with respect to Section 6.10 and Section 6.11, each Arcos Subsidiary, jointly and severally represent and warrant to McDonald's as follows:

6.1. Organization and Qualification.

6.1.1. Each of Beneficial Owner, Parent, Curacao Entity, LatAm, Netherlands Subholding and Master Franchisee is duly organized, validly existing and good standing under the laws of its jurisdiction of formation and has all requisite power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated by this Agreement.

6.1.2. Each of Beneficial Owner, Parent, Curacao Entity, LatAm, Netherlands Subholding and Master Franchisee is duly licensed or qualified to do busines and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of the Master Franchise Business and any other business conducted by Beneficial Owner, Parent, Curacao Entity, LatAm, Netherlands Subholding or Master Franchisee makes such licensing or qualification necessary, excep to the extent that the failure to be so licensed or qualified or in good standing would not adversely affect the ability of Beneficial Owner, Parent, Curacao Entity, LatAm Netherlands Subholding or Master Franchisee to carry out their respective obligations under or consummate the transactions contemplated by this Agreement.

6.1.3. The execution and delivery of this Agreement by Beneficial Owner, Parent, Curacao Entity, LatAm, Netherlands Subholding and Master Franchise the performance by Beneficial Owner, Parent, Curacao Entity, LatAm, Netherlands Subholding and Master Franchisee of their respective obligations hereunder and th consummation of the transactions contemplated by this Agreement have been duly authorized by all requisite action on the part of Beneficial Owner, Parent, Curacao Entity, LatAm, Netherlands Subholding, Master Franchisee and the holders of their respective Equity Interests, as applicable.

6.1.4. Beneficial Owner, Parent, Curacao Entity, LatAm, Netherlands Subholding and Master Franchisee have provided to McDonald's true and complet copies of their respective Constituent Documents.

6.1.5. The list of Persons set out in Exhibit 1 is an exhaustive list of all of the Subsidiaries of Curacao Entity, and the list of Persons set out in Exhibit 1, together with Curacao Entity, is an exhaustive list of all the Subsidiaries of Parent. The structure chart and information regarding whether a Subsidiary is an Arcos Subsidiary and/or a holding company as set forth in Exhibit 1 is complete and correct.

6.2. Capitalization.

6.2.1. Parent is the record and beneficial owner of 100% of the Equity Interests of Curacao Entity. The Equity Interests of Curacao Entity and the certificate representing such Equity Interests are owned and held by Parent, free and clear of all Encumbrances, are duly authorized, validly issued, fully paid and nonassessable and have not been issued in violation of preemptive or similar rights. No Person other than Parent holds or has a right to receive Equity Interests of Curacao Entity o any other instrument representing Equity Interests of Curacao Entity. The information with respect to Parent set forth in Exhibit 3 is correct.

6.2.2. Curacao Entity is the record and beneficial owner of 100% of the Equity Interests of Master Franchisee. The Equity Interests of Master Franchisee and the certificate representing such Equity Interests are owned and held by Curacao Entity, free and clear of all Encumbrances, are duly authorized, validly issued fully paid and nonassessable and have not been issued in violation of preemptive or similar rights. No Person other than Curacao Entity holds or has a right to receive Equity Interests of Master Franchisee or any other instrument representing Equity Interests of Master Franchisee. The information with respect to Curacao Entity set forth in Exhibit 3 is correct.

6.2.3. Master Franchisee is the record and beneficial owner of 100% of the Equity Interests of LatAm and Netherlands SubholdingThe Equity Interests of LatAm and Netherlands Subholding and the certificate representing such Equity Interests are owned and held by Master Franchisee, free and clear of a Encumbrances, are duly authorized, validly issued, fully paid and nonassessable and have not been issued in violation of preemptive or similar rights. No Person other than Master Franchisee holds or has a right to receive Equity Interests of LatAm or Netherlands Subholding or any other instrument representing Equity Interests o LatAm or Netherlands Subholding. The information with respect to LatAm, Netherlands Subholding and Master Franchisee set forth in Exhibit 3 is correct.

6.2.4. The JPM Trustee, as trustee of The Los Laureles Trust, is the record owner of 100% of the Equity Interests of Beneficial Owner, and Woods W Staton is the beneficial owner of 100% of the Equity Interests of Beneficial Owner.The Equity Interests of Beneficial Owner and the certificate representing such Equity Interests are owned and held by the JPM Trustee, as trustee of The Los Laureles Trust, free and clear of all Encumbrances, are duly authorized, validly issued fully paid and nonassessable and have not been issued in violation of preemptive or similar rights. No Person other than the JPM Trustee, as trustee of The Los Laureles Trust, holds or has a right to receive Equity Interests of Beneficial Owner or any other instrument representing Equity Interests of Beneficial OwnerAll documentation relating to the Los Laureles Trust Arrangements included at Exhibit 3 is complete, true, accurate and up to date in all respects.

6.2.5. Beneficial Owner is the record and beneficial owner of 100% of the Equity Interests of Los Laureles PTC, Arias Fabrega & Fabrega Co. (BVI Limited as trustee of The Los Laureles Voting Trust is the record owner of 100% of the Class B shares of Parent and Beneficial Owner is the beneficial owner of 100% of the Class B shares of Parent.The Equity Interests of Los Laureles PTC and the Class B shares of Parent and the certificate representing such Equity Interests and Class B shares of Parent are so owned and held, free and clear of all Encumbrances, are duly authorized, validly issued, fully paid and nonassessable and have not been issued in violation of preemptive or similar rights. No Person other than Beneficial Owner and Arias Fabrega & Fabrega Co. (BVI) Limited holds or has a right to receive Equity Interests of Los Laureles PTC, Class B shares of Parent or any other instrument representing Equity Interests of Los Laureles PTC or Class B shares of Parent. The information with respect to Beneficial Owner, Los Laureles PTC and the Class B shares of Parent set forth in Exhibit 3 is correct.

6.3. No Conflict. This Agreement has been duly executed and delivered by each Owner Entity, LatAm, Netherlands Subholding and Master Franchisee and assuming due and valid authorization, execution and delivery hereof by each other Party hereto, constitutes the legal, valid and binding instrument of each Owner Entity, LatAm Netherlands Subholding and Master Franchisee, enforceable against each of them in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws of general application affecting enforcement of creditors' rights generally; and (b) to the extent that any remedy of specific performance or injunctive or other forms of equitable relief may be subject to equitable defenses and would be subject to the discretion of the court before which any proceeding therefor may be brought.

6.4. Governmental Consents and Approvals. None of the execution, delivery or performance of this Agreement by any Owner Entity, LatAm, Netherlands Subholding or Master Franchisee or the consummation of the transactions contemplated by this Agreement (a) violates, conflicts with or will result in any breach of any provision of the Constituent Documents of any Owner Entity, LatAm, Netherlands Subholding or Master Franchisee, as applicable; (b) requires any filing with, obtaining any permit, authorization, consent or approval from, or providing any notification to, any Governmental Authority, except those contemplated or required by this Agreement; (c) will result in a violation or breach of, or, with or without due notice or lapse of time or both, constitute a default or give rise to any right of termination, cancellation or acceleration under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, license, contract, agreement or other instrument or obligation to which any Owner Entity, LatAm, Netherlands Subholding or Master Franchisee is a party or by which any of its respective properties or Assets may be bound or affected; or (d) violates any Applicable Law, except, in the case of each of the foregoing clauses, such violations, breaches or defaults that would not, individually or in the aggregate, have a material adverse effect on the ability of any Owner Entity, LatAm, Netherlands Subholding or Master Franchisee to execute, deliver or perform this Agreement or consummate the transactions contemplated hereby.

6.5. Anti-Terrorism; Compliance with Applicable Law. None of the property or interests of any Owner Entity, LatAm, Netherlands Subholding or Master Franchisee is subject to being "blocked" under any Anti-Terrorism Laws. Neither such Party, nor any of its respective funding sources (including any legal or beneficial owner of any Equity Interest in any Owner Entity, LatAm, Netherlands Subholding or Master Franchisee) or Related Parties is or has ever been a terrorist or suspected terrorist within the meaning of the Anti-Terrorism Laws or identified by name or address on any Terrorist List. Each of Parent, Curacao Entity, LatAm, Netherlands Subholding and Master Franchisee are in compliance with Applicable Law, including all such Anti-Terrorism Laws.

6.6. Litigation. There are no Actions by or against any Owner Entity, LatAm, Netherlands Subholding or Master Franchisee that could adversely affect the legality, validity or binding effect of this Agreement or the performance by any Owner Entity, LatAm, Netherlands Subholding or Master Franchisee of any of their respective obligations hereunder or the consummation of any of the transactions contemplated hereby.

6.7. No Resale. Except as expressly provided in this Agreement, Master Franchisee is acquiring the Master Franchisee Rights for Master Franchisee's own account for purposes of operating the Master Franchise Business, including Franchised Restaurants, and of entering into Franchise Agreements, and not for purposes of the resale or redistribution of the Master Franchisee Rights or any other speculative purpose. Master Franchisee owns all of the interest in the franchise granted hereunder.

6.8. Information. All material information requested by McDonald's and provided by any Owner Entity, LatAm, Netherlands Subholding or Master Franchisee to induce McDonald's to enter into this Agreement was true and complete in all material respects on and as of the date such information was provided and is true and complete in all material respects on and as of the Effective Date.

6.9. Disclosure Document. Each Owner Entity, LatAm, Netherlands Subholding and Master Franchisee has received, reviewed and understood the disclosur document provided to it by McDonald's as required by Applicable Law in Brazil, French Guiana, Guadeloupe and Martinique and has waived, to the extent permissible unde Applicable Law, any right to receive such documents in a language other than English and to receive such documents in advance of the Commencement Date.Each Owner Entity, LatAm, Netherlands Subholding and Master Franchisee acknowledge and agree that no such disclosure document is required by Applicable Law in any other Territory.

6.10. Arcos Subsidiaries. The execution and delivery of this Agreement by each Arcos Subsidiary, the performance by each Arcos Subsidiary of its respective obligations hereunder and the consummation of the transactions contemplated by this Agreement have been duly authorized by all requisite action on the part of each Arcos Subsidiary. This Agreement has been duly executed and delivered by each Arcos Subsidiary and, assuming due and valid authorization, execution and delivery hereof by each other Party hereto, constitutes the legal, valid and binding instrument of such Arcos Subsidiary, enforceable against such Arcos Subsidiary in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws of general application affecting enforcement of creditors' rights generally; and (b) to the extent that any remedy of specific performance or injunctive or other forms of equitable relief may be subject to equitable defenses and would be subject to the discretion of the court before which any proceeding therefor may be brought.

6.11. Escrow Agreement and McDonald's Security Agreements. The Certificated Equity Interests of Master Franchisee and each Escrowed Arcos Subsidiary hel by the Escrow Agent on the Effective Date constitute all of the Equity Interests of Master Franchisee and each Escrowed Arcos Subsidiary (other than any Escrowed Arco Subsidiary that has issued Dematerialized Equity Interests) issued and outstanding on the Effective Date.The Certificated Equity Interests of each Non-Escrowed Arco Subsidiary held by the applicable Trustee on the Effective Date constitute all of the Equity Interests of each Non-Escrowed Arcos Subsidiary (other than any Non-Escrowe Arcos Subsidiary that has issued Dematerialized Equity Interests) issued and outstanding on the Effective Date. Master Franchisee and each other registered owner of a Escrowed Arcos Subsidiary that has issued Dematerialized Equity Interests as of the Effective Date have delivered Escrowed Constituent Documents to Escrow Agent f each such Escrowed Arcos Subsidiary. The Escrowed Constituent Documents of each Escrowed Arcos Subsidiary that has issued Dematerialized Equity Interests by Mast Franchisee and each other registered owner of an Escrowed Arcos Subsidiary that has issued Dematerialized Equity Interests constitute all of the Equity Interests issued an outstanding on the Effective Date of each Escrowed Arcos Subsidiary that has issued Dematerialized Equity Interests.

6.12. Shareholders Agreements. There are no shareholders agreements, voting trusts or other similar agreements to which Beneficial Owner is a party with respec to the Voting Interests of any Owner Entity, LatAm, Netherlands Subholding or Master Franchisee other than the Los Laureles Trust Arrangements.

7. Certain Obligations of the Owner Entities, Master Franchisee and Master Franchisee Parties

7.1. Core Documents.

7.1.1. Without the prior consent of McDonald's and except as otherwise permitted by this Agreement, none of Beneficial Owner, any Owner Entity, Master Franchisee, LatAm, Netherlands Subholding or any Escrowed Arcos Subsidiary shall amend its Constituent Documents in a manner that would violate, or result in breach of any covenant contained in, this Agreement or any Related Agreement, or that would be materially adverse to the interests of McDonald's without the consent of McDonald's.

7.1.2. [Reserved]

7.1.3. Without the prior consent of McDonald's, Beneficial Owner agrees not to enter into any shareholders agreement, voting trust or other similar agreement with respect to the Voting Interests of any Owner Entity, Master Franchisee or Arcos Subsidiary other than the Los Laureles Trust Arrangements.

7.1.4. Parent has delivered to McDonald's each of the Financing Agreements. None of Beneficial Owner, any Owner Entity or any Master Franchisee Party shall (a) consent to, or enter any material amendment, waiver or modification of the terms and conditions related to the Collateral in any Financing Agreement, unless McDonald's shall have received prior written notice of such amendment, together with the text thereof, and shall have consented thereto; or (b) incur Indebtedness secured by any Collateral (whether to Refinance Indebtedness under the Financing Agreements or otherwise), other than pursuant to or in connection with the Financing Agreements, unless McDonald's shall have received prior written notice of such incurrence, together with the definitive agreements evidencing such Indebtedness and shall have consented to any provisions of such agreements related to the Collateral, it being understood that a condition to such consent shall be a requirement that the exercise of any remedies in respect of Liens relating to the Collateral in respect of such Indebtedness (or any related amount) be subject to the Escrow Agreement and the Trust Agreements.

7.1.5. [Reserved]

7.2. No Other Business or Funded Debt; Separateness. Without the prior consent of McDonald's, such consent not to be unreasonably withheld:

7.2.1. No Owner Entity or any Master Franchisee Party shall, directly or indirectly, enter into any other QSR Business, Informal Eating Out Business, or any business other than the Master Franchise Business, whether or not related to the Master Franchise Business.

7.2.2. No Owner Entity shall incur any Funded Debt or engage in a business other than holding Equity Interests of another Owner Entity or Master Franchisee other than Indebtedness contemplated by the Financing Agreements and any Refinancing thereof.

7.2.3. No Owner Entity or any Master Franchisee Party located in any Territory other than Aruba, Curaçao, French Guiana, Guadeloupe, Martinique, Trinidad and Tobago, Venezuela and the U.S. Virgin Islands of St. Thomas and St. Croix shall:

(a) Institute proceedings to have such Owner Entity or Master Franchisee Party be adjudicated bankrupt or insolvent;

(b) Consent to the institution of bankruptcy or insolvency proceedings against such Owner Entity or Master Franchisee Party;

(c) File a petition seeking, or consent to, a reorganization or relief with respect to such Owner Entity or Master Franchisee Party under any Applicable Law relating to bankruptcy;

(d) Consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of such Owner Entity or Master Franchisee Party, or a substantial part of its property;

(e) Make any assignment for the benefit of creditors of such Owner Entity or Master Franchisee Party;

(f) Admit in writing such Owner Entity's or Master Franchisee Party's inability to pay its debts generally as they become due; or

(g) Take action in furtherance of any of the foregoing,

7.2.4. (the actions described in the foregoing clauses (a) through (g), collectively, the "Bankruptcy Actions").

7.2.5. Master Franchisee shall provide McDonald's with written notice as soon as reasonably practicable prior to any Master Franchisee Party located in Aruba, Curaçao, French Guiana, Guadeloupe, Martinique, Trinidad and Tobago, Venezuela or the U.S. Virgin Islands of St. Thomas and St. Croix taking any Bankruptcy Action.

7.2.6. Each Owner Entity and Master Franchisee Party shall:

(a) Maintain separate books, records and bank accounts;

(b) Hold itself out as a separate legal entity; and

(c) Strictly comply with all organizational formalities to maintain its separate existence.

7.3. Senior Management.

7.3.1. Each of the Parties acknowledges and agrees that the Intellectual Property has significant value to McDonald's, its Affiliates, the Master Franchisee Business and the System.

7.3.2. In order to safeguard the value of the Intellectual Property, McDonald's shall be entitled to approve the appointment of (a) the chief executive officer (or similar designation) having overall responsibility for the Master Franchise Business in the Territories (the "Chief Executive Officer"); and (b) the chief operating officer (or similar designation) having overall responsibility for the administration of the operation of the Master Franchise Business in the Territories (the "Chief Operating Officer" and together with the Chief

Executive Officer, the "Senior Executives"), each of whom shall be nominated by Master Franchisee or an Owner Entity. The initial Senior Executives are specified in Exhibit 5. Parent shall make all disclosures in respect of McDonald's right to approve the appointment of the Senior Executives pursuant to this Section 7.3.2 to the extent required by Applicable Law, including all applicable securities laws.

7.3.3. In the event Master Franchisee or an Owner Entity wishes to appoint any new Senior Executive, Master Franchisee shall submit to McDonald's th name of the proposed successor, together with information in support of the candidacy, including a résumé for the candidate detailing his qualifications and experience and such other information as McDonald's may reasonably request. McDonald's shall be entitled to approve such candidate (such approval not to be unreasonably withheld) and shall notify Master Franchisee of its decision with respect to a candidate within 30 Business Days of its receipt of Master Franchisee's submission. The candidate shall also be made available for interviews by McDonald's at its offices in Chicago, Illinois. Master Franchisee or the applicable Owner Entity may appoint an interim Senior Executive during the pendency of McDonald's review of successor candidates, but in no event for a period in excess of six months from the termination of the predecessor officer. If, at the expiration of such six-month period, Master Franchisee and McDonald's shall have failed to agree on a successor officer McDonald's shall be entitled to designate in its sole discretion a Person to hold the applicable office pending Master Franchisee's submission of information relating to a further candidate and McDonald's approval thereof, and Master Franchisee and the Owner Entities agree to take such action as shall be necessary to cause such Person to be so appointed. All salary, benefits and incentives of such Person (including relocation expenses for such Person and his immediate family) shall be for the sole account of Master Franchisee or the relevant Master Franchisee Party employing such Person.

7.3.4. Master Franchisee and the Owner Entities shall cause each of the Senior Executives to devote his full-time and best efforts to the operations of the Master Franchise Business in the Territories and to promote and enhance the operation of the System and the Franchised Restaurants and the goodwill and reputation associated with the Intellectual Property.

7.4. Managing Directors.

7.4.1. Master Franchisee and the applicable Arcos Subsidiaries shall appoint and maintain with respect to each Territory or any group of Territories, a managing director (or similar officer) with overall responsibility for the conduct of the Master Franchise Business in such Territory or group of Territories (each, a "Managing Director"). Each Managing Director shall be a permanent resident of one of the Territories for which he has responsibility. Master Franchisee and the applicable Arcos Subsidiaries shall cause each Managing Director to devote his full-time and best efforts to the operation of the Master Franchise Business in the applicable Territory and to cooperate with his counterparts in other Territories as appropriate to promote and enhance the operation of the System and the Franchised Restaurants and the goodwill and reputation associated with the Intellectual Property.

7.5. Certain Actions with Respect to Franchised Restaurants. Master Franchisee shall, and shall cause the Arcos Subsidiaries and Franchisees to, at its sole expense:

(a) With respect to any new Master Franchisee Restaurant, either (i) enter into a New Franchise Agreement in connection with such Master Franchisee Restaurant; or (ii) amend Exhibit 2 to the master franchise agreement between the Master Franchisee and the applicable Arcos Subsidiary in the Territory in which such new Master Franchisee Restaurant has been opened to document such opening and deliver a copy of such amended Exhibit 2 to McDonald's no later than 60 days following the end of the calendar year in which the Master Franchisee Restaurants were opened and the relevant amendments to Exhibit 2 occurred (or should have occurred);

(b) Cause each Franchised Restaurant to comply with the System and not to engage in activity that may conflict with, or otherwise be detrimental to, the System;

(c) At all times faithfully, honestly and diligently perform its obligations under this Agreement and promote and enhance the operation of the Master Franchise Business and the image, goodwill and reputation associated with the "McDonald's" brand and the System;

(d) Ensure that each Franchised Restaurant is subject to a Customer Service Program that meets or exceeds the applicable Standards;

(e) Monitor continuously and measure with reasonable frequency the compliance by each Franchised Restaurant with the QSC Standards using a system for evaluating restaurant performance that meets or exceeds the applicable Standards;

(f) Acquire and use Products and Services for the operation of the Master Franchise Business only in compliance with Section 9 and the Standards;

(g) Operate the Franchised Restaurants in a clean and wholesome manner in compliance with the Standards;

(h) Keep the Franchised Restaurants constructed and equipped in accordance with the Standards, and without McDonald's approval (not to be unreasonably withheld) (i) not make any building design conversions and (ii) not make any alterations, conversions, or additions to the building, equipment or parking areas, in each case, in any manner that does not comply with the Standards;

(i) Where parking is provided and its use is exclusive to a Franchised Restaurant's customers, maintain such parking areas in compliance with the Standards;

(j) Operate the Franchised Restaurants for the days and during the hours specified in the Standards (except (i) during any period when a Franchised Restaurant is inoperable as a result of Force Majeure, (ii) during any public holiday recognized in the applicable Territory, or (iii) when operating hours are restricted by Applicable Law or the lease for the Franchised Restaurant's Real Estate);

(k) Maintain sufficient supplies and employ adequate personnel so as to operate the Franchised Restaurants at their maximum capacity and efficiency;

(l) Use reasonable best efforts to cause all employees of Master Franchisee, while working in the Franchised Restaurants, to comply with the Standards with respect to their uniform appearance and service to customers;

(m) Serve only the Menu Items and comply with specifications, preparation methods, quality specifications and appearance specifications applicable to the Menu Items and the Products and Services, as set out in the Menu Plans;

(n) In the dispensing and sale of the Menu Items, (i) use only containers, cartons, bags, napkins, other paper goods and packaging that comply with the Standards, (ii) use only those flavorings, garnishments and food and beverage ingredients that comply with the Standards, and (iii) employ only those methods of handling and preparation that comply with the Standards;

(o) Make all payments in accordance with the terms of undisputed invoices related to the operation of the Master Franchise Business;

(p) Participate in McDonald's market research, testing and product and service development programs, as required by McDonald's from time to time;

(q) Issue and honor gift certificates, gift cards and similar items and participate in other Promotional Activities in accordance with the Standards;

(r) Not operate any automatic vending device unless it is in compliance with the Standards relating to the installation and maintenance of such devices;

(s) Place and display at the Franchised Restaurants (interior and exterior) only those signs, emblems, artwork, lettering, logos and display and advertising materials that comply with the Standards;

(t) Except as required by Applicable Law, comply with the Standards with respect to the use of signage, receipts and letterheads; and

(u) Adopt and implement procedures for identifying all Confidential Information as such and for controlling the distribution, reproduction and collection of Confidential Information to and from Franchisees and employees of the Franchised Restaurants, and for preventing each Franchisee and / or its employees from further disseminating such Confidential Information. Master Franchisee shall promptly notify McDonald's in the event any Confidential Information is lost, stolen, released or unaccounted for by it or any of its Subsidiaries or Franchisees. Master Franchisee shall advise McDonald's as to the steps being taken by Master Franchisee and/or such Franchisee to recover such Confidential Information and shall take such steps as McDonald's may direct.

7.6. Closings. Master Franchisee shall not, and shall not permit any of its Subsidiaries or any Arcos Subsidiary or Franchisees to, close any Franchised Restaurar except pursuant to an Approved Closing. Annually during the Phase 2 planning meeting, McDonald's and Master Franchisee shall discuss in good faith and agree upon th number of Franchised Restaurants that the Master Franchisee Parties may close in such calendar year;provided that each such closing shall be pursuant to an Approved Closing, and for the avoidance of doubt, agreement by McDonald's on the number of Franchised Restaurant closings during any Phase 2 planning meeting shall not constitute a Approved Closing. Following such Phase 2 planning meeting, if Master Franchisee notifies McDonald's in writing that in its good faith, reasonable business judgment, it require an increase in the number of such closings with respect to such calendar year, McDonald's and Master Franchisee shall discuss in good faith such proposed increase to the previously agreed number of closings; provided that McDonald's shall not be under any obligation to agree to such additional proposed closings, and to the extent any such additional closings are agreed, each such additional closing shall be pursuant to an Approved Closing, and for the avoidance of doubt, agreement by McDonald's to such additional closings shall not constitute an Approved Closing.

7.7. Specified Related Party Transactions. Except as expressly permitted by this Agreement, Master Franchisee shall not, and shall not permit any of its Subsidiaries or any Arcos Subsidiary to, directly or indirectly, enter into or permit to exist any transaction (including any purchase, sale, lease or exchange of any property or the rendering of any service) with any Related Party other than (a) on an arm's-length basis and in compliance with the Related Party Transactions Policy, and (b) solely to the extent such transaction is a Specified Related Party Transaction, with the prior approval of McDonald's. If reasonably requested by McDonald's in writing, Master Franchisee must provid McDonald's with further information regarding any Specified Related Party Transaction. Such requested information may include, but is not limited to, relevant supportin evidence to show that the Specified Related Party Transaction is on an arm's-length basis, the nature of the relationship between Master Franchisee and the Related Party, th quantum and expected frequency (if applicable) of such Specified Related Party Transaction, and any other relevant additional information as may be reasonably requested by McDonald's.

7.8. Compliance with Law; Notices and Pleadings.

7.8.1. Beneficial Owner, each Owner Entity and Master Franchisee shall, and Master Franchisee shall cause each of its Subsidiaries and each of the Arcc Subsidiaries to, comply with Applicable Law.

7.8.2. Beneficial Owner, each Owner Entity and Master Franchisee shall promptly provide McDonald's with copies of any Notices received by any Maste Franchisee Party, any Owner Entity or any Related Party of any of them relating to this Agreement, the Master Franchise Business, any Franchisee, any Managir Director, any Franchised Restaurant or any Related Agreement.

7.9. Letter of Credit.

7.9.1. As security for the performance of Master Franchisee's, its Subsidiaries', Arcos Subsidiaries', Owner Entities' and Beneficial Owner's obligation hereunder, Master Franchisee shall, at its sole expense, obtain, deliver to McDonald's and maintain throughout the Regular Term one or more standby letters of credit issued in favor of McDonald's by a Qualified Bank with an aggregate amount available for drawing thereunder of $80,000,000

and otherwise on terms and conditions (including the terms and conditions of any related reimbursement or similar agreement between any LC Bank and any Master Franchisee Party) acceptable to McDonald's (as reissued from time to time, the "Letters of Credit"). McDonald's may, in its sole discretion and at Master Franchisee's sole expense, cause the Letters of Credit to be confirmed by any Qualified Bank in the United States of America.Master Franchisee shall, at its sole expense, cause any Letter of Credit to be reissued by a Qualified Bank no later than 60 days prior to the expiration date of such Letter of Credit, effective as of the expiration of the predecessor Letter of Credit. Each Letter of Credit shall provide that it shall not expire prior to the date that is 30 Business Days following the Effective Termination unless earlier terminated by the beneficiary, the account party with the consent of the beneficiary or at its stated expiration. Any proposed cancellation (or termination) of any Letter of Credit will require approval by McDonald's prior to Master Franchisee requesting any cancellation (or termination) from the LC Bank of such Letter of Credit.

7.9.2. The Parties agree that in certain cases, the failure of Beneficial Owner, any Owner Entity, Master Franchisee or the Arcos Subsidiaries to comply with their respective obligations hereunder may cause immediate and substantial damage to the interests of McDonald's and its Affiliates in this Agreement. To compensate McDonald's for such damage, the Parties have agreed that McDonald's shall be entitled, but not obligated, to draw on the Letters of Credit (or any one of them in whole or in part) as and to the extent provided below (each such amount, an "LC Payable") on the occurrence of the following events (each, an "LC Trigger Event"):

(a) The failure of McDonald's to receive when due any amount required to be paid by any Owner Entity, Master Franchisee or any Arcos Subsidiary to McDonald's under this Agreement within 10 days after the date such payment is due (exclusive of any other grace period hereunder), in which event McDonald's shall be entitled to draw an aggregate amount under the Letters of Credit equal to the amount of such overdue payment,*plus* interest thereon to but excluding the date of draw as provided in Section 25.2.3;

(b) The Transfer of any interest in any Restricted Real Estate made in violation ofSection 7.17.3, in which event McDonald's shall be entitled to draw an aggregate amount under the Letters of Credit equal to the purchase price paid (whether in cash or property) for such Restricted Real Estate in connection with such Transfer (or, if greater, the fair market value of such property, as estimated by McDonald's in the exercise of its reasonable judgment);

(c) The failure by Beneficial Owner, any Owner Entity, Master Franchisee or any Arcos Subsidiary to comply with any final award of the ICC pursuant to Section 26.2 in accordance with the terms thereof, in which event McDonald's shall be entitled to draw an aggregate amount under the Letters of Credit equal to (i) the amount of such award, if a monetary award; or (ii) the aggregate amount available under all Letters of Credit, if a non-monetary award;

(d) Any action, plan or arrangement by Beneficial Owner, any Owner Entity, Master Franchisee or any Arcos Subsidiary taken or made with a view to avoiding or delaying their respective participation in arbitral proceedings instituted under Section 26.2 or with a view to obstructing or circumventing the operation of such Section or any proceeding thereunder, including through the institution of proceedings before any court or other body asserting the invalidity or unenforceability of such Section or any of its terms, in which event McDonald's shall be entitled to draw the aggregate amount available under all Letters of Credit;

(e) During the period following the Effective Termination and on or prior to the third full Business Day preceding the LC Expiration Date, the failure by McDonald's to have received, as security for the performance by each Owner Entity, Beneficial Owner and each Master Franchisee Party of its respective payment obligations following such Effective Termination up to an amount equal to the amount available for drawing under the Letter of Credit on such third full Business Day, a continuing perfected first priority Lien, evidenced by documents that are satisfactory in form and scope to McDonald's in its reasonable judgment, in all of Master Franchisee's right, title and interest in, to and under the Secured Restricted Real Estate, in which event McDonald's shall be entitled to draw an aggregate amount under the Letters of Credit equal to the aggregate appraised value of the Secured Restricted Real Estate with respect to which McDonald's does not have a continuing first priority perfected security interest as of such date, as set forth in the most recent appraisal thereof made pursuant to Section 17.3.4; provided, however, that McDonald's shall not be entitled to enforce its rights as a secured party with respect to such Secured Restricted Real Estate unless, and solely to the extent that, any Owner Entity, Beneficial Owner or any Master Franchisee Party shall have failed to satisfy any such obligation as and when the same shall become due; and

(f) The failure by Master Franchisee (i) to cause any Letter of Credit to be reissued by a Qualified Bank in the full amount required hereunder regardless of any prior draw thereunder no later than 60 days prior to the stated expiration date of such Letter of Credit; or (ii) to restore the aggregate amount available under all Letters of Credit to be at any time during the Regular Term, $80,000,000 within 30 days following any draw under any such Letter of Credit in which event McDonald's shall be entitled to draw the aggregate amount available under all Letters of Credit.

7.9.3. McDonald's certification to the applicable LC Bank that any of the foregoing drawing events has occurred shall be conclusive and binding on the applicable LC Bank as evidence of McDonald's entitlement to draw on such Letter of Credit.No draw by McDonald's under any Letter of Credit shall (a) constitute an admission by McDonald's of the occurrence or continuance of any Material Breach, the amount of damage incurred by McDonald's as a result of the occurrence of any of the foregoing events, or a waiver of any other right or remedy to which McDonald's may be entitled under this Agreement or Applicable Law; or (b) impair in any respect whatsoever McDonald's rights to require each Master Franchisee Party to comply with its respective obligations underSections 23.3, 23.4, 23.5, 23.6, 23.7, 23.8 and 24 on any termination of this Agreement with respect to any Territory (other than any payment obligations satisfied by a draw on any Letter of Credit).

7.9.4. If this Agreement is Transferred by McDonald's pursuant to Section 22.1, Master Franchisee shall, within fifteen (15) days after McDonald's notice cause the LC Bank and (if applicable) confirming bank approved by McDonald's to reissue the Letter of Credit with the transferee as the beneficiary in accordanc with this Agreement.

7.10. Consular Services. At McDonald's request, the Master Franchisee Parties shall assist McDonald's in obtaining any visas, work permits or other approval needed to allow McDonald's personnel or consultants to provide services, inspections or audits in any Territory.

7.11. Insurance.

7.11.1. Throughout the Term applicable in any Territory, the Master Franchisee Parties shall acquire and continuously maintain at their sole expense (a) all insurance policies required by any Site Agreement, Franchise Agreement or other contract or arrangement relating to the Master Franchise Business in such Territory and (b) insurance policies with respect to each Master Franchisee Party in such Territory providing the following coverage with insurance companies rated at least A VIII or the equivalent, in the most recent edition of A.M. Best's Insurance Guide: (i) commercial general liability coverage providing coverage for operations, persona injury liability, advertising liability, contractual liability, contractor's protective liability, property damage liability, U.S. jurisdictional coverage, terrorism and products liability coverage; (ii) advertiser's professional errors and omissions liability insurance coverage (but only if any Master Franchisee Party will be creating content ir advertising or digital media in such Territory through its own employees rather than through hiring third-party vendors); (iii) all local obligatory insurance with respect to employees and employers liability insurance (but, with respect to technology professional liability insurance, only if any Master Franchisee Party will be creating technology or mobile or digital applications for such Territory through its own employees rather than through hiring third-party vendors); (iv) comprehensive business automobile liability insurance covering the use and maintenance of owned, not-owned, hired and rented vehicles and including coverage for bodily injury and third party property damage; (v) umbrella or excess liability insurance (which includes U.S. jurisdictional coverage) in excess of the policies described in clauses (b)(i), (iii) and (iv) of this Section 7.11.1; (vi) "all risk" property insurance, including coverage with respect to damages resulting from earthquake, flood, named windstorm, terrorism or builders risk, written on a replacement cost basis; (vii) business interruption insurance; (viii) "Construction All-Risk" or "All-Risk Builder's Risk Insurance Policy, insuring all real property under construction at full replacement cost value (to the extent such insurance coverage is available in such Territory); (ix) cyber liability (also known as Privacy and Network Security) insurance, including coverage for system attacks, denial or loss of service from attacks, spread of malicious software code unauthorized access and use of computer systems, liability arising from the loss or disclosure of personal or corporate confidential data, cyber extortion, and breach response coverage; (x) crime coverage (also known as employee dishonesty insurance); and (xi) any other insurance coverage required under Applicable Law.

7.11.2. The Master Franchisee Parties shall cause (a) this Agreement to be specifically listed as an "insured contract" (or any comparable term used in such policy) and the coverage to be provided thereunder to be primary and not contributory with respect to any other insurance available to McDonald's or any of its Affiliates; and (b) such policy to provide coverage for McDonald's, its Affiliates and all of their respective stockholders, directors, officers, employees as named insureds under each of the policies specified in Section 7.11.1. No such policy shall exclude coverage from claims made between co-insureds solely on the basis of the parties' designation as named insureds. The policy shall be specifically endorsed to provide that the coverages will be primary and that any other insurance carried by any named insured, including McDonald's, shall be excess and non-contributory.

7.11.3. Coverage limits under the insurance policies specified in Section 7.11.1 shall cover such risks and be provided in amounts no less than those specified in Exhibit 6; provided, however, that McDonald's may at any time direct the Master Franchisee Parties to acquire different or additional insurance coverage limits (including such as may result from inflation, the identification of new risks, changes in Applicable Law or standards of liability, trends in litigation awards or other circumstances deemed relevant by McDonald's in its sole discretion). Policy deductibles shall not exceed $500,000, without prior approval of McDonald's. All such insurance policies shall provide that coverage thereunder shall not be canceled, non-renewed or materially changed without at least 30 days' prior notice to McDonald's. Master Franchisee shall provide McDonald's upon its request with an electronic image of any of the insurance policies required hereunder.

7.11.4. In the event the Master Franchisee Parties fail to obtain any insurance policy required in this Agreement within fifteen (15) days of receiving written notice from McDonald's of its failure to do so, McDonald's may, but is not obligated to, acting reasonably, purchase such insurance policy. Master Franchisee shall reimburse McDonald's for the documented, out-of-pocket cost of obtaining the required coverage. If Master Franchisee authorizes McDonald's Group to acquire and administer the required minimum insurance coverage on the Master Franchisee Parties' behalf, McDonald's Group shall not have any obligation to assume any premium expense. Nothing in this Agreement shall be deemed to constitute a guarantee by McDonald's of any losses sustained by any Master Franchisee Party.

7.12. Information.

7.12.1. Compliance. To the extent any Master Franchisee Party collects, accesses, acquires, uses, maintains, retains or discloses any Information in connection with the Master Franchise Business, it shall only do so in accordance with the Standards and Applicable Law, including obtaining all requisite consents and waivers. Without prejudice to the foregoing, McDonald's may, upon reasonable prior written notice, require each Master Franchisee Party to adopt standard consent forms or similar documents prescribed by McDonald's Group, (i) on a System-wide basis, (ii) for all McDonald's international development licensees, or (iii) as required by Applicable Law, as determined by McDonald's, in connection with the collection, access, acquisition, use, maintenance, retention or disclosure of Information, and, as between McDonald's and the Master Franchisee Parties, each Master Franchisee Party shall be solely responsible for ensuring that such consent forms and similar documents

comply with Applicable Law (it being understood that, notwithstanding any of the foregoing, in the event that a Master Franchisee Party's internal or external lega advisor reasonably determines that such consent form or similar document does not comply with Applicable Law, (i) the Master Franchisee shall promptly notify McDonald's of such determination and the basis therefor, and (ii) the Parties shall discuss in good faith and agree on a new version of such consent form or similar document that is in compliance with Applicable Law).

7.12.2. Personal Information. Each Master Franchisee Party acknowledges that Information that identifies or relates to an identifiable Individual may be subject to certain Applicable Laws restricting collection, use, processing and free movement of such Information. Each Master Franchisee Party shall execute, or arrange to be done and executed, each act, document and thing reasonably necessary to keep McDonald's Group (and its authorized third-party service providers) in compliance with Applicable Laws in connection with any Information.

7.12.3. Master Franchisee's Use of Information; No Sale of Information Subject to the other terms and conditions of this Agreement, and without prejudice to each Master Franchisee Party's rights in its own Corporate Entity Information, each Master Franchisee Party shall be permitted to use the Information for the purpose of (and to the extent necessary for), operating the Master Franchise Business in accordance with this Agreement; provided, that no Master Franchisee Party shall sel for monetary or other considerations any Information without the prior written consent of McDonald's in its sole discretion.

7.12.4. Incident Response. In the event any Master Franchisee Party discovers, is notified of or reasonably suspects any incident involving the accidental unlawful or unauthorized (a) access to any Master Franchisee Party's or its third-party service providers' computer network, systems or files that contain Information or (b) disclosure of Information (each, an "Incident"), Master Franchisee shall, unless prohibited by Applicable Law, (i) notify McDonald's within forty-eight (48) hours and (ii) to the extent possible, this notification shall be made prior to reporting such Incident to law enforcement. Each Master Franchisee Party agrees tha (x) McDonald's Group may, at its sole discretion, investigate any Incident about which Master Franchisee has notified McDonald's or which McDonald's Grou reasonably identifies as connected to Master Franchisee, and (y) it will reasonably comply with, assist and facilitate McDonald's Group's investigation of any such Incident.

7.12.5. McDonald's Use of Information Each Master Franchisee Party (a) hereby consents to McDonald's Group (and its authorized third-party service providers) accessing and using a copy of such Information (including the creation and use of any analytics data derived from such Information) except as prohibited by Applicable Law, (b) acknowledges and agrees that, unless prohibited by Applicable Law, such copy of the Information may be cleansed and hosted on a system or server of McDonald's Group or of a third-party service provider of McDonald's Group, regardless of where such system or server is located, and (c) will ensure that all notices are provided and consents and legal rights are obtained, in each case, to the extent required under Applicable Law, to provide McDonald's Group (and its authorized third-party service providers) the rights to, both during and after the Term: (i) access, use, analyze, process, transfer to inside and outside of the Territories, store inside and outside of the Territories, and handle all Information for purposes related to the Master Franchise Business, McDonald's Restaurants, and/or the System unless prohibited by

Applicable Law; and (ii) access, use, analyze, process, store and handle limited Employee Information, only to the extent necessary for the formulation of staf scheduling, staff rostering, training and other voluntary programs offered by McDonald's Group, analytics, research and other proper and limited purposes related to the Master Franchise Business, McDonald's Restaurants and/or the System and unless prohibited by Applicable Law.

7.13. Required Technology and Related Equipment.

7.13.1. Subject to the terms and conditions of this Section 7.13, each Master Franchisee Party shall comply with all Technology Standards and shall meet the specified investment levels for the Technology in accordance with the Standards and the Reinvestment Plan. McDonald's Group shall have the right to specify the Technology to be used in the Master Franchise Business and Franchised Restaurants as set out in the Technology Standards and other applicable Standards.Unless otherwise provided in the Technology Standards, all Required Technology and Conditions-Based Technology must be approved by McDonald's Group and no acquisition, development, modification, customization, enhancement or alteration of any Technology that does not comply with the Technology Standards shall be made without specific written approval from McDonald's Group and in any case, shall always meet or exceed, and be in compliance with, the Standards, including the Technology Standards. Master Franchisee may request exceptions to technology-related Standards, including the Technology Standards, through the Strategic Relationship Committee, which shall discuss such request in consultation with McDonald's Global Information Technology group, and, following such discussions McDonald's shall, in its reasonable discretion, decide whether to grant such exception. Each Master Franchisee Party's compliance with Technology Standards will be monitored through standard business review processes such as quarterly business reviews, annual planning meetings (also known as Phase 2), or other ad hoc reviews as may be deemed necessary by McDonald's Group, and other business reviews and audits as required hereunder. Each Master Franchisee Party shall provide a periodic update on the status of all material agreed Technology initiatives, adoption of Technology Standards, and completion of key milestones as a part of such reviews.

7.13.2. McDonald's Group will review and, at its sole judgment, modify the Technology Standards from time to time, and each Master Franchisee Party shall update, purchase or license for use in the Master Franchise Business or Franchised Restaurants any new or modified Technology necessary to comply with such modified Technology Standards. Notwithstanding anything in this Agreement to the contrary, McDonald's shall provide any and all new or modified Technology Standards or Standards to Master Franchisee in writing.Although the future costs of any new or modified Technology cannot be estimated, Master Franchisee agrees to incur the costs of obtaining such Technology (or additions or modifications) and the required service and support relating thereto. Master Franchisee agrees that the McDonald's Group does not have any obligation to reimburse Master Franchisee for any Technology-related costs. Subject to the terms and conditions of this Section 7.13, each Master Franchisee Party agrees to obtain any and all types or categories of Technology promulgated by McDonald's Group (including installing all corrections, updates, enhancements and fixes relating to the Technology and replacing Technologies that are at end-of-life) in accordance with the Technology Standards and to ensure that its Technology has been modified and is functioning properly, which it shall demonstrate upon written notice from McDonald's. If requested by McDonald's in writing, each Master Franchisee Party

shall provide McDonald's or its designee with any information designed to assist in diagnosing, reproducing or correcting errors with or relating to the Technology. In connection with any new or modified Technology and any new matters required by McDonald's in any Technology Standards, or other Standards promulgated after the Effective Date, McDonald's and Master Franchisee shall reasonably cooperate in determining a schedule for the implementation among the Master Franchise Busines and/or Franchised Restaurants of any new, modified or customized Technology that is comparable to McDonald's plans for McDonald's Restaurants, taking into consideration any circumstances specific to each Territory or local market and other matters provided for in the Technology Standards, or other Standards.

7.13.3. If any Master Franchisee Party requires the modification of any Required Technology or Conditions-Based Technology to enable such Maste Franchisee Party's compliance with local Applicable Laws, or for local operational needs or preferences, that does not comply with the Technology Standards, Master Franchisee shall first notify McDonald's in advance and obtain McDonald's approval. Master Franchisee may request McDonald's Group to assist with such modifications, and if agreed to by McDonald's Group in its sole judgment, each Master Franchisee Party shall cooperate fully with McDonald's Group in designing an implementing such modifications and, subject to the terms and conditions of this Section 7.13, Master Franchisee shall bear all costs in relation thereto, including paying any fee that McDonald's Group charges for such services. In addition, where certain limited customizations to Required Technology or Conditions-Based Technologies to enable any Master Franchisee Party to address local operational needs or preferences are generally approved by McDonald's Group, Master Franchisee ma request McDonald's Group to assist with such customization, and if agreed to by McDonald's Group in its sole judgment, each Master Franchisee Party shall cooperat fully with McDonald's Group in implementing such customization and, subject to the terms and conditions of this Section 7.13, Master Franchisee shall bear all costs in relation thereto, including paying any fee that McDonald's Group charges for such services. If McDonald's Group declines to assist with any modifications or customizations described in this Section, Master Franchisee may engage third-party service providers to assist with such modifications or customizations (at Master Franchisee's cost); provided that Master Franchisee shall only engage third-party service providers to provide, modify or customize Required Technology or Conditions-Based Technology for local use in the Territories with the approval of McDonald's Group (not to be unreasonably delayed), which may be withheld in McDonald's Group's reasonable judgment and subject to any conditions McDonald's Group may impose in its reasonable judgment, including the requirement that such service provider enter into reasonably appropriate confidentiality, services and/or IP license agreements with the applicable Master Franchisee Party with respect to such modifications or customizations (it being understood that, for the avoidance of doubt, Master Franchisee shall not be required to obtain McDonald's approval pursuant to this Section 7.13.3 in connection with any such third-party service provider engaged prior to the Effective Date).

7.13.4. If McDonald's Group licenses proprietary Technology to and/or procures Technology for any Master Franchisee Party, including the provision of any support, or otherwise allows any Master Franchisee Party to use Technology developed, maintained and/or procured by McDonald's Group, each Master Franchisee Party agrees to (i) sign any agreement or similar document that McDonald's Group reasonably prescribes to regulate

such Master Franchisee Party's use of, and McDonald's Group's and such Master Franchisee Party's respective rights and responsibilities with respect to, the Technology, in each case, as mutually agreed by the Parties in writing, (ii) comply with the terms of such agreement or similar documents and any other written instructions that may be provided by McDonald's Group from time to time with respect to the use of such Technology, (iii) not directly or indirectly reverse engineer or assist in the reverse engineering of such Technology, and (iv) subject to the terms and conditions of this Section 7.13, bear all costs in connection therewith, including those costs specified in the document known as the Product Charges Guide or any similar document and any update that may be published by McDonald's Group from time to time.

7.13.5. The Master Franchisee Parties shall have sole and complete responsibility for: (i) complying with the Technology Standards and other applicable Standards in respect of the acquisition, operation, use, maintenance and upgrading of the Technology; (ii) the manner in which the Master Franchisee Parties' computer and network systems interface with McDonald's Group's computer and network systems and those of other third parties (including the manner of authentication for the Master Franchisee Parties' users who require access to McDonald's Group's computer and network systems); (iii) requesting on-going support of the Technology from McDonald's Group or providing for on-going support of the Technology by contracting with third-party support providers (including those approved by McDonald's from time to time, as applicable); and (iv) any and all consequences that may arise if the Technology (including the computer system) is not properly operated, maintained, upgraded or replaced as required by the McDonald's Group. To the extent that any Master Franchisee Party requests on-site or other suitable forms of support or training from McDonald's relating to the Technology, Master Franchisee shall make any such request in writing and to the extent McDonald's agrees to provide such support or training, McDonald's and Master Franchisee shall schedule any such training or support at a mutually agreeable date and time. Subject to the terms and conditions of this Section 7.13, Master Franchisee shall be responsible for all costs incurred by McDonald's Group to provide any such support or training. Each Master Franchisee Party shall take the following actions related to its acquisition and use of Technology:

(a) Maintaining only legal copies of any third-party software or subscriptions obtained for the Master Franchise Business and Franchised Restaurants. McDonald's Group will not be liable if any Master Franchisee Party is found to be in non-compliance and any fines assessed will be the sole responsibility of Master Franchisee;

(b) For each third-party service provider, supplier, contractor and vendor engaged by any Master Franchisee Party for Technology and related services, enter into an appropriate confidentiality agreement, service agreement and statements of work with such party that (i) provides for the applicable Technology and related services, (ii) ensures such Technology and related services meets the Technology Standards and other applicable Standards, and (iii) adequately protects the Master Franchisee Parties, the McDonald's Group, and any Intellectual Property;

(c) Ensuring compliance at all times with all Applicable Laws and implementing industry standard practices relating to data privacy, cybersecurity, Sarbanes-Oxley, all relevant binding standards of the Payment Card Industry, including its Data Security Standards (PCI-DSS), and any applicable binding rul of payment card brands;

(d) Instituting technology industry standard practices, including using supported operating systems, devices and software, regular patching of system, firewalling and protecting sensitive systems and data, and use of key platforms including use of anti-virus software as defined in the Technology Standards. Every reasonable effort should be taken based on technology industry standard practice to protect McDonald's-branded systems, including websites and System Platforms, from threats including denial of service attacks and hacking; and

(e) Instituting organizational industry standard practices related to Technology organizational structures, talent development, help desk, project management practices, business continuity and disaster recovery plans.

7.14. Delivery. The Master Franchisee Parties shall ensure that the delivery services from the Franchised Restaurants are at all times in compliance with th Standards. The Master Franchisee Parties must enter into an agreement with each delivery service provider, which agreement shall comply with the Standards. McDonald' reserves the right to require at any time that any offering of delivery services or any arrangement with any particular delivery services provider be terminated, but solely to the extent (a) such delivery service or applicable arrangement or agreement with the delivery service provider is not in compliance with the Standards or (b) such termination is requested in McDonald's good faith due to reputational, safety or quality concerns. Upon receiving McDonald's notice of such termination requirement, the Master Franchisee Parties shall promptly cease offering delivery services by itself or through the particular delivery service provider, as the case may be. The Master Franchisee Parties shal execute and deliver to McDonald's all necessary documents and consents in connection with the delivery services to the extent required by Applicable Law or to otherwise verify such delivery service provider's compliance with the Standards, as McDonald's may reasonably request in writing from time to time (it being understood that each delivery service provider shall have the opportunity to cure any actual or alleged failure by such delivery service provider to comply with the Standards within thirty (30) days of receipt of notice thereof by Master Franchisee from McDonald's prior to McDonald's taking any action pursuant to this Section 7.14).

7.15. Pricing.

7.15.1. To the maximum extent permitted by Applicable Law, McDonald's reserves the right to establish pricing guidelines with respect to the Menu Items; provided, however, that McDonald's does not prescribe minimum prices for the Menu Items.

7.15.2. To the maximum extent permitted by Applicable Law, Master Franchisee will use its best commercial efforts to review and deploy the global "pricing done well" methodology in at least seven (7) Territories as set out in the pricing plan included in Exhibit 27, or any other methodology as may be agreed between Master Franchisee and McDonald's, in such number of Territories as may be agreed between Master Franchisee and McDonald's.

7.16. Financial Covenants. Parent and its consolidated Subsidiaries, collectively and in the aggregate, shall comply with the following financial covenants at all times during the Regular Term.

7.16.1. Parent and its consolidated Subsidiaries, collectively and in the aggregate, shall maintain a Fixed Charge Coverage Ratio at least equal to 1.50.

7.16.2. Parent and its consolidated Subsidiaries, collectively and in the aggregate, shall maintain a Leverage Ratio not in excess of 4.25.

7.17. Real Estate.

7.17.1. Subject to Section 7.17.4, a Master Franchisee Party shall own, directly or indirectly, the fee simple interest (or the local equivalent) in, or lease (or the local equivalent) or license (or the local equivalent), directly or indirectly from the owner of such interest, all real property on which any Franchised Restaurant is located. Master Franchisee and the relevant Master Franchisee Party shall use best efforts to, in each case, to the extent permitted under Applicable Law, ensure that (a) the term of any leasehold (including any lessee renewal option in the applicable lease) is for at least as long as the Term applicable to the Territory in which such leasehold is located, other than leaseholds for which market practice is a shorter term; (b) all Franchised Restaurants are located on Real Estate the fee simple interest (or the local equivalent thereof) of which, or the lease of which, or the right of use of which, as the case may be, is assignable to McDonald's or its designee without any consent or approval from the relevant owner, lessor or licensor of such Real Estate; (c) no change of Control of any Master Franchisee Party resulting from the Call Option will result in a violation or default of any lease, give rise to a right of termination of the lease or impact any rent-related provisions under such lease; (d) the relevant owner, lessor or licensor of such Real Estate executes any documents (*e.g.*, a notarial deed) necessary to evidence or perfect McDonald's rights described in this Section 7.17.1, if any; and (e) all new leases entered into by each Master Franchisee Party (including any renewal thereof) are on arm's length terms, consistent with terms available in the market, including as to the rent payable under such leases. Notwithstanding anything to the contrary in this Agreement, the Master Franchisee Parties are not required to take any action to amend, modify or otherwise change any Site Agreement for any Franchised Restaurant, but shall comply with the covenants in this Section 7.17.1 in connection with (x) the renewal or extension of any Site Agreement, or the execution of any new or replacement Site Agreement, for any Existing Master Franchisee Restaurant, and (y) the new Site Agreement for any Relocated Franchised Restaurant*provided* that, notwithstanding the foregoing, to the extent any such renewal, extension or replacement is as of right in the applicable existing Site Agreement, the Master Franchisee Parties shall only be required to use commercially reasonable efforts (rather than best efforts) to comply with the covenants in this Section 7.17.1.

7.17.2. If Master Franchisee shall no longer be entitled to the exclusive exploitation of the Master Franchisee Rights in any Territory as a result of a termination pursuant to Section 23.3(b), then McDonald's shall be entitled to develop Real Estate within any such Territory for use by Master Franchisee, its Franchisees or any other Person and charge Master Franchisee, its Franchisees or any other Person, as the case may be, fees with respect to the use of such Real Estate that are established in accordance with McDonald's policies in effect from time to time and that take into account local market conditions.

7.17.3. Except as permitted by Sections 7.9.2(e) and 7.24, no Master Franchisee Party shall otherwise Transfer any of its right, title or interest in any Restricted Real Estate without McDonald's prior consent, which consent may be withheld in its sole discretion.

7.17.4. Master Franchisee shall at all times during the Regular Term cause (a) no more than 50% by number of the Franchised Restaurants (excluding Satellites) in all Territories to be owned, operated or managed by Franchisees who are not Master Franchisee Parties; (b) no more than 50% by number of the Franchised Restaurants (excluding Satellites) in any Territory to be located on Real Estate that is owned, held or leased by Franchisees who are not Master Franchisee Parties; and (c) no more than 10% by number of the Franchised Restaurants (excluding Satellites) in all Territories to be located on Real Estate owned, leased or held by Franchisees who are not Master Franchisee Parties.

7.18. Anti-Terrorism; Anti-Corruption; Sanctions.

7.18.1. Master Franchisee and each Owner Entity shall implement, and Master Franchisee, each Owner Entity and all Arcos Subsidiaries shall comply with anti-money laundering policies and procedures that incorporate "know-your-customer" verification programs and such other provisions as may be required by Applicable Law.

7.18.2. Master Franchisee shall implement procedures to confirm, and shall confirm, that (a) none of Master Franchisee, any Person that is at any time a legal or beneficial owner of any Equity Interest in Master Franchisee or any Arcos Subsidiary or that provides funding to Master Franchisee or any of its Subsidiaries or any Arcos Subsidiary or any landlord under any Site Agreement is identified by name or address on any Terrorist List or is a Related Party of any Person so identified; and (b) none of the property or interests of Master Franchisee or its Subsidiaries is subject to being "blocked" under any Anti-Terrorism Laws.

7.18.3. Master Franchisee shall (a) deliver to McDonald's on January 1 of each year an annual certification to the effect that it has complied with the requirements set forth in Sections 7.18.1 and 7.18.2; and (b) notify McDonald's within five Business Days upon becoming aware of any violation of such requirements or of information to the effect that any Person whose status is subject to confirmation pursuant to Section 7.18.2 is identified on any Terrorist List, any list maintained by OFAC or to being "blocked" under any Anti-Terrorism Laws, in which event Master Franchisee shall, and shall cause its Related Parties to, cooperate with McDonald's in an appropriate resolution of such matter, including the disposition of any affected Master Franchise Business and any discussions with or actions required by any applicable Governmental Authority.

7.18.4. In accordance with Applicable Law in each Territory and the United States of America, none of any Master Franchisee Party, Owner Entity or any of their respective Affiliates, principals, partners, officers, directors, managers, employees, agents or any other persons working on their behalf, will violate any applicable anti-money laundering laws or any of its anti-money laundering policies and procedures or any applicable anti-bribery laws or applicable binding international anti-bribery standards (including any such laws, policies, procedures or standards prohibiting public, private or commercial bribery). Specifically, none of any Master Franchisee Party, Owner Entity or any of their respective Affiliates, principals, partners, officers, directors, managers, employees, agents or any other persons working on their behalf shall offer, pay, give, promise to pay or give, or authorize the

payment or gift of money or anything of value to: (a) an officer, employee, agent or representative of any Governmental Authority in any Territory, including any department, agency or instrumentality of any government or any government-owned or government-controlled entity or any Person acting in an official capacity on behalf thereof; or (b) a candidate for political office, any political party or any official of a political party; or (c) any state-owned enterprises, social or public organizations, entities that perform public services, or other Person, while knowing or having reason to believe that some portion or all of the payment or thing of value will be offered, given or promised, directly or indirectly, to any Person described above for the purpose of influencing any act or decision of such government official, political party, party official, or candidate in his or its official capacity, including a decision to do or omit to do any act in violation of the lawful duty of such person or entity, or inducing such person or entity to use his or its influence with the Governmental Authority or instrumentality thereof to affect or influence any act or decision, in order to assist any of McDonald's, any Master Franchisee Party or any Owner Entity in the Master Franchise BusinessIn addition, no payment shall be made by or on behalf of any Master Franchisee Party or Owner Entity to anyone for any reason on behalf of or for the benefit of any Master Franchisee Party or any Owner Entity which is not properly and accurately recorded in such Master Franchisee Party or such Owner Entity's books and records, including amount, purpose and recipient, all of which shall be maintained with supporting documentation.

7.18.5. Restricted Persons. Master Franchisee, each Owner Entity and Beneficial Owner shall ensure that, throughout the Regular Term, neither Master Franchisee, nor Beneficial Owner, nor any Owner Entity, Arcos Subsidiary, Managing Director or Woods W. Staton, the Approved Successor or any of their respective Affiliates, principals, partners, officers, directors, managers, employees (other than those employees who are employed to work solely in a Franchised Restaurant), agents or any other Persons working on their behalf, and shall use commercially reasonable efforts to ensure that no employee who is employed to work solely in a Franchised Restaurant, (a) is a Restricted Person or (b) will, in connection with the operation of the Master Franchise Business, be involved in business arrangements or otherwise engage in transactions or dealings with or involving any Restricted Person, except as would be permitted for a Person required to comply with U.S. economic sanctions laws. In the event of a violation of the foregoing covenant, in addition to any other right or remedy McDonald's has under this Agreement or Applicable Law, McDonald's shall have the right to require appropriate actions by the relevant person to resolve such violation, including the termination of any transaction at issue, the disposition of any affected Assets of the Master Franchise Business, and any discussions with or actions required by any applicable Governmental Authority.

7.19. PCI Compliance. Each Master Franchisee Party shall, and shall cause the Arcos Subsidiaries and Franchisees to, ensure that each Franchised Restaurant accepts credit cards, debit cards and other electronic, Internet, online, mobile or digital payment systems and authorization services (the "Electronic Payment Systems and Services"), and ensure that each Franchised Restaurant adheres to the then-current PCI (Payment Card Industry) Standards or any equivalent thereof or any substitute therefore. Any costs associated with an audit or to gain compliance with these standards shall be borne by Master Franchisee.Master Franchisee shall, and shall cause the Arcos Subsidiaries and Franchisees to, provide McDonald's with evidence of such compliance at McDonald's request and provide, or make available, to McDonald's copies of any audit, scanning results or related documents relating to such compliance. Master Franchisee shall notify McDonald's

if it suspects or has been notified by any third party of a possible security breach related to the cashless system (or related cashless data) used in any Franchised Restaurant.

7.20. Compliance Program. Master Franchisee shall adopt and implement a compliance and business ethics program for the Master Franchise Business (the "Compliance Program") in compliance with the Standards. The Compliance Program shall endeavor to continually develop a culture of compliance and business ethics within the Master Franchise Business and be designed to ensure compliance with all Applicable Laws, as well as applicable processes and procedures, both internally and externally. Master Franchisee shall meet with McDonald's for Master Franchisee to demonstrate the effectiveness of the Compliance Program and for the Parties to share best practices and Master Franchisee shall participate in McDonald's compliance engagement program activities, including anti-corruption assessments and other risk assessment activities. The Compliance Program shall include the following:

(a) A designated senior officer (the "Compliance Officer") responsible for the day-to-day operation and oversight of the Compliance Program;

(b) A designated senior officer responsible for implementing, overseeing and enforcing privacy and information policies and governance, to ensure the Master Franchisee Parties comply with Applicable Laws regarding data protection in the Territories;

(c) Standards of business conduct that convey Master Franchisee's compliance and ethics standards and culture of compliance;

(d) A training and communication program that communicates periodically and in a practical manner Master Franchisee Parties' compliance and business ethics standards and procedures, and other aspects of the Compliance Program;

(e) A mechanism for all employees to report, or to seek guidance on, compliance and ethics concerns, including a mechanism to allow employees the ability to report any compliance or ethics concerns anonymously, as permitted by Applicable Laws;

(f) A process for investigating all compliance and ethics complaints and reports (including anonymous reports), and a process for taking appropriate corrective action to prevent further similar conduct (including making necessary modifications to the Compliance Program);

(g) A conflicts of interest policy and process for disclosure and evaluation of conflicts;

(h) An anti-corruption and anti-bribery program designed to prevent and detect corruption and bribery, including policies prohibiting corruption and bribery, maintaining complete and accurate books and records, and instituting sufficient internal compliance controls;

(i) In respect of any third parties with whom a Master Franchisee Party enters into any transactions, including significant vendors, suppliers and landlords, (a) assessing and using all available tools to confirm that such third parties are not Restricted Persons and (b) conducting reputational checks in the jurisdictions where such third parties will be engaged;

(j) A periodic compliance risk assessment to identify compliance and ethics risks, and procedures to take appropriate steps to design and implement modifications to internal controls and the Compliance Program to address such identified risks;

(k) A periodic review of the effectiveness of the Compliance Program; and

(l) A crisis management program and process for the Master Franchise Business, including its food safety/quality systems.

7.21. Charitable Activities.

7.21.1. McDonald's and its Subsidiaries have sponsored and promoted various charitable activities throughout the Territories, including the Ronald McDonald Houses, Ronald McDonald Rooms at hospitals and other care facilities and Ronald McDonald care mobilesMaster Franchisee shall fulfill any obligations under sponsorships existing as of the Effective Date and thereafter shall take appropriate account of other Ronald McDonald charitable activities and sponsorship opportunities and support them to the extent commercially reasonable in light of the performance of the Master Franchise Business;provided, however, that in no event shall Master Franchisee discontinue support for any material Ronald McDonald charitable activity that is being supported by the Master Franchisee Parties, or by McDonald's and its Subsidiaries, in the Territories as of the Effective Date without previously discussing this decision with the Strategic Relationship Committee.

7.21.2. In no event shall any Master Franchisee Party remove the coin change collection boxes from Franchised Restaurants' counters without the express prior written consent of McDonald's. Master Franchisee shall use commercially reasonable efforts to maximize the collection of coin change or any other means of cash or cashless donations at Franchised Restaurants to contribute to the Ronald McDonald House chapter in the relevant Territory to the extent a Ronald McDonald House chapter exists in such Territory.

7.22. Escrow, Trust and Pledge Arrangements.

7.22.1. The Master Franchisee Parties and Owner Entities shall take all steps under their control, as soon as reasonably practicable, and in any event by no later than six (6) months, following the Effective Date (or any such longer period as may be mutually agreed by Master Franchisee and McDonald's in writing, such agreement not to be unreasonably withheld, conditioned or delayed by McDonald's), to:

(a) amend the Escrow Agreement such that (i) the escrow arrangements continue until the expiry of the Regular Term; and (ii) upon amendment of the Escrow Agreement, Certificated Equity Interests representing all issued and outstanding Equity Interests of Master Franchisee and each Escrowe Arcos Subsidiary (other than any Escrowed Arcos Subsidiary that has issued Dematerialized Equity Interests) and Escrowed Constituent Documen representing all issued and outstanding Equity Interests of each Escrowed Arcos Subsidiary that has issued Dematerialized Equity Interests are delivered to th Escrow Agent together with any applicable Local Stock Power and/or applicable Local Voting Power;

(b) amend the McDonald's Security Agreements such that (i) the security arrangements continue until the expiry of the Regular Term; and (ii) apply to all issued and outstanding Equity Interests of Master Franchisee and each Escrowed Arcos Subsidiary and Non-Escrowed Arcos Subsidiary; and

(c) amend the Trust Agreements such that: (i) the trust arrangements continue until the expiry of the Regular Term; and (ii) upon amendment of the Trust Agreements, Certificated Equity Interests representing all issued and outstanding Equity Interests of each Non-Escrowed Arcos Subsidiary (othe than any Non-Escrowed Arcos Subsidiary that has issued Dematerialized Equity Interests) are endorsed in favor of, and delivered to, the relevant Trustee, an Dematerialized Equity Interests representing all issued and outstanding Equity Interests of each Non-Escrowed Arcos Subsidiary that has issued Dematerialize Equity Interests are assigned to, and registered in the name of, the relevant Trustee.

7.22.2. Subject to Section 22, each Owner Entity, Master Franchisee and each other registered owner of any Escrowed Arcos Subsidiary shall promptly (a deliver, or cause to be delivered, to Escrow Agent any Certificated Equity Interests of Master Franchisee and each Escrowed Arcos Subsidiary issued by any of ther subsequent to the Effective Date, together with any applicable Local Stock Power and / or applicable Local Voting Power, and (b) execute and deliver a pledg agreement if required by McDonald's containing such terms as may be reasonably satisfactory to McDonald's.

7.22.3. Subject to Section 22, Master Franchisee and each other registered owner of any Non-Escrowed Arcos Subsidiary shall duly endorse in favor of, an promptly deliver, or cause to be delivered, to the applicable Trustee any Certificated Equity Interests of each Non-Escrowed Arcos Subsidiary issued by any of then subsequent to the Effective Date in accordance with the terms of the Trust Agreements.

7.22.4. Subject to Section 22, Curacao Entity, Master Franchisee and each other registered owner of any Escrowed Arcos Subsidiary that issue Dematerialized Equity Interests subsequent to the Effective Date shall (a) promptly deposit Escrowed Constituent Documents of such Escrowed Arcos Subsidiary wi Escrow Agent, together with any applicable Local Stock Power and/or applicable Local Voting Power, and (b) execute and deliver a pledge agreement if required by McDonald's containing such terms as may be reasonably satisfactory to McDonald's.

7.22.5. Subject to Section 22, Master Franchisee and each other registered owner of any Non-Escrowed Arcos Subsidiary shall cause the assignment of any Dematerialized Equity Interests issued by any Person subsequent to the Effective Date to the applicable Trustee to be approved, and shall register the applicable Trustee as the owner of such Dematerialized Equity Interests, in accordance with the terms of the Trust Agreements.

7.22.6. To the fullest extent permitted by Applicable Law, Curacao Entity, Master Franchisee and each other registered owner of any Escrowed Arcos Subsidiary shall use commercially reasonable efforts to cause any Escrowed Arcos Subsidiary to issue its Equity Interests in the form of Certificated Equity Interests.

7.22.7. If any Person is deemed to be an Arcos Subsidiary pursuant to Section 22.2.2 and such Person is not organized in Mexico or Costa Rica, then the owner of such Person shall, as a condition precedent to the Transfer, (a) if the Equity Interests of such Person are Certificated Equity Interests, deliver such Certificated Equity Interests to Escrow Agent; and (b) if the Equity Interests of such Person are Dematerialized Equity Interests, deliver Escrowed Constitue Documents of such Person to Escrow Agent. If any Person agrees to be deemed an Arcos Subsidiary pursuant to Section 22.2.2 and such Person is organized in Mexico or Costa Rica, then the owner of such Person shall, as a condition precedent to the Transfer, (x) if the Equity Interests of such Person are Certificated Equity Interests, duly endorse in favor of, and deliver such Certificated Equity Interests to, the applicable Trustee, and cause the applicable Trustee to be registered as the owner of such Certificated Equity Interests, in accordance with the terms of the applicable Trust Agreement; and (y) if the Equity Interests of such Person are Dematerialized Equity Interests, cause the assignment of such Dematerialized Equity Interests to the applicable Trustee to be approved, and to register the applicable Trustee as the owner of such Dematerialized Equity Interests, in accordance with the terms of the applicable Trust Agreement.

7.23. Compliance Certificates; Notice.

7.23.1. Master Franchisee shall deliver to McDonald's within 45 days after the end of each fiscal year a certificate from its Chief Executive Officer and its Chief Operating Officer stating whether or not, after due inquiry, the signers know of any Material Breach, or any event that with notice or passage of time (or both) would constitute a Material Breach. If they do know of any such Material Breach or event, the certificate shall provide a description thereof, including its status.

7.23.2. Promptly upon any officer of Master Franchisee obtaining knowledge of a Material Breach or any event that with notice or passage of time (or both would constitute a Material Breach, Master Franchisee shall give notice thereof to McDonald's and provide such other information as may be reasonably available to it to enable McDonald's to evaluate such Material Breach or event.

7.23.3. Master Franchisee shall deliver to McDonald's within ninety (90) days after the end of each fiscal quarter, and within one hundred and twenty (120) days after the end of each fiscal year, a certificate from its Chief Executive Officer, Chief Financial Officer and Chief Operating Officer certifying and demonstrating in reasonable detail compliance as of the end of such period with certain provisions of this Agreement, in the form attached as Exhibit 23.

7.23.4. Notices of Adverse Events. Master Franchisee shall promptly (but in any event within ten (10) days) provide McDonald's with copies of any Notices of Adverse Events received by any Master Franchisee Parties or Owner Entities relating to this Agreement, the Master Franchise Business, any Franchised Restaurar or any Master Franchisee Party or Owner Entity.

7.24. LC Collateral Pool.

7.24.1. As security for the performance of the obligations of each of the Owner Entities, Beneficial Owner and each Master Franchisee Party hereunde following the Effective Termination, Master Franchisee shall, as soon as reasonably practicable, and in any event by no later than twelve (12) months, following the Effective Date, take all steps necessary to grant to McDonald's a continuing perfected first priority Lien in all of its right, title and interest in, to and under the Secure Restricted Real Estate (the "LC Collateral Pool"); provided, however, that the LC Collateral Pool shall secure such obligations up to an amount equal to the aggregate amount available for drawing under the Letters of Credit as in effect on the third full Business Day prior to the Effective Termination. All documentation relating to such Lien or the LC Collateral Pool shall be in form and scope acceptable to McDonald's in its reasonable judgment.The Parties acknowledge that (a) such documentation shall provide for foreclosure by judicial sale or other similar process under Applicable Law whereby collateral is sold on an arm's length basis and the proceeds of such sale are first paid to lienholders and any remainder is paid to the debtor; and (b) no such documentation will provide for strict foreclosure or other similar process under Applicable Law whereby a lienholder obtains title to collateral immediately following a default by the debtor (or following the expiration of any required cure period).

7.24.2. Master Franchisee shall take all such action as may be necessary or desirable, including as directed by McDonald's, to maintain the first priority perfected status of the Lien created pursuant to Section 7.24.1 until such time as each Owner Entity, Beneficial Owner and each Master Franchisee Party shall have satisfied all of its respective obligations hereunder, including any post-termination obligations under Section 24 and the payment of any arbitral award or other judgment against such Person relating to matters arising out of this Agreement; provided, however, that if no arbitration under Section 26.2 is pending against any of the foregoing Persons on the second anniversary of the Effective Termination, the Lien created pursuant to Section 7.24.1 shall terminate on such second anniversary date.

7.25. Food Safety and Quality. Each Master Franchisee Party agrees that the ability of McDonald's Restaurants to deliver safe and high-quality products tha consistently meet the Standards is of critical importance to the continued success of the System. As such, Master Franchisee Parties shall comply with all Standards relating to food safety and quality, including supplier management, sourcing (including raw materials), distribution, food preparation, handling, cooking, storage, delivery and disposition of food products, auditing and testing. Master Franchisee shall have a crisis management process for food safety, hygiene and quality issues in place, and regularly review and update such process to ensure it is current. Master Franchisee shall regularly (at least annually) train and educate Key Employees on this crisis management process and document such trainings. From time to time, McDonald's Group may update Standards relating to food safety, hygiene and quality as it deems advisable, including due to advances in science, technology and changes in regulatory requirements. Master Franchisee shall participate in annual trainings and

calibrations to stay current on McDonald's expectations and standards in the area of food safety and quality.

8. Obligations of Beneficial Owner and Owner Entities

8.1. Obligations of Owner Entities. All interests of the Owner Entities, whether direct or indirect, in any Franchised Restaurant or any other McDonald's-relate business (including, for the avoidance of doubt, any Real Estate related to any Franchised Restaurant or any other McDonald's-related business) in the Territories shall be hel by Parent through Curacao Entity, which in turn shall hold such interests through Netherlands Subholding, LatAm or Master Franchisee. Except with the prior consent McDonald's, Master Franchisee, LatAm and Netherlands Subholding shall each own, directly or indirectly, 100% of the Equity Interests of each of its respective Subsidiarie Parent shall directly own 100% of the Equity Interests of Curacao Entity and, except as expressly set forth inExhibit 1, Curacao Entity shall own, directly or indirectly, 100% of the Equity Interests of each Arcos Subsidiary (other than, in each case, any directors' qualifying shares and joint ventures existing on the Effective Date) and neither any Master Franchisee Party nor any Owner Entity shall enter into any partnership, joint venture or similar arrangement.

8.2. Obligations of Beneficial Owner. Beneficial Owner shall at all times during the Regular Term own directly not less than 30% of the aggregate Economic Interests and 51% of the aggregate Voting Interests of Parent and indirectly not less than 30% of the aggregate Economic Interests and 51% of the aggregate Voting Interest of Curacao Entity, Master Franchisee, LatAm and Netherlands Subholding.

9. Suppliers

9.1. Approved Suppliers; Supplier Criteria. The Master Franchisee Parties and any Franchised Restaurant shall be entitled to use and acquire Restricted Product from vendors that are (a) Existing Suppliers and (b) not Existing Suppliers (a "New Supplier" and, together with Existing Suppliers, the "Approved Suppliers"); provided that each (a) such vendor meets the Supplier Criteria; and (b) New Supplier is approved by McDonald's.Master Franchisee shall identify and pre-approve each New Supplier at its sole expense and shall reimburse McDonald's for any expense it incurs in connection with the approval of any vendor.

9.2. Restricted Product. If any Master Franchisee Party wishes to purchase any Restricted Product from a supplier that is not an Approved Supplier, in addition to such requirements as set forth in Section 9.1, McDonald's may require, as conditions to its approval, that: (a) its representatives be permitted to inspect the supplier's facilities; (b) such information, specifications and samples as McDonald's reasonably designates be delivered to McDonald's Group and/or to an independent, certified laboratory designated by McDonald's for testing before granting approval; and (c) the Restricted Product proposed to be supplied by such supplier meet the specifications specified by McDonald's Group (including specifications on the sensory profile of the relevant Restricted Product).Each Master Franchisee Party acknowledges and agrees that (i) McDonald's may have only one (1) Approved Supplier for a Restricted Product; (ii) members of the McDonald's Group may be Approved Suppliers (including as the sol Approved Supplier); and (iii) as of the Effective Date, Franchisee must source all Required Technology and Conditions-Based Technology from Approved Suppliers designate by McDonald's, and is not permitted to propose any alternative supplier for such Restricted Product;provided that Master Franchisee may request exceptions to technology-related Standards, including the Technology Standards, through the Strategic Relationship Committee, which

shall discuss such request in consultation with McDonald's Global Information Technology group, and, following such discussions, McDonald's shall grant any such exceptions in its reasonable discretion.

9.3. Other Products and Services. If a product or service is not a Restricted Product, then Master Franchisee and any Franchised Restaurant may acquire and us such product from any vendor or Distributor if and so long as such product or service complies with the Standards.

9.4. Global Suppliers. If McDonald's or any of its Affiliates enters into any global supply arrangement with any supplier or other vendor for any products or services (a "Global Supplier"), it shall notify Master Franchisee and, if Master Franchisee so requests, shall provide Master Franchisee with information regarding such global suppl arrangement, including contact information. At the option and upon request of Master Franchisee, McDonald's shall cooperate in facilitating an agreement between Maste Franchisee and such Global Supplier; provided, however, that such cooperation shall be conditioned upon (a) a commitment by Master Franchisee or any applicable Franchisee to acquire and use such products and services for a period of not less than two years and exclusively in all Franchised Restaurants; (b) the compliance by the Maste Franchisee Parties or such Franchisee with all related protocols or other requirements of such Global Supplier; and (c) the compliance by the Master Franchisee Parties with a of the terms and conditions of this Agreement.

9.5. Ownership Interest in Approved Suppliers. Without limiting the generality of Section 7.7, no Owner Entity, Master Franchisee Party, Woods W. Staton or Approved Successor shall own, directly or indirectly (through an Affiliate or otherwise), any Equity Interests in any Approved Supplier or any other vendor, manufacturer Distributor or supplier that supplies any Product or Service to the Master Franchise Business, including any landlord and lessor of any Approved Supplier or such other vendo manufacturer, Distributor or supplier, in each case, other than Axionlog.

9.6. McDonald's Rights to Add or Terminate Approved Supplier. If McDonald's determines that any product or service offered by any Approved Supplier is not in compliance with the applicable Standards, then McDonald's shall have the right to terminate such Approved Supplier with respect to such product or service. In such event, Master Franchisee shall, and shall cause its Subsidiaries and (to the extent permitted by the relevant Franchise Agreement) Franchisees to, as promptly as reasonably practicable cease doing business with the applicable vendor or Distributor and, at McDonald's request, return or destroy all non-complying products held in inventory. McDonald's may designate any other vendor of Distributor as an Approved Supplier with respect to such product or service.

9.7. Restrictions on Suppliers. Each Master Franchisee Party will not permit its suppliers (including any Approved Suppliers) to use their relationship with the Master Franchisee Party and the Franchised Restaurants to promote the supplier's published client lists or marketing materials unless McDonald's, in its sole judgment, approves such request in writing in advance.

10. McDonald's General Services

10.1. Communications; Visits; Additional Services. McDonald's shall advise and consult with Master Franchisee periodically in connection with the operation of the Master Franchise Business and the Franchised Restaurants and, upon Master Franchisee's written request, at other reasonable times during normal business hours in the applicable Territory. McDonald's shall

communicate to Master Franchisee know-how, new developments, techniques and improvements in areas of restaurant management, food preparation and service that are pertinent to the operation of a McDonald's Restaurant. These communications shall be in the form that McDonald's, in its sole discretion, deems to be most appropriate in the circumstances and may be accomplished through, among other means, visits made by McDonald's employees, through printed and filmed reports, seminars and / or newsletter mailings or through electronic communications, including e-mail. McDonald's or one of its Affiliates shall also make available to Master Franchisee, as determined by McDonald's in its sole discretion, such additional services, facilities, rights and privileges relating to the operation of McDonald's Restaurants outside the United States o America that McDonald's makes generally available from time to time to its franchisees.

10.2. Operations Manuals. The Operations Manuals contain Standards for the System and other information applicable to Master Franchisee's and its Franchisee' obligations under this Agreement, and McDonald's may at any time amend or supplement the Operations Manuals in its sole discretion and without notice to any other Party. Master Franchisee shall comply with the Operations Manuals, as so amended or supplemented.Master Franchisee may translate the Operations Manuals or applicable portions thereof into the local language of each Territory at its sole expense, and McDonald's shall own all rights in each such translation, which shall thereafter constitute Copyrights. If any translation of the Operations Manuals or any portion thereof is available to McDonald's, McDonald's shall use its reasonable efforts to provide access thereto to Maste Franchisee and its Franchisees. In the event of any dispute as to the contents of the Operations Manuals or the substance or interpretation of any provision thereof, the terms of the master copy of the Operations Manuals (English language version) maintained by McDonald's at its principal place of business shall be controlling.Master Franchisee acknowledges and agrees that, as between Master Franchisee and McDonald's, it is solely responsible for assuring that the Operations Manuals and the standards specifications, operating procedures and other obligations contained therein comply with all Applicable Laws applicable to Master Franchisee and/or the Master Franchise Business (it being understood that, notwithstanding any of the foregoing, in the event that Master Franchisee's internal or external legal advisor reasonably determines that the Operations Manuals, or any such standards, specifications, operating procedures and other obligations, does not comply with Applicable Law, it shall not be required to adopt, use or comply with the Operations Manuals or any such standards, specifications, operating procedures; provided that Master Franchisee shall promptly provide details of such determination to McDonald's if requested by McDonald's in writing).

11. Certain Matters Relating to Franchisees

11.1. New Franchisees; Transfers.

11.1.1. Each Master Franchisee Party may enter into or renew a Franchise Agreement with, or Transfer any Franchise Agreement to, any Personprovided that (a) such Person is an Existing Franchisee or such Person (including, in the case of any renewal of a Franchise Agreement, the applicable Franchisee) is pre approved by Master Franchisee (a "New Franchisee" and together with the Existing Franchisees, the "Franchisees") in accordance with a franchisee approval process approved by McDonald's and that contains the elements specified in Exhibit 8 (the "Franchisee Approval Process"); (b) in the case of any Existing Franchisee, such Existing Franchisee is in compliance with each of its Franchise Agreements; and (c) the entry into such Franchise Agreement is not inconsistent with the applicable Business Plan.

11.1.2. Promptly following its pre-approval of a Franchisee, Master Franchisee shall provide McDonald's with the following: (a) the full legal name of the Franchisee and each Person that has any direct or indirect Equity Interest in such Franchisee; (b) an electronic image of the related Franchise Agreement; and (c) such other information as McDonald's may request from time to time.

11.2. Franchise Agreements.

11.2.1. Any franchise agreement, including any amendment or renewal thereof, entered into with respect to a New Franchisee shall be substantially in the form set forth in Exhibit 9, subject to any deviations required based on Applicable Law (each, a "New Franchise Agreement" and together with the Existing Franchise Agreement, the "Franchise Agreements").

11.2.2. If any Master Franchisee Party or any Franchisee seeks to (a) amend any Existing Franchise Agreement (x) that relates to a Franchised Restaurant that is not a Master Franchisee Restaurant, then the relevant Master Franchisee Party shall use its best efforts to cause such amendment to reflect the form of the New Franchise Agreement to the extent not already reflected therein; or (y) that relates to a Franchised Restaurant that is a Master Franchisee Restaurant, then the relevant Master Franchisee Party shall not amend the Existing Franchise Agreement without the prior consent of McDonald's; or (b) renew any Franchise Agreement then (x) the relevant Master Franchisee Party shall effect such renewal only by entering into a New Franchise Agreement with the applicable Franchisee; and (y) subject to the terms and conditions of Section 5.2, shall charge a Royalty that is not less than the rate then applicable hereunder for purposes of calculating Royalties.

11.2.3. Each Master Franchisee Party shall only enter into a Franchise Agreement with a Franchisee for a particular Franchised Restaurant in a particular Territory. No Master Franchisee Party shall enter into a Franchise Agreement or any other agreement or understanding in respect of franchise rights, whether express or implied, that would grant it rights with respect to an entire Territory or any region or sub-division thereof, nor shall any Master Franchisee Party enter into a Franchise Agreement if, after giving effect to such Franchise Agreement, such Person would be the sole Franchisee with respect to any Territory or subdivision thereof.

11.2.4. Each Master Franchisee Party shall provide to each Franchisee any disclosure document or other information required to be so delivered under Applicable Law in connection with the entry into a Franchise Agreement or otherwise.

11.2.5. No Franchise Agreement shall be extended without the prior consent of McDonald's.

11.3. Actions with Respect to Franchisees. Each Master Franchisee Party shall, at its sole expense:

11.3.1. Cause each Franchise Agreement to be timely registered with any appropriate Governmental Authority as and to the extent required by Applicable Law.

11.3.2. Take all actions necessary to enforce each Franchise Agreement strictly in accordance with its terms and to ensure each Franchisee is in compliance with the System.

11.3.3. In addition to services under the Training Program, provide reasonable levels of assistance to each Franchisee and to the Restaurant Managers t promote and enhance the operation of the System and the Franchised Restaurants and the goodwill or reputation associated with the Trademarks and other Intellectua Property.

11.3.4. Notwithstanding anything in this Agreement to the contrary, with respect to any Existing Franchise Agreement, and any Franchisee with respect to any such Existing Franchise Agreement, in no event shall any Master Franchisee Party be required hereunder to ensure any such Franchisee complies, or cause any suc Franchisee to comply with, any new or amended obligations hereunder as compared to the A&R MFA to the extent such new or amended obligation is not included in the Existing Franchise Agreement with respect to such Franchisee;provided that Master Franchisee shall ensure any renewal or extension of an Existing Franchise Agreement shall be in accordance with Section 11.2 (other than any such renewal or extension which is as of right, in which case Master Franchisee shall use commercially reasonable efforts to ensure such renewal or extension shall be in accordance with Section 11.2).

12. Training

12.1. Training Provided by McDonald's. Each of the following employees shall be deemed to be a key employee (a "Key Employee"): (a) each Managing Director; (b) the Chief Executive Officer; (c) the Chief Operating Officer; (d) the Chief Financial Officer; (e) the chief people officer; (f) the director of training; (g) the chief development; (h) the chief of franchising; (i) the Chief Marketing Officer; (j) the chief of technology officer; and (k) any other employee as may from time to time be designated by McDonald's as a Key Employee. Each Key Employee shall undergo training that is comparable in all material respects to training provided to employees of McDonald's having comparable positions, tenure and responsibilities. If and to the extent McDonald's produces new training materials for its employees generally, McDonald's shall make such materials available to Master Franchisee upon written request.

12.2. Training Provided by Master Franchisee. Master Franchisee shall provide initial and ongoing training (including "refresher" training at reasonable intervals) for all personnel of Master Franchisee, its Subsidiaries and Franchisees and the Franchised Restaurants, other than Key Employees, that is consistent with the Global Trainin Standards (the "Training Program"). Master Franchisee may charge fees to attend the Training Program but any such fees must be consistent, on a pro rata basis, with the fees charged to students attending training seminars at Hamburger University in São Paulo, Brazil. The Training Program shall be deemed property of McDonald's as a "work made for hire" and shall constitute a Copyright hereunder. There shall be at all times at least one manager for each Franchised Restaurant who has completed such curriculum that McDonald's may designate from time to time for restaurant managers.

12.3. Certain Training Facilities. Pursuant to the Hamburger University License Agreement, McDonald's has, among other things, licensed Master Franchisee to us the "Hamburger University" mark subject to the terms and conditions set forth therein. If Master Franchisee elects to provide all or any component of the Training Program through any other dedicated institution, it shall so advise McDonald's and provide McDonald's with such information regarding such institution as McDonald's may request. Master Franchisee shall not be entitled to create or use any such facility or to use the "Hamburger University" mark (or any mark confusingly similar thereto) in the name of such institution, without the prior consent of McDonald's and the entry into of a license agreement

containing certification requirements and other terms and conditions identical in all material respects to the Hamburger University License Agreement.

13. Business Plans; Restaurant Maintenance, Reimaging and Modernization

13.1. Business Plans.

13.1.1. McDonald's and Master Franchisee shall separately agree upon: (a) the Restaurant Opening Plan for the initial ten (10) years of the Terms; (b) the Reinvestment Plan for the initial three (3) years of the Terms; (c) the Strategic Marketing Plan for the first (1st) year of the Terms; and (d) the Franchising Plan for the initial three (3) years of the Terms.

13.1.2. Not later than six (6) months prior to the expiration of each Component Plan, Master Franchisee shall prepare and present to McDonald's a proposed successor Component Plan. Each successor Component Plan shall be in a form, scope and duration substantially similar to the then-existing Component Plan, unless otherwise mutually agreed by Master Franchisee and McDonald's in writing. The Parties shall negotiate in good faith to finalize the terms of each successor Component Plan, including its effective date. Master Franchisee shall implement each agreed Component Plan (including agreed successor Component Plans) in accordance with its terms.

13.1.3. Each Franchising Plan shall specify that in each year of such Franchising Plan no more than 50% by number of the Franchised Restaurants (excluding Satellites) are owned, operated or managed by Franchisees who are not Master Franchisee Parties and otherwise comply with the restrictions set forth in Section 7.17.4.

13.1.4. [Reserved].

13.1.5. [Reserved].

13.1.6. [Reserved].

13.1.7. If McDonald's and Master Franchisee fail to reach agreement with respect to the terms of any subsequent Reinvestment Plan prior to the expiration of the then-applicable Reinvestment Plan, then Master Franchisee shall, in each year after the expiration of such Reinvestment Plan pending effectiveness of the subsequent Reinvestment Plan, reinvest in the applicable Territory reinvestment amounts that are, in the aggregate and in U.S. Dollar terms, at least 20% greater than the amounts reinvested in the preceding Reinvestment Plan.

13.2. Restaurant Maintenance, Reimaging and Modernization.

13.2.1. General Obligations. Each Master Franchisee Party acknowledges that its obligation to Maintain and Repair and Reimage and Modernize the Franchised Restaurants will result in such Master Franchisee Party having to adequately plan for and make significant capital and operating expenditures in order to meet such obligation. Master Franchisee shall prepare and present to McDonald's roadmaps or plans outlining in reasonable detail any Maintenance, Repair, Reimage or Modernization, or any other significant project or capital expenditure, prior to implementation thereof.

13.2.2. Maintenance and Repair. Each Master Franchisee Party must perform Maintenance and Repair to maintain their respective Franchised Restaurants i good working order.

13.2.3. Reimage and Modernization. Each Master Franchisee Party must Reimage and Modernize their respective Franchised Restaurants in compliance wit the Standards. The Reimaging and Modernization expenditures for each year shall be included as part of the annual restaurant reinvestment budget in the relevan Reinvestment Plan. The Master Franchisee Parties and McDonald's will work together during the Reinvestment Plan process to identify the Reimage ar Modernization projects, based on then-current Standards. Without prejudice to the foregoing, Master Franchisee and McDonald's shall separately agree to a target to be set forth in the Reinvestment Plan for (a) the aggregate number of Eligible Franchised Restaurants to be Reimaged and Modernized during each calendar year of th Terms and (b) the frequency at which each Eligible Franchised Restaurants must be Reimaged and Modernized. Any Modernization, including for the avoidance o doubt the development and implementation of any menu boards, digital menu boards or outdoor digital menu boards, shall be carried out only with Approved Suppliers and in accordance with the Standards.

13.2.4. Existing Restaurants. Without limiting the generality of the foregoing, with respect to the Existing Master Franchisee Restaurants, the Maste Franchisee Parties must Maintain and Repair, Reimage and Modernize the Existing Master Franchisee Restaurants in compliance with the Reinvestment Plan.

13.3. Menu Plan. McDonald's and Master Franchisee shall mutually agree, annually during the final Arcos Phase 2 planning meeting, on the Menu Plan for eac Territory that is either the subject of a Business Review or a market visit during a specified year. Each Menu Plan shall include non-core and core Menu Items. Maste Franchisee shall only offer and sell new Menu Items so long as the new Menu Item is consistent with the Standards and/or has been previously agreed in writing b McDonald's before the final Arcos Phase 2 planning meeting.

13.4. Review of Initial Restaurant Opening Plan. During the calendar year 2029, Master Franchisee and McDonald's shall jointly review and discuss the initia Restaurant Opening Plan for the initial 10 years of the Terms to consider whether any adjustments are appropriate, following the same methodology used to set such Restaurant Opening Plan. Following such review and discussion, the initial Restaurant Opening Plan shall be amended as mutually agreed between Master Franchisee and McDonald's For the avoidance of doubt, no Party shall be under any obligation to agree to any amendments pursuant to this Section 13.4 and in the absence of agreement between Master Franchisee and McDonald's on such amendments, the Restaurant Opening Plan for the initial 10 years of the Terms shall continue to apply.

13.5. Failure to Comply with Restaurant Opening Plan or Reinvestment Plan. If the Master Franchisee Parties fail to comply with any Restaurant Opening Plan o Reinvestment Plan, McDonald's shall be entitled to the remedies in accordance with Section 23.3, provided that, prior to McDonald's exercise of any of the remedies set forth in Section 23.3, (i) such failure shall be discussed by the Strategic Relationship Committee in accordance with Section 16 and (ii) McDonald's shall, in its sole discretion, consider whether to grant the Master Franchisee Parties the opportunity to remediate such failure; provided that, for the avoidance of doubt, McDonald's shall not be under any obligation to grant such opportunity.

14. Advertising, Marketing and Promotion Materials and Activities; Packaging

14.1. Strategic Marketing Plan.

14.1.1. Master Franchisee shall create, develop, prepare, coordinate and implement a Strategic Marketing Plan with respect to each Territory.

14.1.2. Each Strategic Marketing Plan shall, subject to the terms and conditions of any other agreement between the Parties, obligate Master Franchisee t aggregate expenditures to implement the Strategic Marketing Plan in an amount not less than 5% of Gross Sales of all Franchised Restaurants in the Territories (th "Mandatory Marketing Commitment"); provided, however, that such amount shall be reduced for any Franchised Restaurant subject to an Existing Franchise Agreement to the extent such Existing Franchise Agreement requires lesser expenditures for such purposes. Master Franchisee shall be entitled to cause Franchisees to contribute to expenditures contemplated by the Strategic Marketing Plan no less than 5% of Gross Sales of their respective Franchised Restaurants, but in no event i excess of the commitment specified in any Existing Franchise Agreement in the case of any Existing Franchisee.

14.1.3. The Master Franchisee Parties shall develop, create, produce, manufacture, print, distribute, broadcast, publish and display Materials and conduc related advertising, promotional and marketing activities in connection with each Strategic Marketing Plan. All Materials and related advertising, promotional and marketing activities shall (a) be accurate, factually correct and not misleading; (b) be brand-enhancing and consistent with McDonald's brand image and guidelines so as not to diminish in any way the goodwill or reputation associated with the Intellectual Property; and (c) conform to Applicable Law, the Standards and the highest standards of ethical advertising and marketing. In order to protect the goodwill and integrity associated with the Intellectual Property and McDonald's brand image McDonald's reserves the right to review and approve such Materials and related advertising, promotional and marketing activities in advance. In the event that McDonald's requests in writing to review and approve any Materials, or with respect to any Materials that require McDonald's approval under the Golden Arches Code, the Master Franchisee Parties shall submit such Materials for approval through the "Global Review Center" or the relevant equivalent tool. If McDonald's fails t grant any such approval within ten (10) Business Days of its receipt of such submission, such submission shall be deemed to be disapproved. McDonald's may at any time direct Master Franchisee or any of its Subsidiaries or any Arcos Subsidiary or Franchisees to cease the use, distribution, publishing, display and/or broadcast of any Materials, any element or portion of a Strategic Marketing Plan or any related advertising, marketing or promotion activities determined by McDonald's in its reasonable discretion to be inconsistent with the Standards or otherwise detrimental to McDonald's brand image, and Master Franchisee shall take all steps necessary to comply with such direction at it sole expense.

14.1.4. Except for the contributions, costs and expenses described in this Section 14.1.4, the balance of the Mandatory Marketing Commitment shall only be used in accordance with the Mandatory Marketing Commitment Guidelines. Local marketing and communication expenditures (including expenditures related to local store marketing activities) do not include amounts spent for products and services which McDonald's, in its sole judgment, deems inappropriate for these purposes, such as loyalty-related costs, cost of

packaging, samples, Internet and travel expenses, employee discounts, employee free allowances, and Master Franchisee's internal costs to support such activities (such as employee salaries). Upon McDonald's request, Master Franchisee shall promptly provide all necessary documents and information to establish its compliance with this Section 14.1.

14.2. Global Marketing Activities.

14.2.1. Master Franchisee acknowledges and agrees that McDonald's and its Affiliates may enter into agreements relating to global, regional and other advertising, promotional and marketing alliances intended for the benefit of the System as determined by McDonald's and its Affiliates in their discretion and may establish programs to fund activities undertaken by such alliances. Master Franchisee authorizes McDonald's and its designees to negotiate such agreements on its behalf and agrees to be bound by and comply with such agreements and to deliver the types and levels of promotional support in connection with such alliances as directed by McDonald's from time to time. Master Franchisee shall pay to McDonald's in respect of the funding of such alliances an amount up to 0.2% of Gross Sales of all Franchised Restaurants in the Territories. Amounts contributed pursuant to this Section shall be credited against the Mandatory Marketing Commitment for the Territories.

14.2.2. Master Franchisee acknowledges and agrees that McDonald's and its Affiliates may enter into agreements relating to global, regional and other marketing programs intended for the benefit of the System as determined by McDonald's and its Affiliates in their discretion, including various "Happy Meal" programs. Master Franchisee authorizes McDonald's and its designees to negotiate such agreements on behalf of Master Franchisee, its Subsidiaries and Arcos Subsidiaries and agrees to be bound by and comply with such agreements and to deliver the types and levels of promotional support in connection with such programs as directed by McDonald's from time to time.

14.2.3. Master Franchisee acknowledges that, prior to the Effective Date, McDonald's or its Affiliates may have entered into agreements with respect to future marketing programs to take place in one or more Territories and Master Franchisee agrees to be bound by and comply with such agreements, provided that McDonald's shall have notified Master Franchisee thereof prior to the Effective Date.

14.3. Brand Commitments. From time to time, McDonald's Group may make commitments on behalf of all or a group of McDonald's Restaurants in sourcing sustainability, nutrition, ingredients and various areas that are designed to help enhance the brand image of the System (collectively, "Brand Commitments") and will publicize those Brand Commitments externally. If and to the extent that McDonald's Group has or develops any such Brand Commitments that include all or a portion of a Territory, the Master Franchisee Parties shall, to the extent permitted by Applicable Law, participate in and comply with the applicable Brand Commitments at their sole cost and expense and shall assist McDonald's Group in timely meeting and reporting on such Brand Commitments, including by providing, and ensuring its applicable suppliers provide, to McDonald's Group responsive, complete and reliable information to adequately substantiate any claims or representations relating to, or progress with respect to, such Brand Commitments in the relevant Territory. Any expenditures that the Master Franchisee Parties incur in connection with publicizing the Brand Commitments (including media, agency fees and the production of creative assets) shall be counted towards the satisfaction of the Mandatory Marketing Commitment. For the avoidance of doubt, any expenditures that the Master Franchisee Parties incur

in connection with complying with any Brand Commitments or in assisting McDonald's Group in meeting and reporting on such Brand Commitments shall not be counte towards the satisfaction of the Mandatory Marketing Commitment.

14.4. Promotional Activities and Materials.

14.4.1. Master Franchisee shall ensure that any Promotional Activities that are in the nature of a promotional game (including,*e.g.*, sweepstakes, contests and raffles), as determined by McDonald's in its sole judgment, shall be carried out through a certified games agency approved by McDonald's, unless otherwise approved by McDonald's in writing prior to any such engagement.

14.4.2. Without McDonald's specific prior written consent, the Master Franchisee Parties shall not, and shall procure that their Franchisees shall not (i) commercialize any customer loyalty program with third parties; (ii) make any changes to any payback structure, partners or partnerships of any customer loyalty program; or (iii) make any significant changes to any customer loyalty program or to any rewards catalogue.

14.4.3. The Master Franchisee Parties shall comply with the Branded Merchandise, Apparel and Accessories Safety Process in connection with the productio and distribution of any promotional items, premiums, self-liquidating premiums, giveaways, catalog items, retail licensed items, merchandise, apparel and accessories that include any Intellectual Property.

14.5. Website and Social Media.

14.5.1. System Platforms. McDonald's Group may develop and maintain one or more websites, applications, software or other programs, digital platforms or communications channels, that are designed to facilitate the electronic display and/or communication of content (whether through the Internet, online, mobile, digital or any other electronic means existing now or in the future) to allow ordering by customers of McDonald's Restaurants, sending of offers, coupons and marketing communications, generally engaging with customers of McDonald's Restaurants, and the advertising, marketing or promotion of any Menu Items, McDonald's Restaurants, McDonald's Restaurant franchise opportunities or any other related products or services (collectively "System Platforms"). McDonald's Group may periodically update and modify the System Platforms, and may, in its sole judgment, discontinue any or all System Platforms upon reasonable advance written notice to Master Franchisee. At McDonald's request, Master Franchisee shall (at its cost) provide information and Materials to be included in and/or communicated via the System Platforms (the "Local Store Content"). By providing this information and Materials to McDonald's, Master Franchisee will be representing to McDonald's that they are accurate and not misleading, do not infringe upon any third party's rights, and comply with the Standards and Applicable Law. McDonald's Group will own all Intellectual Property and other rights in the System Platforms (including the Local Store Content), and all information they contain (including the domain name or URL for all web pages, "apps," and the like). Nothing in this Section 14.5.1 limits McDonald's Group's right to maintain any other websites, applications, software or other programs, digital platforms or communications channels (whether existing now or in the future), other than the System Platforms or to offer and sell services and products bearing the Trademarks from the System Platform, another website, application software, digital

platform or program, or otherwise over the Internet, online or through any mobile or virtual platforms without payment or obligation of any kind to Master Franchisee.

14.5.2. Electronic Properties. McDonald's Group has the absolute right and interest in and to all telephone numbers, telephone directory listings, domain names, websites, search engines, electronic, digital, online and/or Internet platforms, Social Media, applications software, programs and other electronic, digital or online media or communication platforms (whether existing now or in the future) associated with the Master Franchise Business (the 'Electronic Properties"), whether as part of System Platforms or otherwise maintained by Master Franchisee or third parties, and Master Franchisee authorizes McDonald's to direct all applicable Persons t transfer such Electronic Properties to McDonald's or its designee at McDonald's request. All Persons may accept this Agreement as conclusive of McDonald' Group's right to such Electronic Properties, and this Agreement shall constitute the authority from Master Franchisee to all Persons to transfer all such Electroni Properties to McDonald's or its designee.

14.5.3. Social Media. The Master Franchisee Parties shall comply with the Standards and Applicable Law with regard to their authorization to use, and use of Social Media, that in any way references any Intellectual Property or involves the System, the Master Franchise Business, or McDonald's RestaurantsThe Master Franchisee Parties shall use commercially reasonable efforts to include a location identifier in all Materials posted on Social Media to differentiate the Master Franchis Business from McDonald's Group (it being understood that the Parties shall reasonably cooperate in good faith with respect to any Social Media posts with respect t Puerto Rico or any U.S. Virgin Islands or French region included in the Territories).It is the Master Franchisee Parties' responsibility to review all proposed Materials for Social Media. The Master Franchisee Parties shall use commercially reasonable efforts to ensure all of their employees comply with their Social Media policies which the Master Franchisee Parties shall adopt in compliance with the Standards and Applicable Law.

14.5.4. Without McDonald's specific prior written consent, the Master Franchisee Parties shall not, and shall procure that their Franchisees shall not, use any System Platform, Electronic Properties, Social Media or any other platform relating to the Master Franchise Business, whether real or virtual, to promote any third part Intellectual Property.

14.6. Premiums. Master Franchisee shall ensure that all premiums, including "Happy Meal" premiums, self-liquidating premiums and premiums for profit, to be distributed, sold or promoted in connection with the Franchised Restaurants comply with Applicable Law and the Standards and shall be brand-enhancing and consistent with McDonald's brand image so as not to diminish in any way the goodwill or reputation associated with the Intellectual Property, and shall be tested and approved in advance by a safety-testing lab approved by McDonald's in accordance with the schedule and frequency determined by such safety-testing lab, at Master Franchisee's sole expense. All premiums relating to global marketing activities referred to in Section 14.2 shall also be subject to McDonald's prior approval.

14.7. Competitive Market Data. Master Franchisee shall, at its sole cost and expense, participate in programs and tools designated by McDonald's from time to time that are designed to track and diagnose business performance, including periodic industry surveys or compilations of competitive market data (including "Fast Track" and "NPD Crest" (where available)), and shall

promptly provide the results of such surveys and related reports to McDonald's as directed by McDonald's. Master Franchisee shall retain, at Master Franchisee's sole cost and expense, a qualified consultant to provide pricing analysis and recommendations for Menu Items offered in the Franchised Restaurants.Master Franchisee shall also provide to McDonald's product mix data (P-Mix) and return on marketing spend analyses as directed by McDonald's.

14.8. Subscription Services. Without McDonald's specific prior written consent, the Master Franchisee Parties shall not, and shall procure that their Franchisees shall not offer any subscription service (whether paid or free of charge) to any customers.

15. Intellectual Property

15.1. Rights. The Master Franchisee Parties' right to use the Intellectual Property is derived solely from this Agreement. McDonald's owns or has the right to license the Intellectual Property and all goodwill associated with the Intellectual Property.Subject to the limitations set forth in this Agreement, including strict compliance with conditions set forth in this Section 15, McDonald's grants to the Master Franchisee Parties the non-exclusive right to use, and to sublicense their Franchisees to use, the Intellectual Property solely in connection with the development, ownership, operation, promotion and management of the Franchised Restaurants in each Territory, and to engage in related advertising, promotional and marketing programs and activities. Without McDonald's specific prior written consent, the Master Franchisee Parties shall not adopt or use any other trademarks (including product names, slogans and logos), service marks, domain names or other identifiers in connection with the Master Franchise Business.

15.2. Intellectual Property Standards. Development, ownership, operation, promotion, management and sublicensing of the Franchised Restaurants and all uses of the Intellectual Property by the Master Franchisee Parties and their Franchisees shall meet or exceed the applicable Standards and shall comply with Applicable Law.The Master Franchisee Parties shall use, affix and otherwise display, and shall require their Franchisees to use, affix and otherwise display the Intellectual Property strictly in conformity with the Standards, together with applicable trademark, patent and / or copyright designations / markings (including any legends designating McDonald's or its licensor as owner of the Intellectual Property and proper patent markings on any applicable Patents and related materials and equipment), as it may be directed by McDonald's from time to time in its sole discretion, and with any other specifications as McDonald's may prescribe from time to time to promote and foster the goodwill represented by the Intellectual Property and the System or otherwise to protect or perfect McDonald's and / or its licensor's interests in the Intellectual Property.The Master Franchisee Parties shall and shall cause their Franchisees to immediately cease or modify any use of the Intellectual Property that is not in compliance with Applicable Law or the Standards or as otherwise instructed by McDonald's, at the Master Franchisee Parties' sole expense.The Master Franchisee Parties shall and shall cause their Franchisees to comply with all Standards applicable to advertising, promotions and creative review. The Master Franchisee Parties shall permit and shall requires their Franchisees to permit inspection by McDonald's at reasonable intervals during normal business hours, for the purpose of monitoring the use of the Intellectual Property by the Master Franchisee Parties and their Franchisees and verifying the presence of appropriate control measures with respect to compliance with the Standards.

15.3. Specimens. At McDonald's request, the Master Franchisee Parties shall submit specimens of all signage, uniforms, packaging, Materials, stationary, business cards and other materials displaying, using or bearing the Intellectual Property or relating to the Franchised Restaurants to McDonald's, at the Master Franchisee Parties' sole expense, for McDonald's review and approval prior to the Master Franchisee Parties' or any Franchisee's manufacture, printing, production, use, display, broadcast, distribution or sale of any of the foregoing and in accordance with procedures established by McDonald's for such purposes from time to time. If McDonald's fails to grant any required approval within ten Business Days of such submission, the submission shall be deemed to be disapproved.

15.4. Ownership. The Master Franchisee Parties acknowledge and agree and shall require their Franchisees to acknowledge and agree that the Intellectual Property and all rights therein and the goodwill pertaining thereto in each Territory belong to McDonald's (or its licensor) and that all uses of the Intellectual Property in each Territory shall inure to and be for the benefit of McDonald's (or its licensor). The Master Franchisee Parties and their Franchisees shall not directly or indirectly, (a) attack or impair the title of McDonald's (or its licensor) to the Intellectual Property, the validity of this Agreement, or any of the registrations for or applications to register the Intellectual Property filed by or on behalf of McDonald's (or its licensor); or (b) file any application to register or record any of the Intellectual Property, in whole or in part, or any other name, trademark or service mark relating to the Franchised Restaurants or that is identical or otherwise confusingly similar to or that might be dilutive of the Intellectual Property including any trademark or service mark that uses "Mc" or "Mac," anywhere in the world, unless requested by McDonald's to do so and, in such event, subject to McDonald's specific direction and written request.

15.5. No Assignment. Nothing contained in this Agreement shall be construed as an assignment to any Master Franchisee Party or any other Person of any right, title or interest in or to the Intellectual Property, it being understood and acknowledged by the Master Franchisee Parties that all use thereof in any Territory shall inure exclusively to and be for the benefit of McDonald's (or its licensor), and the Master Franchisee Parties shall cause their Franchisees to acknowledge and agree that all use of the Intellectual Property shall inure exclusively to and be for the benefit of McDonald's (or its licensor). Upon McDonald's request, the Master Franchisee Parties shall execute and deliver and shall require their Franchisees to execute and deliver such documents as McDonald's may deem necessary or desirable to use the Intellectual Property in conformity with Applicable Law or to protect the interests of McDonald's and / or its licensor with respect thereto, including documents to record the Master Franchisee Parties and / or any Franchisee as users of the Intellectual Property or to protect the interests of McDonald's and / or its licensor in the Intellectual Property.

15.6. Defense of Rights. The Master Franchisee Parties shall cooperate with McDonald's for purposes of securing, preserving, protecting and defending McDonald's (or its licensor's) rights in and to the Intellectual Property and for purposes of securing, preserving, protecting and defending the rights granted to the Master Franchisee Parties hereunder as determined by McDonald's in its discretion and at the Master Franchisee Parties' sole expense, unless otherwise expressly agreed in writing by McDonald's. Such cooperation shall include the filing, prosecuting and processing of any trademark, service mark or copyright application or registration, or other filings, and the recording of this Agreement and/or any Franchise Agreement with any appropriate Governmental Authority, all as may be requested by McDonald's. The Master Franchisee Parties shall immediately notify McDonald's of any objection to the use by any Master Franchisee Party or any Franchisee of any Intellectual Property or of any suspected infringement or imitation by others of any Intellectual

Property that may come to the attention of any Master Franchisee Party or any Franchisee.McDonald's shall have sole discretion to control all challenges to the Intellectual Property, including the right to determine whether or not any formal legal action shall be taken on account of any alleged infringement or imitation (though nothing in this Agreement shall be construed as imposing an obligation on McDonald's to take any such action) and the Master Franchisee Parties shall render all assistance as McDonald's may request in connection therewith. McDonald's may in its discretion bring and prosecute any claim or cause of action in its own name and join any Master Franchisee Party or any applicable Franchisee as a party thereto, or require any Master Franchisee Party to file an action in its own name to protect the Intellectual Property, subject to McDonald's direction. The Master Franchisee Parties and their Franchisees shall not institute any action for infringement of the Intellectual Property, except to the extent that McDonald's may so direct such Master Franchisee Party and then solely in accordance with such direction.

15.7. Registration. The Master Franchisee Parties shall cooperate with McDonald's in (a) registering this Agreement or a summary version thereof with any applicable Governmental Authority within any Territory to the extent required or desirable to fully protect McDonald's rights in the Intellectual Property under Applicable Law (b) maintaining or perfecting such registration; and (c) canceling such registration upon termination or expiration of this Agreement. McDonald's is authorized by the Master Franchisee Parties to cancel the registration of this Agreement with any applicable Governmental Authority within any Territory upon termination or expiration of this Agreement, for any reason, independent of any action executed by any Master Franchisee Party before such Governmental Authorities.Each Master Franchisee Party shall execute on behalf of itself and its Franchisees and deliver such documentation as may be necessary or desirable in connection with the foregoing, including any power of attorney as may be required by Applicable Law. The Master Franchisee Parties shall bear all costs that may be incurred by McDonald's or its representatives in registering perfecting, maintaining and canceling the registration of this Agreement as aforesaid.

15.8. Intellectual Property Created by Master Franchisee and its Franchisees.

15.8.1. To the extent permitted by Applicable Law, all ideas, concepts, techniques and materials relating to the System, the Intellectual Property and / or the Franchised Restaurants, any enhancements, improvements and / or derivative works of any of the foregoing, and any trademarks or service marks that are created by any Master Franchisee Party, any of its Subsidiaries or Franchisees or any of their respective employees or agents (the "Developed IP") shall be immediately disclosed to McDonald's and shall be deemed property of McDonald's as "works made for hire" and shall constitute Intellectual Property hereunder.

15.8.2. To the extent that such Developed IP is not "works for hire," each Master Franchisee Party shall, and shall cause such other Person to, immediately assign and does assign, all rights therein, including moral rights, to McDonald's. The assignors of the Developed IP shall execute and deliver any documents requested by McDonald's to confirm such assignment. If any such moral rights are not assignable under Applicable Law, the Master Franchisee Parties agree to waive and not to enforce any such moral rights, and to cause such other Persons to waive and not to enforce the same unless and until they have received the prior written consent of McDonald's. If and to the extent that any rights in the Developed IP do not vest in the relevant member of McDonald's Group, the Master

Franchisee Parties hereby grant to McDonald's (or its designee) an exclusive (other than with respect to the Master Franchisee Parties), perpetual, royalty-free worldwide license of such rights, with the right to further sublicense.

15.8.3. Each Master Franchisee Party and McDonald's agree and acknowledge that the Initial Franchise Fees and Royalties payable by Master Franchisee and the Arcos Subsidiaries under this Agreement have been negotiated and determined with the understanding that all Developed IP will, pursuant to this Section 15.8, become the property of the relevant member of McDonald's Group, or will be licensed to McDonald's (or its designee) pursuant to an exclusive (other than with respect to the Master Franchisee Parties), perpetual, royalty-free, worldwide license of such rights (with the right to further sublicense), without further compensation owed to Master Franchisee or any Arcos Subsidiary by McDonald's Group for such Developed IP.

15.8.4. None of the Master Franchisee Parties or any of their Subsidiaries or Franchisees is authorized to use, sell, distribute or license any products or materials incorporating the Intellectual Property outside of the operation of the Franchised Restaurants without McDonald's prior consent.None of the Master Franchisee Parties or any of their Subsidiaries or Franchisees shall file, or suffer to be filed, any applications to register any Intellectual Property including, for the avoidance of doubt, any Developed IP, without McDonald's prior consent.

15.9. Trademarks.

15.9.1. None of the Master Franchisee Parties or any of their Subsidiaries or Franchisees shall adopt or use any new "Mc" or "Mac" trademarks or service marks, or any other trademarks (including without limitation product names, slogans and logos), service marks or domain names in connection with the Franchised Restaurants, without McDonald's prior consent.

15.9.2. None of the Master Franchisee Parties or any of their Subsidiaries or Franchisees shall use the Trademarks (or any component thereof):

(a) In conjunction with its corporate, business, trade or legal name or as a symbol, logo or other insignia;

(b) In conjunction with any prefix, suffix or other modifying terms, including any co-branding arrangements (which are subject to McDonald's approval in its sole judgment), other than in any case where McDonald's has expressly authorized or approved such use in writing;

(c) In relation to any unauthorized services or products;

(d) As part of any domain name, electronic address, electronic mail address, Internet home page, intranet, extranet or website (other than in any case where McDonald's has expressly authorized or approved such use in writing); or

(e) In any manner not expressly authorized by this Agreement.

15.9.3. If so requested by McDonald's in writing, the relevant Master Franchisee Party shall identify itself as the independent owner of its business, give notices of trademark and service mark registrations in the manner McDonald's specifies, obtain such fictitious or assumed name registrations as may be required under Applicable Law to distinguish itself from McDonald's and its Affiliates, and provide evidence of such Master Franchisee Party's use of the Trademarks, both in form and content.

15.9.4. McDonald's shall have the right to modify or discontinue the use by McDonald's, any Master Franchisee Party or any of its Subsidiaries or any Franchisee of any Trademark or the specifications for use of any Trademark, or to require any Master Franchisee Party or any of its Subsidiaries or any Franchisee to commence use of new or substitute Trademarks. The Master Franchisee Parties shall, and shall require each of its Subsidiaries and each Franchisee to, promptly comply with any such changes at the Master Franchisee Parties' or Franchisee's sole expense. McDonald's shall not have any obligation to reimburse any Master Franchisee Party or any of its Subsidiaries or any Franchisee for any expenditures made by any Master Franchisee Party or any Franchisee to modify or discontinue the use of any Trademark or to adopt additional or substitute trademarks, including any expenditures relating to any Franchised Restaurant or to advertising, promotional materials or signage.

15.9.5. The Master Franchisee Parties shall not permit any Approved Supplier to use its relationship with the System to promote such Approved Supplier's business to the public or to include McDonald's name / logo or the Trademarks in the Approved Supplier's published client lists or marketing materials relating to such Approved Supplier's products or services without McDonald's prior consent.

15.9.6. None of the Master Franchisee Parties or any of their Subsidiaries or Franchisees shall do anything that does or could reasonably be expected to: (a) bring any of the Trademarks into disrepute; (b) cause any detriment or harm to the goodwill, reputation or value associated with the Trademarks; (c) affect the validity or enforceability of the Trademarks, including by allowing any of the Trademarks to become generic, diluted or prejudiced, or lose their distinctiveness (including on the grounds of non-use thereof), or (d) otherwise prejudice any registration or application for registration of any of the Trademarks.

15.10. Copyrights.

15.10.1. To the extent permitted by Applicable Law, if any Master Franchisee Party or any Franchisee creates any adaptations or derivative works based upon or incorporating any of the Copyrights, such Master Franchisee Party shall, and shall cause each such other Person to, assign to McDonald's all right, title and interest that any of them may have or acquire in such adaptations and derivative work and waive any moral rights that have or may accrue to them. Each such adaptation or derivative work shall constitute Copyrights hereunder.

15.10.2. McDonald's authorizes Master Franchisee to translate the Copyrights into foreign languages necessary in order to use the Copyrights pursuant to the Master Franchisee Rights. Master Franchisee represents and warrants that any such translation shall be accurate and complete. Master Franchisee acknowledges and agrees that any translation of the Copyrights shall be McDonald's sole and exclusive property, and Master Franchisee assigns

to McDonald's all right, title and interest in each such translation. Any such translation shall constitute Copyrights hereunder. McDonald's is expressly authorized by Master Franchisee to register such translation in its own name or in the name of any Affiliate of McDonald's, with any applicable Governmental Authority within any Territory. Master Franchisee acknowledges that, in case of termination or expiration of this Agreement, McDonald's may authorize the use of such translation to any third party in its sole discretion. Master Franchisee and Franchisees shall modify or discontinue use of Copyrights or adopt and use new, revised or additional Copyrights if instructed to do so by McDonald's, at Master Franchisee's and Franchisees' sole expense.

15.11. Trade Secrets. Each Master Franchisee Party acknowledges that the Trade Secrets constitute McDonald's valuable confidential and proprietary information The Master Franchisee Parties shall and shall require their Franchisees to take all commercially reasonable steps to protect the confidentiality of the Trade Secrets and t prevent the unauthorized disclosure of the Trade Secrets, including employing the practices and procedures that it uses to protect its own trade secrets and other confidential or proprietary information. The Master Franchisee Parties shall restrict disclosure of the Trade Secrets to its employees, agents, Franchisees and other authorized Persons on need-to-know basis and only after such Persons have been informed of, and are subject to obligations in writing to maintain, the Trade Secrets' confidentiality. No Master Franchisee Party shall use, disclose or reproduce, or authorize any other Person to use, disclose or reproduce, the Trade Secrets for any reason or purpose except in connection with the operation of the Franchised Restaurants.

15.12. Names. Notwithstanding anything to the contrary in this Agreement, Master Franchisee may continue to use any legal name or "operating as" name that includes any Intellectual Property that may imply ownership by an Affiliate or Subsidiary of McDonald's Corporation, including "Arcos Dorados."

15.13. Restrictions on Purchase of Data. Without McDonald's specific prior written consent, the Master Franchisee Parties shall not, and shall procure that their Subsidiaries and Franchisees shall not purchase any data from any third-party sellers (other than any data purchased from any reputable and internationally recognized third-party sellers (for example Meta, Google, Nielsen and Quantium), prioritizing, but not limited to, McDonald's existing third-party data suppliers, in the ordinary course of business consistent with past practice, where the Master Franchisee Parties have conducted reasonable due diligence to validate that such third party has obtained the necessary consents in compliance with all Applicable Laws to permit the Master Franchisee Parties' use of such data). To the extent any data is purchased from third-party sellers, the Master Franchisee Parties shall, and shall procure that their Subsidiaries and Franchisees shall, segregate or separately identify such purchased data as bought-in data, to ensure it is not co-mingled with data generated by the Master Franchise Business.

15.14. Certain Intellectual Property and Information Matters Except in each case as set forth in this Agreement or any Franchise Agreement and without prejudice in each case to each Master Franchisee Party's obligations under this Agreement (including, for the avoidance of doubt, Sections 7.12 and 19 and the remaining provisions of this Section 15):

15.14.1.in all cases notwithstanding anything to the contrary in Sections 7.12.2, 7.12.5, 7.13.5, 15.2 and 21, and Sections 7.2 and 9 of the Brazil MFA, McDonald's hereby acknowledges and agrees, on behalf of itself and each other member of the McDonald's Group, that, (i) as between each Master Franchisee Party, each Owner Entity, Beneficial Owner, and their respective Affiliates and each of their respective stockholders, directors, officers, employees, agents, attorneys-in-fact, representatives, consultants, independent contractors, designees, successors and assigns, and each such Person's Related Parties and representatives (collectively, the "Arcos Parties"), on the one hand, and the McDonald's Group, on the other hand, the McDonald's Group shall be solely and exclusively liable for any and all Losses and Expenses in respect of any Claim by any third party arising from or relating to any access, use, analysis, processing, commercialization or transfer of any and all Arcos-Provided Developed IP or Arcos-Provided Information by or on behalf of any member of the McDonald's Group for purposes unrelated to, and not for the benefit of, the Master Franchise Business (each, a "McDonald's Use"), in each case, except to the extent arising from or relating to any breach, violation or failure of or on behalf of any Arcos Party to perform or comply with any of their respective representations, warranties or obligations arising out of or relating to this Agreement (other than with respect to Sections 7.12.2, 7.12.5, 7.13.5, 15.2 and 21, and Sections 7.2 and 9 of the Brazil MFA except where (A) any such breach, violation or failure of any such provision is or would also have been a breach, violation or failure as relates to the Master Franchise Business exclusively and independently of any McDonald's Use and/or (B) a Master Franchisee Party, Owner Entity or Beneficial Owner is or would also be liable under Section 21 in connection with the Master Franchise Business, or Section 9 of the Brazil MFA in connection with the Brazilian Franchise Business (as defined in the Brazil MFA), in each case, exclusively and independently of any McDonald's Use) or any Franchise Agreement (including the failure to comply with any applicable Standards) or under Applicable Law or any negligence, reckless misconduct or criminal act by or on behalf of any Arcos Party, and (ii) the rights assigned, and otherwise granted, by any Arcos Party to the McDonald's Group hereunder with respect to the Arcos-Provided Developed IP and Arcos-Provided Information are assigned and granted by such Arcos Party to the McDonald's Group on an "as is" and "where is" basis and the Arcos Parties hereby expressly disclaim to the fullest extent permitted by Applicable Law any and all representations and warranties of any kind with respect thereto, whether express, implied, statutory or otherwise, including any and all representations or warranties of merchantability, fitness for a particular purpose, quality, compliance with law, validity, title, enforceability or infringement, misappropriation or other violation of any third-party rights;

15.14.2. in all cases notwithstanding anything to the contrary in Sections 7.12.2, 7.12.5, 7.13.5, 15.2 and 21, and Sections 7.2 and 9 of the Brazil MFA, McDonald's hereby agrees to indemnify, hold harmless and defend each Arcos Party from and against any and all Losses and Expenses in respect of any Claim by any third party arising out of, in connection with, or relating to, any McDonald's Use, in each case, except to the extent arising out of, in connection with, or relating to, any breach, violation or failure of or on behalf of any Arcos Party to perform or comply with any of their respective representations, warranties or obligations arising out of or relating to this Agreement (other than with respect to Sections 7.12.2, 7.12.5, 7.13.5, 15.2 and 21, and Sections 7.2 and 9 of the Brazil MFA except where (A) any such breach, violation or failure of any such provision is or would also have been a breach, violation or failure as relates to the Master Franchise Business exclusively and independently of any McDonald's Use and/or (B) a Master Franchisee Party, Owner Entity or

Beneficial Owner is or would also be liable under Section 21 in connection with the Master Franchise Business, or Section 9 of the Brazil MFA in connection with the Brazilian Franchise Business, in each case, exclusively and independently of any McDonald's Use) or any Franchise Agreement (including the failure to comply wit any applicable Standards) or under Applicable Law or any negligence, reckless misconduct or criminal act by or on behalf of any Arcos Party; and

15.14.3. in no event shall any Arcos Party have any obligation or otherwise be required to deliver, maintain, host, upgrade, support, modify or provide any services to any member of the McDonald's Group with respect to any such access, use, analysis, processing, commercialization or transfer of any Arcos-Provided Developed IP or Arcos-Provided Information by or on behalf of any member of the McDonald's Group for purposes unrelated to, and not for the benefit of, the Maste Franchise Business.

16. Strategic Relationship Committee

16.1. On the Effective Date, the Parties have established a strategic relationship committee (the "Strategic Relationship Committee") to assess and discuss the matters set forth in this Section 16. The Strategic Relationship Committee shall at all times consist of (i) two (2) senior representatives of Master Franchisee, (ii) the head o McDonald's Latin America business and (iii) one (1) member of McDonald's global senior leadership team who has an understanding of, and supervision over, McDonald's Latin America business and who has oversight over the head of McDonald's Latin America business. The Strategic Relationship Committee shall meet at least twice eac calendar year during the applicable Term by telephone or in person in Chicago, Illinois or such other place as is agreed by the Parties. McDonald's and Master Franchisee sha each be responsible for their own costs and expenses, including any Travel Costs, incurred with respect to the Strategic Relationship Committee.

16.2. The Strategic Relationship Committee shall discuss issues related to the management and operation of the Master Franchise Business and Franchise Restaurants, address specific operational issues, provide recommendations, advice and assistance, discuss and agree upon the Business Plan, discuss and agree upon the terms for any additional Franchised Restaurant openings, seek and provide approvals and consents hereunder, and otherwise facilitate the performance by all Parties of their respective obligations and exercise of their respective rights hereunder. Among the issues to be addressed by the Strategic Relationship Committee shall be any suggestions by Master Franchisee to McDonald's of initiatives to adapt the System to local customs, tastes and preferences in the Territories. In addition, McDonald's shall provide Maste Franchisee with reasonable access to appropriate Technology personnel of McDonald's for purposes of discussing current and proposed Technology implementation and operational issues hereunder, and otherwise providing reasonable levels of assistance to the Master Franchisee Parties with respect to the Technology required hereunder for use in connection with the Master Franchise Business or the Franchised Restaurants.

16.3. If Master Franchisee fails to comply with the Restaurant Opening Plan and/or Reinvestment Plan, then the Strategic Relationship Committee shall meet as soo as practicable, and in any event prior to McDonald's exercise of any of the remedies set forth in Section 23.3, to consider and discuss whether any mutually agreeable solution can be implemented to cure such failure; provided that, for the avoidance of doubt, no Party shall be under any obligation to agree on any such solution. If, within sixty (60) days following Master Franchisee's failure to comply with the Restaurant Opening Plan and/or Reinvestment Plan, the Strategic Relationship Committee has failed

to reach a mutually agreeable solution, then McDonald's shall have the right, in its sole discretion, to exercise any of the remedies set forth in Section 23.3.

16.4. If (a) a Strategic Issue has occurred in any of the Territories and (b) Master Franchisee has notified McDonald's that it has determined that such Strategic Issue is reasonably likely to impede the satisfaction or commercial viability of the Restaurant Opening Plan, the Reinvestment Plan or the Master Franchisee Parties' other obligations under Sections 13.1 and 13.2 in such Territory, then the Strategic Relationship Committee shall meet as soon as practicable to consider and discuss whether any amendments should be made to the Restaurant Opening Plan, the Reinvestment Plan, such other obligations underSections 13.1 and 13.2 or other provisions of this Agreement to address the impact of such Strategic Issues on the Master Franchise Business. For the avoidance of doubt, no Party shall be under any obligation to agree to any amendments pursuant to this Section 16.4.

17. Reports

17.1. Generally.

17.1.1. The Master Franchisee Parties shall maintain such books and records as may be appropriate to evidence the performance of their obligations hereunder, including the books and records specifically required by this Section 17.1.

17.1.2. The Master Franchisee Parties shall maintain during the applicable Term and for a period of not less than six years from the dates of their preparation all books, records and accounts relating to Master Franchisee Parties and their Subsidiaries, the Arcos Subsidiaries, the Master Franchise Business and the Master Franchisee Restaurants. All such books, records and accounts shall be maintained at the principal office of Master Franchisee or at such other location as shall be notified to McDonald's on request.

17.2. Financial Accounting; Record Keeping; Internal Controls.

17.2.1. The Master Franchisee Parties shall, at their sole expense, make and keep books, records and accounts that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of Assets of the Master Franchisee Parties, their consolidated Subsidiaries and all Arcos Subsidiaries, and shall maintain a system of internal accounting controls sufficient to provide reasonable assurance that (a) transactions are executed in accordance with management's general or specific authorization; (b) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP, consistently applied from period to period, and requirements prescribed from time to time by McDonald's, and to maintain accountability for such Assets; (c) access to such Assets is permitted only in accordance with management's general or specific authorization; and (d) the recorded accountability for such Assets is compared with existing Assets at reasonable intervals and appropriate action is taken with respect to any differences. McDonald's shall have the right at all times to access and obtain any information required to be delivered to it by the Master Franchisee Parties hereunder directly from such financial accounting and record keeping systems, and to the extent McDonald's cannot or does not do so, Master Franchisee shall transmit all information requested by McDonald's to McDonald's or its designee at the times and in the manner specified by McDonald's.

17.2.2. Without limiting the generality of Section 17.2.1, the Master Franchisee Parties shall maintain (a) a Data Warehouse; and (b) copies of (i) al applications, approvals, registrations or approvals required to be filed with or obtained from any Governmental Authority; (ii) documentation submitted in connection with the GROIP; (iii) a log book and summary of all complaints received pursuant to the Customer Service Program and the results of any "mystery shop" programs (iv) documentation submitted by potential suppliers pursuant to the supplier approval process; (v) documentation submitted by potential franchisees pursuant to the Franchisee Approval Process; (vi) inspection forms and reports for Franchised Restaurants; and (vii) documentation related to the design and testing of the system o internal accounting controls implemented as required by Section 17.2.1.

17.3. Standard Reporting Package. The Master Franchisee Parties shall continue to furnish to McDonald's in the English language the package of financial an performance review reports furnished by McDonald's Restaurants as of the Commencement Date, which reports are substantially in the forms attached asExhibit 11 and include the reports described below (as such package may be amended by McDonald's from time to time, the "Standard Reporting Package"), each of which shall be true and complete in all respects and certified by the Chief Financial Officer of Master Franchisee:

17.3.1. Concurrently with the payment of Royalties, an operations report with respect to each Territory detailing for the applicable Franchised Restaurants (a) Gross Sales; and (b) guest counts for each such Franchised Restaurant for the prior calendar month;

17.3.2. Within 90 days following the end of each fiscal quarter of Master Franchisee and Parent, true and complete copies of the consolidated balance sheet o Master Franchisee and Parent as of the last day of such fiscal quarter and the related consolidated statements of income, retained earnings, shareholders' equity, cash flows and debt summaries of Master Franchisee and Parent for such fiscal quarter, together with all related notes and schedules thereto, prepared in accordance with GAAP (except as noted therein);

17.3.3. Within 90 days following the end of Master Franchisee's fiscal year (which fiscal year shall be a calendar year), a summary by Franchised Restaurant of the previous year's capital expenditures related to the Restaurant Opening Plan and the Reinvestment Plan (with capital expenditures related to reinvestments in the Master Franchise Business to be segregated between (i) expenditures related to Maintenance and Repair and (ii) expenditures related to Reimaging an Modernization);

17.3.4. Within 120 days following the Effective Date, and thereafter with 90 days following the end of Master Franchisee's fiscal year or at such other time as McDonald's may reasonably request (or in no event shall more than one such appraisal per year be at the expense of Master Franchisee), an appraisal as of a recent date of the LC Collateral Pool conducted by one or more independent appraisers selected by Master Franchisee;

17.3.5. Within 120 days following the end of the fiscal year of Master Franchisee and Parent, true and complete copies of the audited consolidated balance sheet of Master Franchisee and Parent as of the last day of such fiscal year and the related audited consolidated statements of income, retained earnings, cash flows and debt summaries of Master Franchisee and Parent for such fiscal year, together with all related notes and schedules thereto prepared in accordance with GAAP (except as noted therein), accompanied

by the unqualified report thereon of Master Franchisee's and Parent's independent certified public accountants;

17.3.6. Within 120 days following the end of Master Franchisee's fiscal year, a detailed schedule of the Contingencies of Master Franchisees, its Subsidiaries and Arcos Subsidiaries, segmented on a Territory-by-Territory basis as of the last day of such fiscal year, prepared in accordance with U.S. GAAP by Master Franchisee's independent certified public accountants;

17.3.7. Within ten days following McDonald's request therefor, copies of any business license applications, tax returns (including any amendments thereto) that Master Franchisee Parties have filed or propose to file with applicable tax or other Governmental Authorities in each Territory reflecting sales and / or income of one or more Franchised Restaurants; and

17.3.8. Such other reports at such times and in such form as McDonald's may from time to time require by written notice to Master Franchisee, which reports may include, among other things, information regarding drive-thru sales, restaurant customer service times, labor costs and compliance with the QSC Standards.

18. Inspections and Audits

18.1. Inspections of Business Operations McDonald's shall be entitled at any time during normal business hours and without prior notice to any Master Franchisee Party, to inspect the Master Franchise Business, including any Arcos Subsidiary and the Franchised Restaurants, and to interview employees of the Master Franchisee Part and Franchised Restaurant personnel, monitor and test the equipment and products in the Franchised Restaurants, observe, photograph and videotape the Franchised Restaurant, remove samples from the Franchised Restaurants, review all uses of the Intellectual Property, inspect and, to the fullest extent permitted by Applicable Law, copy all records tax returns and other financial information of Master Franchisee or Franchisee, ensure that advertising expenditures are being made, and remove copies of records. The Master Franchisee Parties shall cooperate fully with McDonald's during any such inspection.

18.2. Inspections and Audits of Books and Records McDonald's shall be entitled at any time during normal business hours and without prior notice to Master Franchisee, to inspect and audit, or cause to be inspected and audited, the business records, bookkeeping and accounting records, business license applications, sales and income tax (if any) records and returns, the Data Warehouse and records required to be maintained pursuant to Section 17 and other records of Master Franchisee Parties and the books and records of any individual, corporation, partnership or other entity that owns an interest in any of the Master Franchisee Parties. The Master Franchisee Parties shall cooperate fully with McDonald's representatives and independent accountants hired to conduct any inspection or audit. If such records and information are in the possession of a third party, Master Franchisee shall either obtain such records or information itself or shall obtain the authorization from each such third party to allow McDonald's to perform the inspection and audit at such third party's location. If any inspection or audit discloses an understatement of the Gross Sales of the Franchised Restaurants, then McDonald's may, at its option, require the Master Franchisee Parties to pay to it, within 15 days after receipt of the inspection or audit report, Royalties and all other sums due on the amount of such understatement, *plus* a late charge (at the date and on the terms provided in Section 25.2) from the date originally due through and including the date of payment. Further, if such inspection or audit is

made necessary by any Master Franchisee Party's failure to furnish reports, supporting records, other information or financial statements as required by this Agreement, or to furnish such reports, records, information or financial statements on a timely basis, or if an understatement of Gross Sales resulting from the failure to transmit or report for the period of any audit is determined by any such audit or inspection to be greater than 2%, McDonald's may, at its option, require such Master Franchisee Party to reimburse McDonald's for the cost of the inspection or audit, including the charges of McDonald's employees or attorneys and independent accountants, and the travel expenses, room and board and applicable *per diem* charges for such Persons. The foregoing remedies shall be in addition to McDonald's other rights and remedies under this Agreement or Applicable Law.

18.3. Inspection of Technology. McDonald's shall be entitled, upon five (5) days' prior written notice to Master Franchisee, to inspect and audit the Master Franchisee Parties' Technology to ensure that they are able to transmit to McDonald's the information required under this Agreement (it being understood that such inspection or audit shall be conducted in a manner that does not interfere with the ordinary operation of such Master Franchisee Party's business). The Master Franchisee Parties shall reasonably cooperate with McDonald's (or its representatives) during any such inspection. If such inspection or audit reveals that the Master Franchisee Parties' Technology is unable to transmit the information required under this Agreement, McDonald's may require the Master Franchisee Parties, at the Master Franchisee Parties' sole expense, to take reasonably appropriate action to enable the information to be so transmitted to McDonald's.

18.4. Business Review. At least every eighteen (18) months commencing from the Effective Date, or as otherwise determined by McDonald's in its sole judgment McDonald's may conduct a business review (each a "Business Review") of the Master Franchise Business, covering Master Franchisee's results, business strategies execution key reports and business research, in accordance with McDonald's then-current Developmental Licensee Business Review process.McDonald's shall communicate the results of the Business Review in writing to Master Franchisee.

19. Confidential Information/Exclusive Dealing by Master Franchisee

19.1. Confidential Information.

19.1.1. McDonald's and its Affiliates possess, or there may be created hereunder, certain confidential and proprietary information and trade secrets, consisting of (a) methods, procedures and techniques for locating, designing, developing, constructing, decorating and equipping Franchised Restaurants; (b) techniques for advertising, marketing, pricing and soliciting the products of the Franchised Restaurants; (c) marketing and advertising programs, calendars and plans; (d) methods, standards, specifications and procedures for operation of a Franchised Restaurant, including the Standards; (e) sales management techniques, information management techniques, business technology and information management technology; (f) the Intellectual Property to the extent not in the public domain; (g) knowledge of operating results and financial performance of McDonald's Restaurants other than the Franchised Restaurants; (h) customer communication and retention programs; (i) recipes specifications, formulae and food/beverage preparation processes; (j) information generated by, or used or developed in, the Master Franchise Business' operation (other than Corporate Entity Information); and (k) all other information relating to the business and operation of the System, including the Training Program and the Operations Manuals (collectively, the "Confidential Information") (it being understood that, notwithstanding the foregoing or anything herein to the contrary, in no event shall any Corporate Entity Information constitute

Confidential Information). No Master Franchisee Party shall acquire any interest in the Confidential Information hereunder except to the extent of the Maste Franchisee Rights granted to Master Franchisee during the applicable Term, and the use or duplication of the Confidential Information in any other business or capacity shall constitute an unfair method of competition with McDonald's, its Affiliates and McDonald's other franchisees.

19.1.2. McDonald's shall disclose Confidential Information to the Master Franchisee Parties solely on the condition that each of them agrees, and each doe agree, that it (a) shall not use the Confidential Information in any other business or capacity; (b) shall maintain the absolute confidentiality of the Confidential Information during and after the applicable Term; (c) shall not make unauthorized copies of any Confidential Information; (d) shall adopt and implement all reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including such procedures as McDonald's prescribes from time to time; (e) shall not distribute, sell trade or otherwise profit from any Confidential Information except as expressly authorized by this Agreement; (f) shall promptly notify McDonald's without delay of any case of disclosure or potential disclosure (in each case, which has not been authorized by McDonald's or which is not permitted under this Agreement) of any Confidential Information, unauthorized or unlawful use of any Confidential Information, or in the event any Confidential Information is lost, stolen, released o unaccounted for by it; and (g) shall advise McDonald's as to the steps being taken by the Master Franchisee Parties to recover such Confidential Information and sha take such steps as McDonald's may reasonably direct to recover such Confidential Information. Each Master Franchisee Party shall inform its respective employees and any other Person having access to any Confidential Information about its status as such and, if so requested by McDonald's, such employees and other Person shall execute confidentiality agreements in a form acceptable to McDonald's and naming McDonald's as a third party beneficiary of such agreements with an independent right to enforce the same.

19.2. No Trading on Non-Public Information Each of McDonald's and each Master Franchisee Party acknowledges having possible access to the other Party's o its Affiliates' material non-public information, and that the U.S. securities laws prohibit trading in publicly traded securities while in possession of such information. Each of McDonald's and each Master Franchisee Party agrees to refrain from trading in the other Party's and its Affiliates' securities in violation of such laws.

19.3. Competitive Businesses.

19.3.1. Each of the Master Franchisee Parties, Beneficial Owner and each Owner Entity acknowledges that McDonald's would be unable to protect th Confidential Information and the free exchange of ideas among its franchisees if such franchisees, any entity or person having a controlling interest in a franchisee or any Related Party having an active participation in a franchisee (*e.g.*, as an officer, director or general manager) were permitted to engage in, own, operate, franchise or perform services for Competitive Businesses. Accordingly, to the fullest extent permitted by Applicable Law, none of the Master Franchisee Parties, any of their respective Related Parties having an active participation in the Master Franchise Business (*e.g.*, as an officer, director or general manager), any Approved Successor, Beneficial Owner or any Owner Entity shall, without the prior consent of McDonald's:

(a) During the applicable Term and for a period of two years thereafter, directly or indirectly:

(1) Engage in (including through consulting, financing, employment or supply arrangements) or have any ownership interest in or provide any other assistance to any Competitive Business; or

(2) Have any ownership interest in or provide any financial or other assistance to any entity that grants or proposes to grant franchises or licenses or establishes or proposes to establish joint ventures for operation of any Competitive Business; or

(3) Perform services as a director, officer, manager, employee, consultant, representative, agent or in any other capacity for any Competitive Business; or

(4) Perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a business that grants or proposes to grant franchises or licenses or establishes or proposes to establish joint ventures for operation of any Competitive Business; or

(5) Solicit for purposes of employment any officer of McDonald's Corporation or McDonald's or any of their respective Affiliates who is then employed by, or who has within the last six months been employed as an officer by, McDonald's Corporation, McDonald's or any of their respective Affiliates; or

(6) Divert customers to another food-related business; or

(b) During the applicable Term and thereafter, directly or indirectly, duplicate the System (or any component thereof, including through sales, use, display or distribution of McDonald's products, "Happy Meal" premiums or McDonald's crew uniforms or programs, as set forth in the Business Plans) a another restaurant or business or for any other purpose.

19.3.2. Each of the Master Franchisee Parties, Beneficial Owner and each Owner Entity shall notify McDonald's within thirty (30) days of becoming awar that any of the Master Franchisee Parties, any of their respective Related Parties having an active participation in the Master Franchise Business (e.g., as an office director or general manager), any Approved Successor, Beneficial Owner or any Owner Entity is engaged in any restaurant business anywhere, in any capacity.

20. Relationship of the Parties

20.1. Relationship of Parties. The Parties shall be independent contractors. This Agreement shall not create any fiduciary relationship between McDonald's, on the one hand, and any Master Franchisee Party, on the other hand. Nothing in this Agreement is intended to make any Master Franchisee Party a general or special agent, lega representative, subsidiary, joint venturer, partner, employee or servant of McDonald's. No Master Franchisee Party shall represent that it has

any relationship with McDonald's other than as expressly permitted by this Agreement. McDonald's shall not be obligated by or have any liability under any agreement, representation or warranty made by any Master Franchisee Party. McDonald's shall not be obligated for any damages to any Person or property directly or indirectly arising out of the Master Franchise Business, whether or not caused by the negligent or willful action or failure to act of any Master Franchisee Party or any of its respective Affiliates. McDonald's shall have no liability for any sales, service, value-added, use, excise, gross receipts, property, workers' compensation, unemployment compensation, withholding or other taxes, whether levied upon any Master Franchisee Party or its respective Assets or income, or upon McDonald's in connection with services performed or business conducted by any of them. Withholding taxes when required by Applicable Law and payment of all such taxes shall be the sole responsibility of the applicable Master Franchisee Party as required by Applicable Law.

20.2. No Implied Employment Relationship This Agreement shall not create any employment relationship between McDonald's, on the one hand, and Master Franchisee, any Arcos Subsidiary, any Owner Entity or Beneficial Owner, on the other hand, or their personnel, employees or any independent contractor hired by any of them. Master Franchisee, the Arcos Subsidiaries, each Owner Entity and Beneficial Owner assume all obligations and responsibilities with respect to their respective employees under local labor or social security laws and all other Applicable Law.

21. Indemnification; No Liability

21.1. Master Franchisee Parties, Owner Entities and Beneficial Owner Indemnify McDonald'sEach Master Franchisee Party, each Owner Entity and Beneficial Owner agree to jointly and severally defend, indemnify and hold harmless McDonald's, its Affiliates and all of their respective stockholders, directors, officers, employees, agents, attorneys-in-fact and representatives, consultants, independent contractors, designees, successors and assigns, and each such Person's McDonald's Related Parties and representatives (the "McDonald's Indemnified Parties"), from and against any and all Losses and Expenses arising out of, in connection with, or relating to, any act or omission of Beneficial Owner, any Owner Entity, any Master Franchisee Party or any Franchisee in connection with the Master Franchise Business or any Franchised Restaurant, including:

21.1.1. Any Claim by any third party;

21.1.2. Any breach, violation or failure of any such Person to perform or comply with of any of their respective representations, warranties or obligations arising out of or relating to this Agreement or any Franchise Agreement (including the failure to comply with any applicable Standards);

21.1.3. Any negligence, recklessness, misconduct or criminal act by any such Person or any of its Related Parties or their respective employees or personnel;

21.1.4. The infringement or other violation of any patent, trademark, copyright or other proprietary rights of any third party, or the right of privacy or right of publicity, or the laws of unfair competition, in connection with this Agreement; provided that none of any Owner Entity or any Master Franchisee Party shall be responsible for any such infringement or other violation to the extent that it involves the use of Intellectual Property as authorized by McDonald's;

21.1.5. The death of or injury to any person, damage to any property, or any other damage, loss or injury, by whomsoever suffered, resulting or claimed to result, in whole or in part, from any latent or patent defect in connection with the operation of the Master Franchise Business or any Franchised Restaurant, including improper construction and / or design, or any claim of strict liability (or like theory of law) tort relating the operation of the Master Franchise Business or any Franchised Restaurant;

21.1.6. Any voluntary or mandatory recall of products that is due to a breach or violation by Master Franchisee, any of its Affiliates and / or its Approved Suppliers of any of their obligations hereunder, any deviation from any applicable Standards or specifications by Master Franchisee, any of its Affiliates and / or any of its Approved Suppliers, or any failure by Master Franchisee, any of its Affiliates and / or its Approved Suppliers to perform services and / or provide products in accordance with the terms of this Agreement;

21.1.7. Any failure to warn or inadequate warnings and / or instructions relating to any products; and

21.1.8. Any and all Losses and Expenses arising out of or based upon (i) any untrue or alleged untrue statement of a material fact contained in any Offering Document; (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; or (iii) any actions or proceedings in respect of the foregoing that is pending or threatened against a McDonald's Indemnified Party or in which a McDonald's Indemnified Party participates, whether or not such McDonald's Indemnified Party's participation in such action or proceeding is as a party to such action or proceeding.

21.2. Rights and Responsibilities of Indemnitor and Indemnitee. In the event of any Claim or allegation entitling any Party to indemnification by another Party hereunder, or in the event that any Party discovers facts that will likely give rise to a claim for indemnification hereunder, the Party entitled to indemnification hereunder (the "Indemnitee") shall promptly notify the Party obligated to provide such indemnification (the "Indemnitor") of same in writing giving reasonable detail of the Claim, allegation or discovered facts (provided that the Indemnitee's delay in furnishing notice of claims to Indemnitor shall not discharge the Indemnitor from its indemnification obligation hereunder, except to the extent such delay results in actual prejudice to Indemnitor or its inability to effectively defend the Claims or allegations).

21.3. McDonald's as Indemnitee. With respect to any Claims or allegations for which a Master Franchisee Party, Owner Entity or Beneficial Owner is obligated to indemnify McDonald's pursuant to the terms of this Agreement, McDonald's reserves the right to determine whether such Master Franchisee Party, Owner Entity or Beneficial Owner, on the one hand, or McDonald's, on the other hand, shall assume the defense of such Claims or allegations, and in either case, to employ counsel selected by McDonald's in its discretion, and to control the defense and settlement of any such Claims or allegations, acting reasonably and in accordance with good faith business judgment with respect thereto, at Master Franchisee's expense and without relieving any Master Franchisee Party, Owner Entity or Beneficial Owner of any of its obligations hereunder. The rights of McDonald's Indemnified Parties under this Agreement are in no way contingent upon or limited by McDonald's Indemnified Parties seeking to recover or recovering from third parties or otherwise mitigating their losses.

21.4. No Liability. Except as expressly provided in this Agreement, neither McDonald's nor any of its McDonald's Related Parties assumes any direct or indirec liability or obligation to Beneficial Owner, any Owner Entity or any Master Franchisee Party with respect to the Master Franchise Business and neither McDonald's nor ar such McDonald's Related Party shall have any liability to Beneficial Owner, any Owner Entity or any Master Franchisee Party for damages of any kind, whether direc consequential or otherwise incident to the conduct of the Master Franchise Business, any Franchisee or any Franchised Restaurant.

22. Transfer; Right of First Refusal

22.1. Transfer of Rights by McDonald's. McDonald's may directly or indirectly Transfer all or any part of this Agreement, or all or any of its rights or obligations herein, to any Person as long as such Person expressly assumes and agrees to perform McDonald's obligations under this Agreement. No such Transfer shall release any Owner Entity or any Master Franchisee Party from its respective obligations under this Agreement, except to the extent expressly agreed by McDonald's.

22.2. Transfer of Rights by Master Franchisee, any Owner Entity or Beneficial Owner.

22.2.1. Neither this Agreement nor any of their rights and obligations under this Agreement may be Transferred by Beneficial Owner, any Owner Entity Master Franchisee or any Arcos Subsidiary without McDonald's prior consent.

22.2.2. No direct or indirect Equity Interests in Beneficial Owner, any Owner Entity, any Master Franchisee Party or any of Master Franchisee's Subsidiarie (and no significant portion of the Assets thereof) (collectively, the "Restricted Interests") may be Transferred in one or a series of related transactions, without McDonald's prior consent, which consent may be withheld by McDonald's in its sole discretion, to any Person including Master Franchisee or any direct or indirec wholly owned Subsidiary of Master Franchisee (such Person, a "Proposed Transferee"); provided, however, that if any Owner Entity, Master Franchisee or Maste Franchisee Party wishes to Transfer Equity Interests in, or all or substantially all of the Assets of, any Subsidiary of Master Franchisee to any other wholly-owne Subsidiary of Master Franchisee, the consent of McDonald's shall not be unreasonably withheld; provided further, that, with respect to the Transfer of Equity Interests in (or all or substantially all of the Assets of) any Arcos Subsidiary, the Master Franchisee Parties and the Owner Entities shall cause the Transferee, as a condition precedent to such Transfer, to (a) (i) if the Equity Interests were issued by an Escrowed Arcos Subsidiary, deliver its Equity Interests for deposit with Escrow Agen subject to the Escrow Agreement; or (ii) if the Equity Interests were issued by a Non-Escrowed Arcos Subsidiary, deliver its Equity Interests for deposit with th applicable Trustee subject to the Trust Agreements; and (b) execute and deliver to McDonald's an instrument of accession, in form and scope satisfactory to McDonald's, in which such Transferee agrees to be deemed an Arcos Subsidiary for all purposes of this Agreement and to observe and be bound by all provisions of this Agreement and any other applicable Related Agreement. Notwithstanding the foregoing or anything herein to the contrary, but subject to Sections 7.1.3 and 8, in no event shall anything in this Agreement be deemed or construed to restrict, limit, prevent or prohibit Woods W. Staton or Beneficial Owner from Transferring any Equity Interests in Parent (including any Equity Interests in Parent acquired by Woods W. Staton or Beneficial Owner following the Effective Date), as long as Woods W Staton or the Approved Successor, as applicable, continues to solely Control Beneficial Owner, the Owner Entities and Master Franchisee (it being understood

that, for the avoidance of doubt, in no event shall any such Transfer be subject to the terms and conditions of Sections 22.2.3 or 22.4).

22.2.3. Master Franchisee shall notify McDonald's of each proposed direct or indirect Transfer of any Equity Interest in (or all or substantially all of the Assets of) Beneficial Owner, any Owner Entity, any Master Franchisee Party or any of its Subsidiaries.The Transfer of any Equity Interests in Parent or any of its Subsidiaries in any manner shall be subject to the condition that the Transferee thereunder agrees to all restrictions under this Agreement, including restrictions on Transfer, the Call Option and other limitations, including any obligation to deliver Equity Interests to Escrow Agent subject to the Escrow Agreement or the applicable Trustee subject to the Trust Agreements, as the case may be, that are identical in all material respects to those restrictions and limitations that were applicable to the Transferor, and no such Transfer may be consummated in the absence of a written agreement by the Transferee acknowledging and agreeing to such restrictions and other limitations.

22.2.4. [Reserved]

22.2.5. Any Transfer of an Equity Interest in any of any Owner Entity, Beneficial Owner, Master Franchisee Party or any of its Subsidiaries that requires the prior consent of McDonald's under this Agreement and is made without such consent shall convey no right to or interest in such Equity Interest and shall be void*ab initio*.

22.2.6. Master Franchisee shall deliver to Escrow Agent a written instruction substantially in the form ofExhibit 13 (each, a "Transfer Instruction") in connection with any Transfer.

22.3. Certain Conditions to the Transfer of Restricted Interests by any Owner Entity, Master Franchisee Party or any of its SubsidiariesWithout prejudice to Section 22.2.2, any proposed Transfer of Restricted Interests having a fair market value as of the proposed effective date of such Transfer of at least equal to $500,000 is subject to the satisfaction or waiver by McDonald's of each of the following conditions on or prior to such effective date:

22.3.1. Any Owner Entity or Master Franchisee Party, as the case may be, shall have paid to McDonald's all amounts due but unpaid hereunder or under any Related Agreement; and

22.3.2. If such Transfer relates to the Equity Interests in any Arcos Subsidiary or Arcos Subsidiaries with respect to one or more Territories, Master Franchisee shall have executed and delivered to McDonald's a general release, in form and scope satisfactory to McDonald's, of any and all claims in such Territories against McDonald's, its Affiliates and their respective officers, directors, employees and agents.

22.4. Right of First Refusal.

22.4.1. If Beneficial Owner, an Owner Entity or a Master Franchisee Party, as applicable (the RFR Seller"), proposes to Transfer an Equity Interest in an Owner Entity, Master Franchisee or any other Master Franchisee Party to any Person other than a direct or indirect wholly owned Subsidiary of Parent, and McDonald's consents to such Transfer, an RFR Seller may effect such Transfer, provided that the RFR Seller shall first give

McDonald's a right with respect to the Equity Interest to be Transferred (the "Offered Interest") to substitute itself for the Proposed Transferee in the transaction in accordance with this Section 22.4.

22.4.2. If an RFR Seller has received a *bona fide*, arm's-length, executed, written, binding offer for the Offered Interest which it is willing to accept, such RFR Seller shall give notice to McDonald's of the proposed sale and of the terms and conditions of such offer, including a copy of the offer, the identity of the Proposed Transferee, the consideration offered, the date on which the sale is proposed to be made, which shall not be earlier than 90 days and not later than 120 days from the date of such notice, any proposed ancillary agreements, along with such other information as may reasonably be required by McDonald's to evaluate the offer and the Proposed Transferee.

22.4.3. Thereafter, McDonald's shall have the right, by notice to the RFR Seller within 60 days after receipt of such notice of proposed Transfer and all the information that McDonald's requested to evaluate the offer and the Proposed Transferee pursuant to Section 22.4.2, to elect to purchase all of the Offered Interest for the consideration offered and in accordance with the other terms and conditions of such offer; provided that McDonald's shall have the right to substitute cash for any alternative form of consideration contemplated by the proposed Transfer.

22.4.4. If McDonald's elects not to purchase all of the Offered Interest, the RFR Seller may proceed to complete the Transfer to the Proposed Transferee in accordance with such offer not later than 180 days after the notice thereof given to McDonald's. If the proposed Transfer is not completed by that date or if the terms of such Transfer of the Offered Interest are amended in any material respect, the provisions of this Section shall again apply and no Transfer may be made in reliance upon this Section without again complying with its provisions.

22.5. Call Option.

22.5.1. McDonald's (in its own name, or through a nominee) shall have the right from time to time to purchase (a) upon expiration of the No New Term Solicitation Period to and including the expiration or termination of this Agreement, all, but not less than all, of the fully diluted Equity Interests of Parent owned or held directly or indirectly, by any Non-Public Shareholder; (b) [Reserved]; (c) within thirty (30) days after the termination of this Agreement for any reason other than for a Material Breach, all, but not less than all, of the fully diluted Equity Interests of Parent owned or held, directly or indirectly, by any Non-Public Shareholder; or (d) following the occurrence of a Material Breach either (i) all, but not less than all, of the fully diluted Equity Interests of Parent owned or held, directly or indirectly, by any Non-Public Shareholder; or (ii) all, but not less than all, of the Equity Interests of any Arcos Subsidiary that is either operating (or licensing the operation of) Franchised Restaurants in any Territory affected by such Material Breach or to which such Material Breach may be attributable, or that owns or leases from a third party Real Estate related to the Franchised Restaurants in such Territory, in either case directly or indirectly, by McDonald's in its sole discretion, as set forth in Section 23.3 (each, a "Call Option").

22.5.2. The purchase price payable by McDonald's pursuant to an exercise of the Call Option (the "Call Option Price") shall be equal to:

(a) The Fair Market Value of the Subject Business, *multiplied by* (i) in the event the Call Option is exercised pursuant to Section 22.5.1(a) or 22.5.1(c), 100%; or (ii) in the event the Call Option is exercised pursuant to Section 22.5.1(d), 80%; *less*

(b) The sum of (i) Funded Debt less Cash, in each case attributable to the Subject Business; and (ii) Contingencies attributable to the Subject Business, in each case, as determined by Master Franchisee's independent certified public accountants as of the Fair Market Value Date or the Adjusted Fair Market Value Date, as the case may be, and, if applicable, as subsequently adjusted as of the Option Closing Date pursuant to Section 22.7.2; provided, however, that if the Call Option Price (i) refers to any Arcos Subsidiary or Territory; and (ii) results in a negative number, then Master Franchisee shall either (A) assume all of the Funded Debt (less Cash determined as of the Exercise Date or, if subsequently adjusted pursuant to Section 22.7.2, the Option Closing Date) and Contingencies attributable to the Subject Business and execute a general release in favor of McDonald's and in form and scope acceptable to McDonald's, relieving McDonald's of any obligations with respect thereto; or (B) pay to McDonald's the absolute value of such amount, in each case on or prior to the Option Closing Date. Master Franchisee shall deliver a notice, which notice shall be substantially in the form of Exhibit 14, to the Collateral Agent and McDonald's specifying whether it has elected (a) the alternative described in clause (A) of the preceding sentence (a "Debt Assumption Election"); or (b) the alternative described in clause (B) of the preceding sentence (a "Payment Election").

22.5.3. McDonald's may exercise a Call Option by giving written notice thereof to Master Franchisee, Beneficial Owner and Parent. If McDonald's exercising the Call Option pursuant to (a) Section 22.5.1(d), McDonald's shall deliver to the Persons set forth therein a written notice substantially in the form of Exhibit 15 (the "Default Exercise Notice"); or (b) Section 22.5.1(a) or 22.5.1(c), McDonald's shall deliver such written notice substantially in the form of Exhibit 16 (the "Non-Default Exercise Notice," together with the Default Exercise Notice, the "Exercise Notices" and the date of delivery of any Exercise Notice, the "Exercise Date").

22.5.4. As promptly as practicable after the Fair Market Value Date or the Adjusted Fair Market Value Date, as the case may be, but subject always to receipt of all approvals, licenses and authorizations from, and making of any filing with, all Governmental Authorities in connection with the Transfer of the Subject Business, which, in each case, is necessary for the closing (unless McDonald's, in its sole discretion, elects to proceed to the closing without such approvals, licenses and authorizations), McDonald's shall deliver a written notice to Escrow Agent or the applicable Trustee, as the case may be, with a copy to Master Franchisee Beneficial Owner and Parent, substantially in the form of Exhibit 17 (the "Settlement Notice"), pursuant to which it shall (a) notify Escrow Agent or the applicable Trustee, as the case may be, of (i) the anticipated Option Closing Date; (ii) the Call Option Price; and (iii) any Disputed Amounts; (b) instruct Escrow Agent or the applicable Trustee, as the case may be, (i) to deliver the relevant Equity Interests to McDonald's on the Option Closing Date and register McDonald's (or its nominee as the registered owner of such Equity Interests and (ii) to segregate any Disputed Amounts from the Call Option Price and deposit such Disputed Amounts in a escrow account pending resolution thereof; and

(c) certify to Escrow Agent or the applicable Trustee, as the case may be, that (i) there is no Dispute under this Agreement regarding McDonald's right to exercise the Call Option, which Dispute (A) was raised in good faith and in accordance with the arbitral procedures under Section 26.2 no later than the one month anniversary of the Exercise Date relating to such Call Option; and (B) has been actively pursued by Master Franchisee, but which respect thereto no final judgment has been awarde (an "Unresolved Dispute"), in each case against delivery by McDonald's of the Call Option Price, and (ii) McDonald's has received all approvals, licenses and authorizations from, and made all filings with, all Governmental Authorities in connection with the Transfer of the Subject Business, which, in each case, is necessary for the closing, or, in its sole discretion, elected to proceed to closing without such approvals, licenses and authorizations. The date on which the Settlement Notice is delivered is referred to as the "Settlement Notice Date."

22.5.5. The "Option Closing Date" shall occur on the fifth Business Day after the Settlement Notice Date. At the reasonable request of McDonald's and without further consideration, Beneficial Owner, each Owner Entity and each Master Franchisee Party shall execute and deliver such additional documents and take such further action as may be necessary or desirable under all Applicable Law to consummate and make effective, in the most expeditious manner practicable, the Transfer of the Subject Business, free and clear of any Encumbrances.

22.5.6. On the Option Closing Date, Escrow Agent or the applicable Trustee, as the case may be, shall, upon payment of the Call Option Price and subject t the right of McDonald's to escrow Disputed Amounts, Transfer and deliver to McDonald's, and McDonald's shall purchase, acquire, accept and take assignment and delivery of, from Escrow Agent or the applicable Trustee, as the case may be, all of the right, title and interest in the Equity Interests relating to the Subject Business.

22.5.7. Promptly following the Effective Date and the Option Closing Date, and in any event by such date as required under Applicable Law, Parent shall make all disclosures in respect of the Call Option to the extent required by Applicable Law, including all applicable securities laws.

22.5.8. Payments (if any) by McDonald's to Escrow Agent or the applicable Trustee, as the case may be, of the full amount of the Call Option Price sha constitute full payment of the Equity Interests subject to the Call Option and such Equity Interests shall be immediately and irrevocably Transferred to McDonald's a the time of such payment.

22.5.9. If McDonald's disputes the amount of any of Funded Debt, Cash or Contingencies pursuant to Section 22.7.2, then as promptly as practicable following the settlement of such dispute in accordance with the procedures set forth under Section 22.7.2, McDonald's shall deliver to Escrow Agent or the applicable Trustee, as the case may be, a written notice substantially in the form of Exhibit 18 (the "Disputed Amounts Settlement Notice") instructing Escrow Agent or the applicable Trustee, as the case may be, to release from escrow the relevant amounts to it or to Master Franchisee, as the case may be.

22.5.10. From and after the occurrence and during the continuance of any Material Breach, Beneficial Owner, any Owner Entity or any Master Franchise Party, as applicable, shall (a) cause the Subject Business to operate its business in the ordinary course consistent

with past practice; (b) not sell any significant portion of the Subject Business' Assets in one transaction or a related series of transactions; (c) not permit the Subject Business to create, incur or assume any additional Funded Debt; (d) cause the Subject Business to pay or otherwise satisfy (except if being contested in good faith and subject to any applicable grace period) all other Indebtedness and liabilities (including taxes and trade payables) of the Subject Business as and when the same shall become due and payable on a basis consistent with past practice; (e) not permit the Subject Business to securitize any of its receivables; (f) not take any action for purposes of liquidation of the Subject Business, making any general assignment for the benefit of the Subject Business' creditors, making a voluntary filing of a petition in commercial insolvency (including a *concurso mercantile* or consenting to the filing of any other proceeding for the appointment of a receiver, a conciliator or an auditor of such entity or other custodian or similar official for all or any portion of the business or Assets thereof); (g) remain subject to the terms of this Agreement; or (h) cause the Subject Business not to declare or pay any distribution or dividend to holders of Equity Interests in the Subject Business.

22.5.11.The Parties acknowledge and agree that McDonald's right to exercise the Call Option may be enforced by injunctive relief or an order of specific performance.

22.6. Covenants relating to the Call Option If McDonald's exercises the Call Option, Beneficial Owner, each Owner Entity and each Master Franchisee Party shall exercise all rights available to it, whether as a shareholder or through directors nominated by it, to ensure the approval of any shareholders or director resolution to approve the Transfer of the Subject Business pursuant to the exercise of the Call Option.

22.7. Calculation of Call Option Price.

22.7.1. Fair Market Value. McDonald's and Master Franchisee agree to create and maintain at all times an agreed list (the "FMV Institution List") of internationally recognized investment banks from which investment banks shall be selected for purposes of determining the Fair Market Value.

(a) McDonald's and Master Franchisee agree that, in the case of any determination of the Fair Market Value, (i) each of McDonald's and Master Franchisee shall pay the fees and expenses of any institution it selects from the FMV Institution List; and (ii) each of McDonald's and Master Franchisee shall share equally the fees and expenses of any institution selected from the FMV Institution List to render a Secondary Valuation.

(b) The Fair Market Value shall be calculated as the amount in U.S. Dollars that, as of the Exercise Date, would be received for the Subject Business in an arm's-length transaction between a willing buyer and willing seller, taking into account the benefits provided by this Agreement, determined as follows:

(1) McDonald's and Master Franchisee shall each select a financial institution from the FMV Institution List.These two institutions shall make their respective determinations of the fair market valuation of the Subject Business (each, a "Primary Valuation") and submit them to McDonald's and Master Franchisee

within 45 days of the delivery of the Exercise Notice. Each Primary Valuation shall set forth a single determination of the value of the Subject Business and not a range thereof. If the Primary Valuations differ by an amount which is less than 10% of the lower Primary Valuation, the Fair Market Value shall be the average of such Primary Valuations. If either McDonald's or Master Franchisee fails to timely appoint a financial institution from the FMV Institution List, or if a selected institution fails to deliver a Primary Valuation before the end of the 45-day period, then the Fair Market Value shall be equal to the Primary Valuation that was timely delivered.

(2) If the Primary Valuations differ by an amount which is greater than 10% of the lower Primary Valuation, McDonald's and Master Franchisee shall, jointly, select a third institution from the FMV Institution List. (If McDonald's and Master Franchisee cannot agree on a third institution within ten days after the date on which the Primary Valuations were delivered, then McDonald's and Master Franchisee shall meet at 10 a.m. (New York Time) on the 55th day following the date of the Exercise Notice at McDonald's offices in Chicago, Illinois, and select an institution from the FMV Institution List at random by drawing from a hat.) The selected institution shall then make its own determination, which shall be calculated without reference to or reliance on the Primary Valuations, of the Fair Market Value (the "Secondary Valuation") and deliver it to the parties within 45 days. The Secondary Valuation shall set forth a single determination of the value of the Fair Market Value and not a range thereof. The Primary Valuation that is closest to the Secondary Valuation shall become the Fair Market Value; provided, however, that if the Secondary Valuation is the arithmetic mean of the Primary Valuations, then the Secondary Valuation shall become the Fair Market Value.

(c) The date on which the Fair Market Value is determined pursuant to this Section is referred to as the "Fair Market Value Date."

(d) If the Settlement Notice Date has not occurred prior to the one hundred twentieth calendar day after the Fair Market Value Date, then McDonald's or, if the Settlement Notice Date has not occurred due to a failure to receive an approval, license or authorization from any Governmental Authority either Master Franchisee or McDonald's may, prior to delivering a Settlement Notice with respect to the applicable Subject Business, request that the Fair Market Value of such Subject Business be reviewed by delivering to the other Parties a fair market value review notice in the form of Exhibit 19 (the "FMV Review Notice"), provided that no party may deliver such a notice if the delay in the Settlement Notice Date results from a failure of such party to take such actions as may be necessary to timely obtain such approval, license or authorization.

(1) The Fair Market Value review shall be conducted by the same institutions that conducted the initial Primary Valuations of such Fair Market Value pursuant to Section 22.7.1(b). Each of these two institutions shall make a new Primary Valuation and submit them to McDonald's and Master Franchisee within 20 days of the delivery of the FMV Review Notice. Each Primary Valuation shall set forth a single determination of the value of the Subject Business and not a range thereof. If the Primary Valuations differ by an amount which is less than 10% of the lower Primary Valuation, the Adjusted Fair Market Value shall be the average of such Primary Valuations. If either McDonald's or Master Franchisee fails, if required, to timely appoint a replacement financial institution from the FMV Institution List, or if a selected institution fails to deliver a Primary Valuation before the end of the 20-day period, then the Adjusted Fair Market Value shall be equal to the Primary Valuation that was timely delivered.

(2) If the Primary Valuations differ by an amount which is greater than 10% of the lower Primary Valuation, McDonald's and Master Franchisee shall, jointly, select a third institution from the FMV Institution List. (If McDonald's and Master Franchisee cannot agree on a third institution within ten days after the date on which the Primary Valuations were delivered, then McDonald's and Master Franchisee shall meet at 10 a.m. (New York Time) on the 25th day following the date of the Exercise Notice at McDonald's offices in Chicago, Illinois, and select an institution from the FMV Institution List at random by drawing from a hat.) The selected institution shall then make a Secondary Valuation and deliver it to the parties within 25 days. The Secondary Valuation shall set forth a single determination of the value of the Adjusted Fair Market Value and not a range thereof. The Primary Valuation that is closest to the Secondary Valuation shall become the replacement Fair Market Value (such new amount, the "Adjusted Fair Market Value"); provided, however, that if the Secondary Valuation is the arithmetic mean of the Primary Valuations, then the Secondary Valuation shall become the Adjusted Fair Market Value.

(e) The date on which the Adjusted Fair Market Value is determined pursuant to this Section is referred to as the "Adjusted Fair Market Value Date."

(f) Each of McDonald's and Master Franchisee agrees to cooperate in good faith with any institution selected to conduct the Primary Valuations or Secondary Valuation and shall provide such institutions with access to any and all information and/or personnel requested by such institution in connection with the determination of the Fair Market Value and/or the Adjusted Fair Market Value. Such requests may include, among other things, requests for financial projections, budget proposals, management presentations, accounting books and records and explanations by management with respect thereto.

22.7.2. Funded Debt; Cash; Contingencies.

(a) Within ten Business Days after the Fair Market Value Date or Adjusted Fair Market Value Date, as the case may be, Master Franchisee sha deliver to McDonald's an unaudited condensed consolidated balance sheet for the Subject Business as of the Fair Market Value Date or Adjusted Fair Marke Value Date, as the case may be (the "Subject Business Balance Sheet Date"), that sets forth on the face thereof or in the notes thereto the Funded Debt, Cash and Contingencies of the Subject Business, as determined by Master Franchisee's independent certified public accountants (the "Subject Business Balance Sheet"). If Master Franchisee fails to deliver a Subject Business Balance Sheet, then McDonald's shall make a good faith estimate of the Subject Busines Balance Sheet, which shall be definitive and binding unless subsequently adjusted pursuant to Section 22.7.2(b). Master Franchisee shall cooperate in good faith with McDonald's and provide McDonald's and its representatives and advisors with full access to any and all information and/or personnel requested by any of them in connection therewith. Such requests may include, among other things, accounting books and records and explanations by management with respect to McDonald's review or preparation of the Subject Business Balance Sheet. McDonald's shall also have the right, in its sole discretion, to request another Subject Business Balance Sheet be delivered as of a date of its election if within sixty calendar days after the Fair Market Value Date or Adjusted Fair Market Valu Date, as the case may be, the Option Closing Date has not occurred.

(b) If either (i) McDonald's disagrees with the determinations of Funded Debt, Cash and Contingencies; or (ii) reasonably believes that the amoun of Funded Debt, Cash or Contingencies has materially changed or will materially change between the Subject Business Balance Sheet Date and the Optic Closing Date, then McDonald's shall have the right to notify Escrow Agent within 10 Business Days after receiving the Subject Business Balance Sheet b delivering a notice in the form of Exhibit 20 (the "Disputed Amounts Notice") in which it shall notify the other Parties of any disputed amounts (the "Disputed Amounts").

(1) In the event of a dispute, McDonald's shall select an accounting firm that has not served as Master Franchisee's independen certified public accountants in either of the last two completed fiscal years (such a firm, a "Disqualified Firm"). This institution shall determine the value of the Funded Debt and/or Cash and/or Contingencies of the Subject Business as of the Option Closing Date and shall submit it t McDonald's and Master Franchisee within 30 days of the Option Closing Date (such calculation, along with the calculation performed by th Master Franchisee's independent certified public accountants pursuant to Section 22.7.2(a), the "Primary Calculations").

(2) Each Primary Calculation shall set forth a single determination of the value of the Funded Debt and/or Cash and/o Contingencies of the Subject Business as of the Option Closing Date, as the case may be, and not a range thereof.If the Primary Calculations differ by an amount which is less than 10% of the lower Primary Calculation, the final value of the Funded Debt and/or Cash or Contingencies as the case may be, shall be the average of such Primary Calculations. If McDonald's fails to timely appoint an accounting firm or if Master Franchisee's independent certified public accountants or McDonald's accounting firm fails to deliver a Primary Calculation before the end of the 30-day period, then the value of the Funded Debt and/or Cash and/or Contingencies of the Subject Business, as the case may be, shall be equal to the Primary Calculation that was timely delivered.

(3) If the Primary Calculations differ by an amount which is greater than 10% of the lower Primary Calculation, McDonald's and Master Franchisee shall jointly select a third accounting firm, which shall not be a Disqualified Firm. (If McDonald's and Master Franchisee cannot agree on a third accounting firm within ten days after the date on which the Primary Calculations were delivered, then McDonald's and Master Franchisee shall meet at 10 a.m. (New York Time) on the fortieth day following the date of the Fair Market Value Date or the Adjusted Fair Market Value Date, as the case may be, at McDonald's offices in Chicago, Illinois, and select an accounting firm from the list of registered public accounting firms maintained by the Public Company Accounting Oversight Board (other than any Disqualified Firm) at random by drawing from a hat.) The selected accounting firm shall then make its own determination, which shall be calculated without reference to or reliance on the Primary Calculations, of the value of the Funded Debt and/or Cash and/or Contingencies of the Subject Business, as the case may be (the "Secondary Calculation") and deliver it to the parties within 30 days. The Secondary Calculation shall set forth a single determination of the value of the Funded Debt and/or Cash and/or Contingencies of the Subject Business, as the case may be and not a range thereof. The Primary Calculation that is closest to the Secondary Calculation shall become the value of the Funded Debt and/or Cash and/or Contingencies of the Subject Business, as the case may be;provided, however, that if the Secondary Calculation is the arithmetic mean of the Primary Calculations, then the Secondary Calculation shall become the value of the Funded Debt and/or Cash and/or Contingencies of the Subject Business, as the case may be.

(c) Each of McDonald's and Master Franchisee agrees to cooperate in good faith with any accounting firm selected to conduct the Primary Calculation or Secondary Calculation and shall provide such institutions with access to any and all information and/or personnel requested by such institution in connection with the determination of the value of the Funded Debt and/or Cash and/or Contingencies of the Subject Business, as the case may be. Such requests may include, among other things, requests for financial projections, budget proposals, management presentations, accounting books and records and explanations by management with respect thereto.

22.8. Securities Offerings. In connection with any public or private offering of Securities by Parent or any of its Subsidiaries or any Master Franchisee Party ("Securities Offering"):

22.8.1. McDonald's shall have the right to review all documentation (including any Offering Document) relating to such Securities Offering reasonably in advance of such Securities Offering, at Parent's sole expense, and Parent shall use its best efforts to incorporate any comments McDonald's may have with respect to any of such documentation.

22.8.2. Master Franchisee shall cause the issue of such Securities Offering to include a disclaimer substantially similar to the following in any Offering Document relating to such Securities Offering:

"This is an offering by [*insert name of issuer*] and not by McDonald's Corporation or any of its affiliates. McDonald's Corporation and its affiliates make no representation or warranty, express or implied, for or in respect of the information contained herein."

22.8.3. None of Parent or any of its Subsidiaries or any Master Franchisee Party shall use (i) the McDonald's "golden arches" design or any design incorporating the McDonald's "golden arches" design; (ii) the phrase "I'm lovin' it"; or (iii) the McDonald's name, in each case on any Securities issued in any Securities Offering or any Offering Document, other than any use of the McDonald's name in connection with a description of the rights obtained under this Agreement.

22.9. Right to Exercise Call Option; Damages on Failure to Complete. McDonald's right to exercise the Call Option shall not be affected by the occurrence of any event described in Section 23.2.3. If Beneficial Owner, any Owner Entity or any Master Franchisee Party fails to perform its obligations in respect of the Call Option such that McDonald's does not receive all of the right, title and interest in the Equity Interests relating to the Subject Business free and clear of all Liens (if applicable as set forth in the Escrow Agreement) hereunder or under the Escrow Agreement, or upon the occurrence of any event described in Section 23.2.3, McDonald's shall have the right upon notice to Beneficial Owner, any Owner Entity or the relevant Master Franchisee Party, as applicable, to cancel the Call Option without cost or penalty to McDonald's. Upon any such cancellation, or otherwise in the event that McDonald's is not permitted to exercise the Call Option or upon exercise does not receive all of the right, title and interest in the Subject Business, in addition to its other rights hereunder, McDonald's shall (acting reasonably and in good faith) determine and be entitled to damages from Beneficial Owner, any Owner Entity and the Master Franchisee Parties, jointly and severally, of McDonald's total damages and costs arising from its loss of bargain represented by this Agreement, including among other damages the loss of revenues attributable to this Agreement. The

Parties agree that such damages and costs recoverable by McDonald's shall in no event be less than the aggregate amount of Royalties paid or payable by the Master Franchisee Parties hereunder for the most recently completed 12-month period ending on the date of such cancellation, *multiplied by* the number of years left in the applicable Term, *plus* damages attributable to loss of goodwill associated with the Intellectual Property and any additional amounts that would be invested in or otherwise spent by McDonald's to replicate the Subject Business that should have been delivered to McDonald's pursuant to such Call Option.

23. Material Breaches and Remedies

23.1. Material Breaches by Master Franchisee Master Franchisee shall be considered to be in default of its obligations under this Agreement upon the occurrence and during the continuance of any Material Breach.

23.2. Material Breaches. Each of the following events is a "Material Breach" hereunder:

23.2.1. The material breach by Beneficial Owner, any Owner Entity, Master Franchisee, any Arcos Subsidiary of any of their respective (a) representations or warranties or (b) obligations under this Agreement, including but not limited to compliance with the System and the Standards; provided, in the case of the foregoing clause (b), that the relevant Party has failed to cure such material breach within 30 days after receipt of notice thereof from McDonald's;

23.2.2. The failure by Master Franchisee, Beneficial Owner, Owner Entity or any Arcos Subsidiary to comply with any of its respective obligations contained in Section 7.18;

23.2.3. To the fullest extent permitted by Applicable Law, the insolvency or making of a general assignment for the benefit of creditors of any Owner Entity, Beneficial Owner, Master Franchisee or an Arcos Subsidiary; the voluntary filing by any Owner Entity, Beneficial Owner, Master Franchisee or an Arcos Subsidiary of a petition in commercial insolvency (including a *concurso mercantil*); the filing by any other Person of such a petition against any Owner Entity, Beneficial Owner, Master Franchisee or an Arcos Subsidiary, which is not dismissed within 60 Business Days after the filing date; the adjudication of any Owner Entity, Beneficial Owner, Master Franchisee or an Arcos Subsidiary as bankrupt or insolvent; the filing by or with the consent of any Owner Entity, Beneficial Owner, Master Franchisee or an Arcos Subsidiary of any other proceeding for the appointment of a receiver, a conciliator or an auditor of any Owner Entity, Beneficial Owner, Master Franchisee or an Arcos Subsidiary or other custodian or similar official for the business or Assets of any Owner Entity, Beneficial Owner, Master Franchisee or an Arcos Subsidiary, or any part thereof; the appointment by any court of competent jurisdiction of a receiver, a conciliator or an auditor or other custodian (permanent or temporary) of Assets of any Owner Entity, Beneficial Owner, Master Franchisee or an Arcos Subsidiary, or any part thereof; or the institution of proceedings for a composition with creditors under Applicable Law of any Territory by or against any Owner Entity, Beneficial Owner, Master Franchisee or an Arcos Subsidiary;

23.2.4. The indictment on charges or conviction of Woods W. Staton or the Approved Successor (as applicable), Beneficial Owner, any Owner Entity, Master Franchisee or an Arcos Subsidiary or any of their respective agents or employees by a court or other body of competent jurisdiction, or pleading no contest by such Person to, (a) a crime or offense that is punishable by incarceration for more than one (1) year or a felony; (b) a crime or offense that involves terrorist financing, financial crimes, bribery or corruption; (c) a fraudulent or dishonest activity, including the concealment of revenues or the provision of false or misleading financial information relating to the Master Franchise Business; (d) understatement in an intentional, reckless or grossly negligent manner of the Gross Sales of any Master Franchisee Restaurant; or (e) a crime or offense or the indictment on charges thereof that, in the determination of McDonald's, is likely to adversely affect the reputation of such Person, any Franchised Restaurant, McDonald's or any of its Affiliates or the Trademarks, or otherwise adversely affect the System, McDonald's Restaurants or the goodwill associated with the Trademarks;

23.2.5. The participation by any Master Franchisee Party or any of its Subsidiaries in any fraudulent or dishonest activity that is material to the Master Franchise Business in any Territory or the failure by Master Franchisee to report to McDonald's any such fraudulent or dishonest activity by any of the employees or agents of any Master Franchisee Party or any of its Subsidiaries, including the concealment of revenues or the provision of false or misleading financial information;

23.2.6. The entry of any judgment against any Owner Entity, Beneficial Owner, Master Franchisee or any Arcos Subsidiary in excess of $5,000,000, or the failure to pay any creditor, including any Approved Supplier, Distributor or Governmental Authority, any amount as and when due and payable, that is not duly paid or otherwise discharged within 30 days, unless such judgment is being contested on appeal in good faith by any Owner Entity or Master Franchisee;

23.2.7. The default by any Owner Entity, Master Franchisee, or any Arcos Subsidiary under any Financing Agreement which continues beyond any applicable cure period set forth in any such Financing Agreement, which default shall be deemed to materially and adversely affect each of the Territories if it (a) was caused by any Owner Entity, Master Franchisee, LatAm or Netherlands Subholding; or (b) was caused by any Arcos Subsidiary organized in a Major Territory and shall have resulted in or formed the basis of the acceleration of all amounts then due and payable under any such Financing Agreement;

23.2.8. The engagement by any Master Franchisee Party, any Owner Entity or any of their respective Affiliates or any Managing Director, Senior Executive or Chief Financial Officer in any Territory or Territories in public conduct that reflects materially and unfavorably upon the operation of McDonald's Restaurants, the System or the goodwill associated with the Intellectual Property, and the failure of the relevant Master Franchisee Party, Owner Entity, Affiliate, Managing Director, Senior Executive or Chief Financial Officer to cease such conduct within five days after receipt of notice thereof from McDonald's; provided that engagement in legitimate political activity (including testifying, lobbying, or otherwise attempting to influence legislation to the extent not in violation of the

U.S. Foreign Corrupt Practices Act or similar anti-corruption or money laundering law applicable in any Territory) shall not be grounds for termination;

23.2.9. The engagement by any Master Franchisee Party, any Owner Entity or any of their respective Affiliates or any Managing Director, Senior Executive or Chief Financial Officer in any Territory or Territories in an act constituting gross negligence, recklessness or intentional or willful misconduct relating to the conduct of the Master Franchise Business that, in the determination of McDonald's, is likely to materially adversely affect the reputation of McDonald's or any of its Affiliates o the Trademarks, or otherwise materially adversely affect the System, McDonald's Restaurants or the goodwill associated with the Trademarks;provided that engagement in legitimate political activity (including testifying, lobbying, or otherwise attempting to influence legislation to the extent not in violation of the U.S. Foreign Corrupt Practices Act or similar anti-corruption or money laundering law applicable in any Territory) shall not be grounds for termination;

23.2.10. The failure by any Master Franchisee Party, Owner Entity or Beneficial Owner to comply with any provision of this Agreement other than thos defined as a Material Breach more than once in any period of 12 consecutive months, regardless of whether (a) any such breach is a Material Breach or not; (b) any such breach was cured or not; (c) any such breach was committed by Master Franchisee Party, Owner Entity or Beneficial Owner; or (d) such breaches were of the same nature or not; provided that (i) promptly following any such breach by any Master Franchisee Party, Owner Entity or Beneficial Owner, McDonald's shall notify Master Franchisee in writing that the first breach (as contemplated by this Section 23.2.10) has occurred, and (ii) thereafter, a Material Breach shall have occurred only to the extent that a Master Franchisee Party, Owner Entity or Beneficial Owner (x) commits a subsequent breach within the 12-month period following the date of such initial notice and (y) fails to cure such breach within 30 days after McDonald's delivers to Master Franchisee a notice referencing this Section 23.2.10;

23.2.11. The failure by the Master Franchisee Parties to achieve:

(a) at least 80% of the aggregate Targeted Openings during any one calendar year of any Restaurant Opening Plan applicable to (i) both Brazil and Mexico, or (ii) all Territories (excluding Brazil and Mexico);

(b) during the first ten (10) years of the Terms, at least 90% of the aggregate Targeted Openings during any Two-Year Compliance Period of the Restaurant Opening Plans applicable to both Brazil and Mexico; or

(c) at least 90% of the aggregate Targeted Openings during any Three-Year Compliance Period of any Restaurant Opening Plan applicable to (i both Brazil and Mexico, or (ii) all Territories (excluding Brazil and Mexico);

23.2.12. The failure by the Master Franchisee Parties to comply with at least 80% of the (i) U.S. Dollar funding requirements or (ii) Reimaging an Modernization requirements of any Reinvestment Plan with respect to any Territory as and when such Reinvestment Plan is required to be implemented for a period o one year after notice thereof has been given to Master Franchisee;

23.2.13. The failure by any Owner Entity, Master Franchisee or any Arcos Subsidiary to pay any amount required to be paid to McDonald's under thi Agreement (including overdue interest thereon as provided in Section 25.2.3) that in the aggregate exceeds $80,000,000;

23.2.14. The failure by Master Franchisee (a) to cause any Letter of Credit to be reissued by a Qualified Bank no later than 60 days prior to the expiration dat of such Letter of Credit; or (b) to restore the aggregate amount available under the Letters of Credit to at any time during the Regular Term, $80,000,000 within 30 days following any draw thereunder;

23.2.15. The failure by Master Franchisee, if any amount is payable pursuant toSection 22.5.2, to either (i) assume all of the Funded Debt (less Cash determined as of the Exercise Date or, if subsequently adjusted pursuant to Section 22.7.2, the Option Closing Date) and Contingencies attributable to the Subjec Business and execute a general release in favor of McDonald's and in form and scope acceptable to McDonald's, relieving McDonald's of any obligations with respec thereto; or (ii) pay to McDonald's any amounts payable on any Option Closing Date (without regard to any notice or cure period that may otherwise apply under this Agreement);

23.2.16. The material breach by Brazilian Master Franchisee of any of its obligations, including compliance with the System, under the Brazil MFA if Brazilia Master Franchisee shall have failed to cure such material breach within 30 days after its receipt of notice thereof from McDonald's;

23.2.17. The material breach by any Owner Entity or any Master Franchisee Party of its representations, warranties or obligations under any MFA Documer if such Owner Entity or Master Franchisee Party shall have failed to cure such material breach within 30 days after its receipt of notice thereof from McDonald's;

23.2.18. The entry into any agreement (including any unsecured or secured debt facility, indenture or other instrument or agreement) by Beneficial Owner, any Owner Entity, Master Franchisee Party or any of their respective Subsidiaries that is materially adverse to any of McDonald's rights (a) under the Call Option; or (b) i respect of the Intellectual Property;

23.2.19. [Reserved];

23.2.20.Any breach of Section 8;

23.2.21. [Reserved];

23.2.22. [Reserved];

23.2.23.The Master Franchisee Parties' or their Franchisees' failure to use the Intellectual Property in compliance with this Agreement and the Standards, an fail to cure such breach within thirty (30) days of receipt of notice thereof from McDonald's;

23.2.24. Any of the Master Franchisee Parties or their Franchisees sells food or beverage products other than the Menu Items, sells Menu Items that fail t conform to the Standards in their composition or preparation, or fails to sell all of the core Menu Items approved by McDonald's, and failure to cure any such breacl within thirty (30) days of receipt of notice thereof from McDonald's;

23.2.25. Any of the Master Franchisee Parties or their Franchisees fails to comply with any Applicable Law or the Standards pertaining to food safety o prevention of food or beverage adulteration and, to the extent curable, fails to cure any such breach within ten (10) days of receipt of notice thereof from McDonald's; or

23.2.26. Any of Beneficial Owner, any Owner Entity, Master Franchisee or any Arcos Subsidiary commits a Transfer in violation of this Agreement, o commits a material breach of Section 22.2.

23.3. Remedies. Upon the occurrence and during the continuance of a Material Breach, McDonald's, at its option, may take any one or more of the following actions:

(a) In the case of any Material Breach, other than any Material Breach specified in Section 23.2.11(a):

(i) Terminate this Agreement, in whole or, in McDonald's sole discretion, with respect to any one or more Territories identified by McDonald's as being affected by such Material Breach or to which such Material Breach may be attributable, directly or indirectly; or

(ii) Exercise the Call Option with respect to all of the Territories, or in McDonald's sole discretion, with respect to one or more Territories identified by McDonald's as being affected by such Material Breach or to which such Material Breach may be attributable, in either case directly o indirectly; provided, however, that if the Material Breach relates to any one or more Territories other than a Major Territory and is not a Materia Breach specified in Section 23.2.11(a), McDonald's shall only be entitled to exercise the Call Option with respect to such Territory or Territories.

(b) Solely in the case of any Material Breach specified inSection 23.2.11(a), terminate the exclusive right of Master Franchisee to exploit the Master Franchisee Rights granted in Section 3 with respect to each Territory to which such failure may be attributable.

23.4. Mandatory Closure of Franchised Restaurants In addition to McDonald's right to terminate this Agreement under Section 23.3, and other rights and remedies under this Agreement and Applicable Law, McDonald's has the right to terminate any Master Franchisee Party's right to operate any Franchised Restaurant, effective upo notice to the relevant Master Franchisee Party without any opportunity to cure, upon the occurrence of one (1) or more events described below:

23.4.1. The failure to maintain possession or occupation of the Real Estate on which the relevant Franchised Restaurant is located;

23.4.2. The suspension, revocation or non-renewal of licenses or permits necessary for the proper operation of the relevant Franchised Restaurant; or

23.4.3. The material breach by a Master Franchisee Party of any of its other obligations under this Agreement with respect to the relevant Franchised Restaurant, including the obligation to maintain and operate the relevant Franchised Restaurant in a clean and wholesome manner in compliance with the Standards, and the Master Franchisee Party fails to cure such breach within ninety (90) days of receipt of notice thereof from McDonald's.

23.5. Restrictions on Distributions. In addition to McDonald's right to terminate this Agreement under Section 23.3 for a Material Breach, the Call Option, and other rights and remedies under this Agreement and Applicable Law, McDonald's shall have the right in its sole judgment to restrict Parent and its consolidated Subsidiaries from making any Restricted Payments during the Restricted Payments Period, in the event of the occurrence of one (1) or more events described below (each a "Restricted Payment Trigger Event"):

(a) Any Master Franchisee Party fails to pay any amounts due under this Agreement, including due to any understatement of Gross Sales, and the relevant Master Franchisee Party fails to cure such breach within thirty (30) days of receipt of notice thereof from McDonald's; or

(b) Parent and its consolidated Subsidiaries fail to comply with any of the financial covenants required under Section 7.16 and, to the extent curable, fails to cure such non-compliance within thirty (30) days of receipt of notice thereof from McDonald's.

23.6. Notice. In addition to the requirement under Section 7.23, upon Master Franchisee's obtaining knowledge of a Material Breach, Master Franchisee shall promptly notify McDonald's of such Material Breach, including information describing the nature thereof in reasonable detail and the action being taken to correct such Material Breach.

23.7. Mitigation. McDonald's shall have the right, but not the obligation, to take such action as it may deem necessary or appropriate to cure or remediate any Material Breach, but no such action, cure or remediation shall constitute a waiver of any of McDonald's rights or remedies hereunder or under Applicable Law with respect to such Material Breach. Any such actions taken by McDonald's shall be at the sole expense of Master Franchisee.

23.8. Automatic Termination. Upon the occurrence of a Material Breach specified in Section 23.2.3, this Agreement shall terminate without the need for any Party to take any further action.

24. Rights and Obligations Upon Termination or Expiration of the Master Franchise

24.1. Termination or Expiration of this Agreement. If this Agreement expires or terminates according to its terms, then:

24.1.1. Master Franchisee shall pay to McDonald's and its Affiliates, within ten Business Days following the effective date of the termination or expiration o this Agreement, or such later date that the amounts due are determined as provided in this Agreement any amounts owed to McDonald's or any of its Affiliates which are then unpaid and any late charges with respect thereto; and

24.1.2. In addition to, but not in lieu or limitation of, all of McDonald's rights and remedies set forth elsewhere in this Agreement and under Applicable Law, McDonald's shall have the right, but not the obligation, to exercise the Call Option set forth under Section 22.5. If McDonald's does not exercise the Call Option pursuant to this Section 24.1.2, then:

(a) McDonald's shall execute and deliver all necessary documents and instruments and perform any additional acts that McDonald's determines to be necessary or appropriate to confirm the continuing rights to the Intellectual Property and otherwise of any Franchisee under a Franchise Agreement the term of which extends beyond the applicable Term; and

(b) McDonald's shall have the option to purchase the furniture, fixtures, signs, equipment, leasehold improvements and other similar fixed property (but excluding, for the avoidance of doubt, Real Estate or rights therein) or any portion thereof held by the Franchised Restaurant(s) designated by McDonald's for a sum equal to the fair market value of such property, by delivering a written notice to Master Franchisee within sixty (60) days following any such termination or expiration. If McDonald's and Master Franchisee fail to agree on the fair market value within sixty (60) days after McDonald's notice, the fair market value of such property shall be determined by a reputable international accounting firm designated by McDonald's.

24.2. Responsibilities of Master Franchisee Parties upon Termination Upon termination or expiration of this Agreement with respect to any Territory, the Master Franchisee Parties shall, with respect to the affected Territory:

24.2.1. Not directly or indirectly at any time or in any manner identify themselves or any business as a current franchisee or licensee of, or as otherwise associated with McDonald's or any of its Affiliates, or use any Intellectual Property or any colorable imitation thereof in any manner or for any purpose, or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with McDonald's or any of its Affiliates;

24.2.2. Unless McDonald's is entitled to and does exercise its right to acquire the Equity Interests in Master Franchisee or any Equity Interest in any Arcc Subsidiary, within five Business Days remove all signs, structures, elements or designs incorporating or containing any Intellectual Property, and return to McDonald's or destroy all items, forms and materials containing any Intellectual Property or otherwise identifying or relating to a Franchised Restaurant and to comply fully with all Standards applicable to the closing or transfer of a McDonald's Restaurant;

24.2.3. Within five Business Days, take such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to Master Franchise Parties' use of any Intellectual Property;

24.2.4. Not sell any McDonald's branded product or service or product or service identified as part of the System;

24.2.5. If applicable, notify all relevant Persons with regard to the Electronic Properties within each Territory of the termination or expiration of this Agreement, and Transfer (or cause to be Transferred) any such Electronic Property within each Territory to McDonald's or any other Person designated by McDonald's;

24.2.6. Not sell any equipment covered by Patents to any third party unless authorized in writing by McDonald's and to comply with McDonald's directions regarding the disposition of such equipment at Master Franchisee's sole expense;

24.2.7. Furnish to McDonald's, within 30 Business Days after the effective date of termination or expiration, evidence satisfactory to McDonald's of Master Franchisee's compliance with the foregoing obligations;

24.2.8. Immediately cease to use any of the Confidential Information which has been disclosed to, or otherwise learned or acquired by Master Franchisee or any Master Franchisee Party and, no later than three Business Days after termination or expiration, return to McDonald's all copies of all Operations Manuals and any materials containing Confidential Information which have been loaned or made available hereunder;

24.2.9. Within thirty (30) days of notice from McDonald's, at Master Franchisee's sole cost, Transfer Information and other data specified by McDonald's to McDonald's (or its designee) in compliance with McDonald's directions. For the avoidance of doubt, any and all analytics data, metrics, findings, insights, results, reports and such other information derived (entirely or partially) from Information, data in respect of any and all targeted Persons as potential customers of McDonald's, and/or data related to the Master Franchise Business and Franchised Restaurants, shall be included in the Master Franchise Parties' obligation to transfer under this Section 24.2.9; and

24.2.10. Within 30 Business Days, take such action as may be required to Transfer any Arcos Subsidiary that was organized in such Territory or held Assets or Real Estate related to the operations of such Territory to a Person that is not a Subsidiary of Master Franchisee.

24.3. Transition Services.

24.3.1. As soon as reasonably practicable, and in any event no later than six (6) months, following the Effective Date, McDonald's and Master Franchisee shall in good faith discuss and agree on a transition plan (the "Transition Plan") setting forth in reasonable detail the steps and actions to be taken by each Party to facilitate McDonald's assumption of the operation of the Master Franchise Business in each relevant Territory following the exercise of a Call Option pursuant to Section 22.5.1.

24.3.2. If a Call Option is exercised pursuant to Section 22.5.1 with respect to any or all Territories or this Agreement is terminated with respect to any or all Territories, then:

(a) The Transition Plan shall be immediately implemented and Master Franchisee shall, and shall cause each of its Related Parties to, comply with the Transition Plan on and from the Exercise Date or the effective date of the termination or expiration of this Agreement (as applicable);

(b) McDonald's shall be entitled immediately to assume the operation of any or all affected Franchised Restaurants;

(c) Master Franchisee shall, and shall cause its Related Parties to, cooperate with McDonald's in connection with the receipt of any approval from any Governmental Authority required to ensure the exercise and consummation of the Call Option and the continuous operation of such Franchised Restaurants; and

(d) Master Franchisee shall provide, and shall cause each of its Related Parties to, provide to McDonald's any services required to ensure the continuous operation of such Franchised Restaurants (the "Services"), in accordance with the procedures and standards set forth below:

(i) McDonald's and Master Franchisee shall each nominate a representative to act as the "primary contact person" with respect to the performance of the Services (each, a "Service Coordinator"). Unless otherwise agreed upon by the Parties, all communications relating to the Services shall be directed to the Service Coordinators.

(ii) Master Franchisee shall (and shall cause any Person performing services on its behalf to) use best efforts, skill and judgment in providing the Services.

(iii) Master Franchisee shall, and shall cause its Related Parties to, reasonably cooperate with McDonald's in all matters relating to the provision of the Services and perform all obligations hereunder in good faith and in accordance with principles of fair dealing and refrain from any willful or intentional misconduct, gross negligence or violation of Applicable Law.

(iv) Master Franchisee shall use its best efforts to cause any third party whose actions are necessary to the provision of the Services to cooperate with McDonald's in connection therewith.

(v) McDonald's shall use commercially reasonable efforts to (i) provide information and documentation necessary for Master Franchisee to perform the Services; (ii) make available, as reasonably requested by Master Franchisee, sufficient resources; and (iii) make or provide timely decisions, approvals and acceptances in order that Master Franchisee may perform the Services in a timely and efficient manner.

(vi) Master Franchisee shall follow, and shall cause its Related Parties to follow, any Standards of McDonald's applicable to the Services.

(vii) In consideration for the Services, McDonald's shall pay to Master Franchisee all direct costs of Master Franchisee in providing th Services, including any reasonable and documented out-of-pocket expenses.

24.4. Right to Hire Former Employees McDonald's shall be entitled to interview, solicit and / or hire any former employee of any Franchised Restaurant that are nc longer being operated by Master Franchisee or a Franchisee.

24.5. Accrued Rights and Liabilities For the avoidance of doubt, each Party acknowledges and agrees that the termination or expiration of the Agreement will not amount to any release or waiver of any right, claim or remedy which any Party may have which has accrued (or, in the case of a contingent liability, may accrue) under, in relation to or otherwise in connection with this Agreement prior to its termination or expiry.

25. General Provisions

25.1. Effective Date. This Agreement shall be effective on and from, *nunc pro tunc*, January 1, 2025 ("Effective Date"), except for Section 1 (*Definitions, Interpretation and Effective Date*), Section 19 (*Confidential Information/Exclusive Dealing by Master Franchisee*), Section 25 (*General Provisions*), Section 26 (*Governing Law and Arbitration*), Section 27 (*Acknowledgements*), Section 28 (*Entire Agreement/Amendments*) and Schedule 2 (*Definitions*), which shall be effective and be binding on the Parties, on and from, *nunc pro tunc*, December 30, 2024 (the "Commencement Date"). The A&R MFA governed the rights and obligations of the Parties from the Commencement Date until the Effective Date.

25.2. Payments.

25.2.1. Master Franchisee's obligation to pay any fee or make any payment to McDonald's at the times and in the manner required under this Agreement shal in no event be conditioned upon receipt by Master Franchisee of any amount from any Franchisee.

25.2.2. Master Franchisee shall at all times participate in an automatic debit/credit transfer program as specified by McDonald's from time to time for the payment of all amounts due to McDonald's hereunder. Master Franchisee shall execute and deliver to McDonald's such documents and instruments as may be necessary to establish and maintain such an automatic debit/credit transfer program.

25.2.3. Amounts payable by any Master Franchisee Party, Owner Entity or Beneficial Owner hereunder shall be paid in U.S. Dollars and shall be due ar payable on the dates specified herein. If any payment required hereunder is not made when due, the relevant Master Franchisee Party, Owner Entity or Beneficia Owner, as applicable, shall, to the fullest extent permitted by Applicable Law, pay to McDonald's interest on the past due amount from and including the due date for such payment to, but excluding, the date of actual payment thereof at a *per annum* rate equal to the highest rate allowed by Applicable Law or, if there is no maximum rate permitted by Applicable Law, then 15%. Such interest will be calculated on the basis of monthly compounding and the actual number of days elapsed, *divided by* 365. This late charge shall be in addition to any other remedy available to McDonald's hereunder or under Applicable Law. The Master Franchisee Parties, Owne Entities and Beneficial Owner acknowledge that nothing contained in this Section shall constitute an agreement by

McDonald's to accept any overdue payment or a commitment by McDonald's to extend credit to, or otherwise finance, Master Franchisee's operation of the Master Franchise Business.

25.2.4. Except for Royalties, the calculation of U.S. Dollar equivalents for any amount payable hereunder on any day shall be made using (a) on the spot rate of exchange for settlement on such date as reported in *The Wall Street Journal*, Eastern Edition, as the New York foreign exchange selling rate applying to trading among banks in amounts of $1,000,000 or more, or, if not so reported; or (b) the arithmetic average of the day's spread for settlement on such date as reported in the *Financial Times*, London Edition. In the case of Royalties, the calculation of the amounts payable shall be based on the arithmetic average of the exchange rates determined in accordance with the preceding sentence of each day on which such exchange rates are published in the respective calendar month for which such Royalties are owed.

25.2.5. The U.S. Dollar is the sole currency of account and payment for all amounts payable by any Party to McDonald's hereunder, including damages.Any amount received or recovered in currency other than U.S. Dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) shall only constitute a discharge of the relevant Party to the extent of the U.S. Dollars that McDonald's is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that U.S. Dollar amount is less than the amount expressed to be due to McDonald's, Master Franchisee, each Arcos Subsidiary and Curaca Entity shall jointly and severally indemnify and hold harmless McDonald's against any loss or cost sustained by it in making any such purchase. For the purposes of this Section, it shall be sufficient for McDonald's to certify that it would have suffered a loss had an actual purchase of U.S. Dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of U.S. Dollars on such date had not been practicable, on the first date on which it would have been practicable). If any Master Franchisee Party is unable to pay Royalties in U.S. Dollars as result of the imposition of any exchange controls by an Governmental Authority, then Master Franchisee or another Master Franchisee Party shall make such payments on its behalf as and when such payment is due and payable.

25.2.6. Except to the extent provided in this Section, amounts payable by any Master Franchisee Party, Owner Entity or Beneficial Owner to McDonald hereunder shall be made without withholding or deduction for or on account of any present or future taxes, duties, assessments, fees or other governmental charges imposed or levied by or on behalf of any jurisdiction within the Territories or any political subdivision or taxing authority thereof or therein ("Local Taxes"), except that each Master Franchisee Party shall withhold and pay by their due date all Local Taxes, if any, which are required to be withheld and paid by the Master Franchisee Party under the Applicable Law of any Territory from which payment is made by the Master Franchisee Party to McDonald's under this Agreement.If any Local Taxes withheld by any Master Franchisee Party or otherwise imposed on McDonald's in respect of such a payment are not creditable by McDonald's for U.S. federal income tax purposes (including as a result of McDonald's not being treated as the recipient and beneficial owner of the related income for Local Tax purposes, or otherwise not being treated

as the taxpayer with respect to such Local Taxes for U.S. foreign tax credit purposes), such Master Franchisee Party will pay to McDonald's such additional amount as may be necessary to ensure that any net payment received by McDonald's after such withholding or other payment of Local Taxes is equal to the amount that McDonald's would have received had no such withholding or other payment been required. The Master Franchisee Parties and Curacao Entity shall be jointly and severally liable for the obligation to pay any amounts owed under the preceding sentence. The Master Franchisee Parties and Curacao Entity shall, jointly and severally indemnify and hold McDonald's and its Affiliates harmless against any penalties, interest or expenses incurred by or assessed against McDonald's or its Affiliates as a result of the failure by any Master Franchisee Party to withhold Local Taxes or to pay the Local Taxes by their due date to the appropriate taxing authority.

25.3. Priority of Payments; Set-Off Rights McDonald's shall be entitled to apply any payment from any Master Franchisee Party in such order as McDonald's may determine in its sole discretion to any amount due but unpaid by any other Master Franchisee Party. No Master Franchisee Party, Owner Entity or Beneficial Owner shall have any right to any set-off, counterclaim, recoupment, defense or other claim, right or action whatsoever against McDonald's or any of its Affiliates.

25.4. Severability. The provisions of this Agreement shall at all times be construed, interpreted and applied to preserve and maintain the Parties' intention to effect a unitary and indivisible transaction covering a single legal and economic transaction that is personal to the Master Franchisee Parties. For purposes of any Transfer, assumption, rejection or rescission of this Agreement, this Agreement constitutes one indivisible and non-severable agreement dealing with and covering a single legal and economic transaction which may be transferred, assumed, assigned, rejected or rescinded (as applicable) only as a whole with respect to all (and not less than all) of the obligations covered under this Agreement; provided, however, that nothing herein shall constitute an admission by McDonald's that any such Transfer, assumption, rejection or rescission (as applicable) is permissible under Applicable Law or this Agreement or shall constitute a waiver of any provision of this Agreement, including without limitation, Section 22.2. To the extent consistent with the foregoing, if any provision of this Agreement is invalid, inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering such provision invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision hereof invalid, inoperative, or unenforceable to any extent whatsoever. If any provision of this Agreement is held to be invalid, inoperative or unenforceable for any reason, (i) such provision shall be severed only with respect to such Territory and shall not have the effect of rendering such provision invalid, inoperative or unenforceable in any other Territory, case or circumstance, or of rendering any other provision hereof invalid, inoperative, or unenforceable to any extent whatsoever in any other Territory; and (ii) Master Franchisee and McDonald's shall negotiate in good faith to agree to replacement provisions that to the greatest extent possible achieve the intended objectives of the original severed provisions on terms that are valid, operative and enforceable.

25.5. Approvals and Consents of McDonald's Unless a different standard is expressly required in this Agreement, whenever in this Agreement any action is subject to McDonald's prior approval or consent, such approval or consent may be granted or denied in McDonald's in the exercise of its discretion or business judgment based on its assessment of the overall best interest of the System and / or franchise program. Master Franchisee shall make a timely written request for any such approval or consent, and each such approval or consent shall be evidenced by a writing signed

by an officer of McDonald's. Any approval or consent may be subject to such conditions as McDonald's deems appropriate or be granted on a "test" or temporary basis. Master Franchisee shall reimburse McDonald's for any reasonable, documented out-of-pocket legal or other professional advisor's expenses it incurs in connection with considering any such approval or consent request (the "Advisor Expenses"); provided that, Master Franchisee shall only be liable to reimburse McDonald's for any Advisor Expenses up to a maximum of Fifty Thousand Dollars ($50,000) in the aggregate in each calendar year ("Advisor Expenses Cap"); provided, further, that in the event McDonald's Advisor Expenses exceed the Advisor Expenses Cap, the Parties shall discuss in good faith the allocation of such Advisor Expenses between the Parties.

25.6. Delegation. Any Affiliate, designee, employee, regional office, branch, contractor, service provider or agent of McDonald's Group may perform any obligation imposed on McDonald's, or exercise any right granted to McDonald's, by this Agreement, as McDonald's may in its sole judgment designate from time to time; provided, however, that McDonald's shall remain fully responsible to Master Franchisee for all of such delegated obligations.

25.7. Waiver. No Party to this Agreement may (a) extend the time for the performance of any of the obligations or other acts of any other Party; or (b) waive compliance with any of the agreements of the other Party or conditions to such Party's obligations contained herein, except to the extent such extension or waiver is set forth in an instrument in writing signed by the Party to be bound thereby. Any waiver of any term or condition shall not be construed as a waiver of any subsequent Material Breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition of this Agreement. The failure of any Party hereto to assert any of its rights hereunder shall not constitute a waiver of any of such rights. All rights and remedies existing under this Agreement are cumulative with, and not exclusive of, any rights or remedies otherwise available under this Agreement or under Applicable Law. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

25.8. Benefits of this Agreement. This Agreement is binding upon the Parties hereto and their respective executors, administrators, heirs, permitted Transferees and successors in interest. This Agreement shall inure to the benefit of any permitted Transferee, to McDonald's, its Affiliate and licensors as provided in Sections 15 and 22 and to the McDonald's Indemnified Parties. McDonald's Corporation shall be an intended third party beneficiary of each obligation owed to McDonald's by any Master Franchisee Party under this Agreement.

25.9. Counterparts and E-Signature. This Agreement may be executed and delivered in one or more counterparts, and by the different Parties hereto in separate counterparts, each of which when executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. The execution by one Party of any counterpart shall be sufficient execution by that Party whether or not the same counterpart has been executed by any other Party. The exchange of executed counterparts of this Agreement or of signature pages by electronic transmission (including email) will constitute effective execution and delivery of this Agreement, and may be used in lieu of the original for all purposes. This Agreement shall become effective when each Party has signed at least one (1) counterpart. This Agreement may be executed through the use of electronic signature, which each Party acknowledges is a lawful means of obtaining signatures. Each Party agrees that its electronic signature on this Agreement is the legal equivalent of its handwritten signature on this Agreement. Each Party further agrees that its use of a key pad, mouse, mobile

phone or other device to select an item, button, icon or similar act/action to electronically sign this Agreement constitutes its signature of this Agreement as if actually signed by such Party in writing. Each Party also agrees that no certification authority or other third-party verification is necessary to validate its e-signature and that the lack of such certification or third-party verification will not in any way affect the enforceability of its e-signature on this Agreement.

25.10. Specific Performance. Beneficial Owner, Owner Entities and each Master Franchisee Party acknowledges and agrees that any violation of Section 7, 8, 11, 15, 17, 19 or 22 would cause McDonald's irreparable injury for which damages may not be adequate, and that McDonald's shall be entitled to injunctive relief, preventive measures or any remedy as may be available, whether judicially or extra-judicially, and including specifically such relief as may be provided by a court of competent jurisdiction or any other Governmental Authority in the exercise of its powers, in order to enforce the obligations established therein and / or to restrain any actual or threatened conduct of any Party in violation of any such Section.

25.11. Notices. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent via an internationally recognized overnight delivery service, or sent by electronic transmission to the following respective addresses or e-mail address unless and until a different address or e-mail address has been designated by written notice to each other Party:

If to McDonald's: McDonald's Latin America, LLC
110 North Carpenter Street
Chicago, Illinois 60607 U.S.A.
Attention: General Counsel of Latin America
Email: dl.notices@us.mcd.com

with a copy to:

McDonald's Corporation
110 North Carpenter Street
Chicago, Illinois 60607 U.S.A.
Attention: General Counsel
Email: dl.notices@us.mcd.com

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, New York 10006
Attention: Chantal E. Kordula; Nallini Puri
Email: ckordula@cgsh.com;
npuri@cgsh.com

If to an Arcos Subsidiary: As specified in Exhibit 1

If to Master Franchisee, Owner Entities or Beneficial Owner:

c/o Forrestal Capital Limited Company
1450 Brickell Avenue, Suite 2530
Miami, Florida 33131
Attention: Annette Franqui
Email: Afranqui@forrestalcapital.com

with a copy to:

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attention: Maurice Blanco; Frank J. Azzopardi
Email: maurice.blanco@davispolk.com; frank.azzopardi@davispolk.com

Notices shall be addressed to the Party to be notified at its most current business address or e-mail address of which the notifying Party has been notified. Any notice shall be deemed to have been given at the earlier of receipt, or the next Business Day after sending by electronic transmission or overnight delivery service. "Business Day," for purposes of this Section, shall mean a day other than a Saturday, Sunday or other day on which commercial banking institutions are authorized or required by law to close in the Territory in which the intended recipient of the notice has its address or, in the case of McDonald's, the State of Illinois, United States of America.

25.12. Survival. All obligations under this Agreement, which expressly or by their nature survive the expiration or termination of this Agreement, shall survive expiration or termination of this Agreement, and shall continue in full force and effect until they are satisfied in full or by their nature expire, including without limitation, the obligations of the Master Franchisee Parties to pay any amount due to McDonald's hereunder and the obligations contained in Sections 5, 7.9 (solely to the extent provided therein), 15, 17, 18, 19, 21, 22.5.1(c), 22.5.2 to 22.5.11, 22.7, 22.9, 23, 24, 25 and 26.

25.13. No Third Party Beneficiaries. Except as otherwise expressly provided herein, nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any Person not a party hereto. McDonald's does not warrant that such obligations have been imposed on or implemented by or on any other McDonald's franchisee or any McDonald's Restaurant.

25.14. Language. This Agreement is entered into in the English language. If a translation of this Agreement into any other language be required or desired for any reason, it is understood that in all matters involving interpretations of this Agreement, the English text shall control.

25.15. Criminal or Civil Penalties. No Party shall engage in any activity that would expose any other Party to a risk of criminal or civil penalties under Applicable Law.

25.16. Force Majeure. Except as otherwise expressly provided herein, no Party shall be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from any Force Majeure, but only to the extent such duties or obligations are so affected. Any delay resulting from any such causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that no such cause other than a

governmental or judicial order shall excuse payment of amounts owed or due to McDonald's Group. The Party whose non-performance is caused by any Force Majeure shal give notice to the other Parties within ten (10) days of the occurrence of the Force Majeure, stating the full details of the Force Majeure in question and the period of time th occurrence is expected to continue. The impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure are minimized.The impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. Promptly upon the Force Majeure ceasing t exist, the impacted Party shall give written notice to the other Parties of this fact, and the timeframe for the performance of any applicable obligation under this Agreement shal be extended for a period equal to the duration of such Force Majeure; provided, however, that the applicable Term shall not be extended on account of any Force Majeure. Notwithstanding the foregoing, if any Force Majeure continues for more than one hundred and twenty (120) days, McDonald's shall have the right to terminate this Agreemen with respect to any or all of the impacted Territories only in its sole discretion upon written notice to Master Franchisee.

25.17. Public Announcements. Each Master Franchisee Party shall not issue any press release or other public statement relating to any of the terms, to the negotiatio or to the execution of this Agreement, any Related Agreement, or any renewal or amendment thereof, without McDonald's approval, except for any press release or othe public statement required under Applicable Law or the rules of any stock exchange on which any Master Franchisee Party's Securities are traded, in which case the Maste Franchisee Party shall provide McDonald's with a reasonable opportunity to review and comment upon any such statement prior to its issuance; provided that, in each case, in the event that any Master Franchisee Party is required to issue any press release or other public statement which contains a mention of the terms of this Agreement by a particular time and has notified McDonald's thereof as far in advance of such time as reasonably practicable and provided McDonald's with the deadline of when the press release or other public statement must be issued by, and McDonald's fails to provide advance written comments ahead of such deadline, such Master Franchisee Party may issue the press release or other public statement and shall be deemed to not have breached this provision by doing so.

25.18. Government Approval. This Agreement (or a summary version thereof) shall only be approved by, or registered or recorded by any Governmental Authority, as determined by McDonald's in its sole judgment. The Parties agree (a) to cooperate with each other in connection with any dealings with any Governmental Authority relating t this Agreement, (b) that no Party shall submit any information to any Governmental Authority with respect to this Agreement (other than in response to a valid order or request of a court or other Governmental Authority, or as otherwise required under Applicable Law or the rules of any stock exchange) without the others' approval, which approval shall not be unreasonably withheld, and (c) the Parties shall share equally the expenses of obtaining approval of, or registering or recording this Agreement (or a summary version thereof) and any amendment hereto or thereto, including all legal and other professional expenses (including translation expenses and disbursements), with the appropriate Governmental Authority.

25.19. Further Assurance. The Parties shall do and cause to be done all such acts, matters and things and shall execute and deliver all such documents and instruments as shall be reasonably required to enable the Parties to perform their respective obligations under this Agreement, to exercise their respective rights granted or reserved under this Agreement, and to give effect to the transactions contemplated by this Agreement. Without limiting the foregoing, with respect to any power of attorney granted by this Agreement, which would be required to be in a specific form,

translated into another language, or executed in a particular manner for it to be binding and enforceable in the relevant Territory or any other jurisdiction, each Party agrees to execute, or to cause its Affiliates to execute, in the required form and manner, a separate power of attorney meeting all such legal requirements to ensure enforceability. Whenever in this Agreement Master Franchisee has authorized McDonald's to represent or act on behalf of Master Franchisee, such authorization shall be irrevocable and shall not terminate for any reason whatsoever. Upon McDonald's reasonable request, Master Franchisee shall grant one or more specific irrevocable powers of attorney with respect to any one or more actions that Master Franchisee has authorized McDonald's to take. Such power(s) of attorney shall be in such form as McDonald's may determine in its reasonable judgment.

25.20. Joint and Several Liability. The obligations of each Master Franchisee Party and each Owner Entity under this Agreement are joint and several.

26. Governing Law and Arbitration

26.1. Governing Law. This Agreement shall be governed by the laws of the State of Illinois (U.S.A.), excluding (1) its conflict of laws rules, (2) the provisions of the Illinois Franchise Disclosure Act, and (3) the United Nations Convention on Contracts for the International Sale of GoodsFurther, nothing in this Section 26.1 is intended to subject this Agreement to any business opportunity, franchise or similar law, rule or regulation of the State of Illinois or any other jurisdiction to which it otherwise would not be subject.

26.2. International Arbitration.

26.2.1. In the event of any dispute, controversy or claim arising out of, relating to or in connection with this Agreement, including, without limitation, any dispute regarding its validity or termination, or the performance or breach thereof (each a "Dispute"), the Parties shall use their best efforts to settle the Dispute by consulting and negotiating with each other in good faith to attempt to reach a satisfactory solution. If the Parties do not reach a solution within thirty (30) days of the written notice of the existence of a Dispute, then, upon written notice by any Party to the others, any such Disputes shall be finally settled by binding international arbitration in Chicago, Illinois, before a tribunal of three arbitrators (the "Tribunal"). The arbitration shall be administered by the International Court of Arbitration of the International Chamber of Commerce (the "ICC") in accordance with the ICC Rules of Arbitration (the "ICC Rules") as in effect at the time of the arbitration, except as they may be modified herein or by agreement of the Parties. The place of arbitration shall be Chicago, Illinois. Notwithstanding anything to the contrary in this Agreement, the arbitration provisions set forth in this Agreement, and any arbitration conducted thereunder, shall be governed exclusively by the Federal Arbitration Act, Title 9 United States Code to the exclusion of any state or municipal law of arbitration.

26.2.2. The arbitration shall be conducted in the English language. Notwithstanding the foregoing, any Arbitrating Party may submit testimony or documentary evidence in any other language; provided that the Arbitrating Party submitting such evidence, at its own cost, also furnishes to the other Arbitrating Party or Arbitrating Parties, as applicable, a translation of such testimony or evidence into the English language.

26.2.3. In the event that there are two Parties to the Dispute, each Party to the arbitration (each an "Arbitrating Party") shall nominate one arbitrator, obtain its nominee's acceptance of such nomination, and deliver written notification of such nomination and acceptance to the other Arbitrating Party and the ICC within 30 days after delivery of the request for arbitration. In the event an Arbitrating Party fails to nominate an arbitrator or deliver notification of such nomination to the other Arbitrating Party and the ICC within this time period, upon request of either Arbitrating Party, such arbitrator shall instead be appointed by the ICC within 30 days of receiving such request. The Arbitrating Parties shall use reasonable best efforts to agree upon a third arbitrator within 40 days after delivery of the request for arbitration. If the Arbitrating Parties are unable to agree upon a third arbitrator within this time period, then the two arbitrators appointed in accordance with the above provisions shall nominate the third arbitrator and notify the Arbitrating Parties and the ICC in writing of such nomination within 15 days of their appointment.If the first two appointed arbitrators fail to nominate a third arbitrator or notify the Arbitrating Parties and the ICC of that nomination within this time period, then, upon request of either Arbitrating Party, the third arbitrator shall be appointed by the ICC within 15 days of receiving such request. The third arbitrator shall serve as chairman of the Tribunal.

26.2.4. In the event that there are more than two Arbitrating Parties:

(a) The Arbitrating Parties shall in good faith attempt to group themselves into a "Petitioning Party" and a "Defending Party" for purposes of selecting arbitrators, it being understood that Arbitrating Parties that are Affiliates shall always be in the same group.

(b) Each of the Petitioning Party and the Defending Party shall nominate one arbitrator, obtain its nominee's acceptance of such nomination, and deliver written notification of such nomination and acceptance to the Arbitrating Parties and the ICC within 30 days after delivery of the request for arbitration.

(c) The Arbitrating Parties shall use reasonable best efforts to agree upon a third arbitrator within 40 days after delivery of the request for arbitration. In the event that the Arbitrating Parties are unable to agree upon a third arbitrator within this time period, then the two arbitrators appointed in accordance with clause (b) above shall nominate the third arbitrator and notify the Arbitrating Parties and the ICC in writing of such nomination within 15 days of their appointment. If the first two appointed arbitrators fail to nominate a third arbitrator or notify the Arbitrating Parties and the ICC of that nomination within this time period, then, upon request of any Arbitrating Party, the third arbitrator shall be appointed by the ICC within 15 days of receiving such request. The third arbitrator shall serve as chairman of the Tribunal.

(d) If it shall not be possible to form a Petitioning Party or a Defending Party, as the case may be, or if the Petitioning Party or the Defending Party, as the case may be, fails to select an arbitrator in accordance with clause (b), then, in accordance with Article 10(2) of the ICC Rules, the ICC may appoint each member of the Tribunal and shall designate one of them to act as chairman.

26.2.5. Each member of the Tribunal shall be a lawyer licensed to practice in a state of the United States of America and shall be fluent in the English language.

26.2.6. Each Party agrees that it will provide discovery consistent with the United States Federal Rules of Civil Procedure, including but not limited to depositions upon oral examination and responses to written interrogatories.

26.2.7. The Parties agree to submit to (i) the exclusive personal jurisdiction of the state and federal courts sitting in Chicago, Illinois for the purposes of (A) enforcing this agreement to arbitrate; and (B) applying to a judicial authority for interim or conservatory measures in accordance with Article 23(2) of the ICC Rules; and (ii) the non-exclusive jurisdiction of such courts for purposes of obtaining judgment upon the award rendered by the Tribunal.

26.2.8. The Parties that are not organized in the United States consent to the service of process for the purposes of clause (i) of Section 26.2.7 by appointing Cogency Global Inc., which maintains an office at 122 E. 42nd St., 18th Fl, New York, New York 10168, as its agent to receive service of process or other legal summons. Each of the Parties further consents to the service of process irrevocably for the purposes of clause (i) of Section 26.2.7 by the mailing of copies thereof by registered or certified mail, postage prepaid, return receipt requested, to each such party at its address as provided in Section 25.11. Nothing in this Section 26.2.8 shall affect the right of any Party to serve legal process in any other manner permitted by Applicable Law.

26.2.9. In accordance with Article 23(2) of the ICC Rules, the Parties may apply to the competent judicial authority specified in Section 26.2.7 for interim or conservatory measures. The application of a Party to such judicial authority for such interim or conservatory measures shall not be deemed a waiver of this agreement to arbitrate.

26.2.10. The award of the Tribunal shall be promptly performed or paid (as the case may be), free and clear of any tax and deduction, and any costs, fees and taxes incident to enforcing the award shall, to the fullest extent permitted by law, be charged against the Arbitrating Party resisting such enforcement. McDonald's may request that an award be paid in Equity Interests of Master Franchisee, in which case the Party against which the award is entered shall cause the transfer of such Equity Interests to which McDonald's is entitled based on the fair market value of the Equity Interests as determined by the Tribunal and Master Franchisee shall register such transfer in its books; provided that McDonald's shall first provide written notice of such election to Master Franchisee and permit Master Franchisee a period of not less than 30 days in which to elect to pay the award in cash rather than issue Equity Interests to McDonald's. Any award shall include interest from the date of any damages incurred, and from the date of the award until paid in full, at a rate to be fixed by the Tribunal.

26.2.11. The Parties waive to the fullest extent permitted by law any rights to appeal to, or to seek review of the award of the Tribunal by, any court.

26.2.12. When a party to a Related Agreement submits a Request for Arbitration (as defined in the ICC Rules) in connection with a legal relationship in respec of which arbitration proceedings between the parties to the same or another Related Agreement are already pending under the ICC Rules (an "Already Pending Proceeding"), any party to such Related Agreement may request that the claims contained in the Request for Arbitration (the "New Claims") be included in the Already Pending Proceeding. If a party to a Related Agreement makes such a request before the Terms of Reference (as defined in the ICC Rules) have been signed o approved by the ICC in the Already Pending Proceeding, pursuant to Article 4(6) of the ICC Rules, the ICC shall determine whether to include the New Claims in t Already Pending Proceeding. If a party to a Related Agreement makes such a request after the Terms of Reference in the Already Pending Proceeding have beer signed or approved by the ICC, pursuant to Article 19 of the ICC Rules, the Tribunal in the Already Pending Proceeding shall determine whether to include the Ne Claims in the Already Pending Proceeding. For the avoidance of doubt, two or more arbitration proceedings may be consolidated in accordance with this Section under Articles 4(6) or 19 of the ICC Rules, even if the parties to such arbitration proceedings are not identical.

26.2.13. Except as may be required by Applicable Law or court order, the Parties agree to maintain confidentiality as to all aspects of any arbitration, including its existence and results, except that nothing herein shall prevent any Party from disclosing information regarding such arbitration for purposes of the proceedings described in clause (i) of Section 26.2.7. The Parties further agree to obtain the arbitrators' agreement to preserve the confidentiality of any arbitration.

26.2.14. The Parties expressly declare that they have jointly decided to enter into this arbitration covenant freely and voluntarily in order to have the benefit of an alternative dispute resolution method.

26.3. Limitations. Except for claims arising from any Master Franchisee Party's non-payment or underpayment of amounts due to McDonald's or any of its Affiliates, any Dispute arising out of or relating to this Agreement or any Related Agreement or the relationship of the Parties hereto shall be barred unless an arbitration proceeding is commenced within two years from the date the complaining Party knew or should have known of the facts giving rise to such Claim.

26.4. Special damages. EXCEPT WITH RESPECT TO THE MASTER FRANCHISEE PARTIES', OWNER ENTITIES' AND BENEFICIAL O OBLIGATION TO INDEMNIFY THE INDEMNIFIED PARTIES PURSUANT TO SECTION 21 AND CLAIMS MCDONALD'S BRINGS AGAINST ANY OT PARTY FOR ITS UNAUTHORIZED USE OF THE TRADEMARKS OR ANY OTHER INTELLECTUAL PROPERTY OR ANY UNAUTHORIZE DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, MCDONALD'S AND EACH OTHER PARTY WAIVE TO THE FULLEST EXTENT PERM LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, MORAL, EXEMPLARY OR ANY SIMILAR DAMAGES AGAINST THE OTHER AND AGF IN THE EVENT OF A DISPUTE BETWEEN OR AMONG THE PARTIES, ANY PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RE TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

27. Acknowledgements

27.1. Evaluation and Advice. Master Franchisee, each Arcos Subsidiary, each Owner Entity and Beneficial Owner acknowledge that each has read this Agreement that each has had the opportunity to evaluate this Agreement and be advised by its counsel and financial, tax and business advisors with respect to its rights and obligations hereunder and the scope, cost and risk of the undertaking contemplated by this Agreement. Master Franchisee, the Arcos Subsidiaries, each Owner Entity and Beneficial Owner understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain McDonald's high standards of quality and service and the uniformity of those standards at all Franchised Restaurants in order to protect and preserve the goodwill or reputation of the System and the Trademarks.

27.2. Independent Investigation. Master Franchisee, each Arcos Subsidiary, each Owner Entity and Beneficial Owner acknowledge that each of them has conducted an independent investigation of the business venture contemplated by this Agreement. Master Franchisee, each Arcos Subsidiary, each Owner Entity and Beneficial Owner recognize that this venture involves business risks and that the success of the venture is largely dependent upon their respective business abilities. McDonald's expressly disclaims the making of, and Master Franchisee, each Arcos Subsidiary, each Owner Entity and Beneficial Owner acknowledge that none of them has received or relied upon any guaranty, express or implied, as to the revenues, profits or success of the business venture. Master Franchisee, each Arcos Subsidiary, each Owner Entity and Beneficial Owner acknowledge that none of them has received or relied on any representations by McDonald's, any of its Affiliates or their respective officers, directors, employees or agents, except as expressly set forth herein. Each Party acknowledges that in all dealings with respect to this Agreement and the Related Agreements, such Party's officers directors, employees and agents act only in a representative capacity and not in an individual capacity.

27.3. No Broker. Each Master Franchisee Party and each Owner Entity acknowledge that neither of them has used a broker to acquire the Master Franchise Rights or the Master Franchise Business.

28. Entire Agreement/Amendments

28.1. Entire Agreement. Each of the Parties hereto acknowledges and warrants to each other that such Party wishes to have all terms of such Party's business relationship defined in this Agreement and the Related Agreements. None of the Parties wishes to enter into a business relationship with any of the other Parties in which any terms or obligations are the subject of alleged oral statements or in which oral statements serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, each Party agrees that this Agreement and the Related Agreements and any other instrument executed contemporaneously and in connection herewith, supersede and cancel any prior and / or contemporaneous discussions (whether described as presentations, inducements, promises agreements or any other term) between McDonald's or anyone acting on its behalf, on the one hand, and Master Franchisee, any Arcos Subsidiary, each Owner Entity, Beneficial Owner or anyone acting on its or their behalf, on the other hand, which might be taken to constitute agreements, representations, inducements, promises or understandings (or any equivalent to such terms) with respect to the relationship between the Parties, and each Party agrees that they have placed, and will place, no reliance on any such discussions. Without limiting the generality of the foregoing, the Parties acknowledge and agree that no future franchise rights or offer of franchise rights have been promised

by McDonald's to Master Franchisee, any Arcos Subsidiary, each Owner Entity or Beneficial Owner, and no such franchise rights or offer of franchise rights shall come int existence, except by means of a separate writing, executed by an officer of McDonald's or other Person granting such rights.

28.2. Amendments.

28.2.1. No change, modification, amendment or waiver of any of the provisions of this Agreement shall be effective and binding upon any Party, including by custom, usage of trade, or course of dealing or performance, unless it is in writing, specifically identified as an amendment hereto and signed by authorized representatives of each of McDonald's and Master Franchisee. For the avoidance of doubt, the consent of no other Party shall be required for any change, modification, amendment or waiver of any of the provisions of this Agreement, and each such other Party agrees to be bound by any change, modification, amendment or waiver of any of the provisions of this Agreement made in accordance with the foregoing provisions of this Section 28.2.

28.2.2. Master Franchisee shall notify all Parties in writing of any modification or amendment to this Agreement made in accordance with this Section 28.2, and each Party agrees to be bound by any such modification or amendment.

* * *

IN WITNESS WHEREOF, the Parties have duly executed and delivered this Agreement on the Execution Date.

McDonald's:

McDonald's Latin America LLC

By: /s/ Gianfranco Cuneo
Name: Gianfranco Cuneo
Title: President

Master Franchisee:

Arcos Dorados B.V.

By: /s/ Woods W. Staton
Name: Woods W. Staton
Title: Executive Chairman

LatAm:

LatAm, LLC

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Curacao Entity:

Arcos Dorados Group B.V.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Parent:

Arcos Dorados Holdings Inc.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Beneficial Owner:

Arcos Dorados Development B.V.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Los Laureles, Ltd.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Compañia de Inversiones Inmobiliarias S.A.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Dourados Comercio de Alimentos S.A.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Dorados Restaurantes de Chile SpA

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Dorados Caribbean Development Corporation

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Dorados Colombia S.A.S.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Dorados Guadeloupe

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcgold del Ecuador S.A.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos SerCal Inmobiliaria, S. de R.L. de C.V.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Dorados Martinique

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Dorados French Guiana

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Dorados Panamá, S.A.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Dorados I B.V.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Golden Arch Development LLC

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Dorados de Uruguay S.A.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos del Sur, S.R.L.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Administrative Development Company

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Alimentos Arcos Dorados de Venezuela, C.A.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Compania Operativa de Alimentos COR, C.A.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Gerencia Operativa ARC, C.A.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Logistics and Manufacturing LOMA Co.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Management Operations Company

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Dorados Aruba N.V.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Dorados Argentina S.A.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Dorados USVI, Inc.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Dorados Costa Rica ADCR, S.A.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Sistemas McOpCo Panama, S.A.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Operaciones Arcos Dorados Peru, S.A.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Dorados Puerto Rico, LLC

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Dorados Curacao N.V.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Alimentos Latinoamericanos Venezuela ALV, C.A.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Dorados LatAm LLC

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Restaurantes ADMX, S. de R.L. de C.V.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Dorados Trinidad Limited

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

AD Real Estate Peru S.A.C.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

AD Real Ecuador S.A.S.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

AD Real Estate S.A.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos BraPa S.A.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Dorados Restaurantes Ltda.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Dourados Empreendimentos Imobiliários Ltda.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

ADUY S.A.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Dorados Costa Rica Inmobiliaria S.A.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos de Valparaiso SpA

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Mendocinos S.A.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Adcon S.A.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Sistemas Central America, S.A.

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

ADC Real Estate SpA

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

Arcos Dorados Holdings, Inc. - Suc. Uruguay

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

AD Inmobiliaria Colombia S.A.S

By: /s/ Woods S. Staton
Name: Woods S. Staton
Title: Executive Chairman

EXHIBIT 1

ARCOS SUBSIDIARIES

1. Arcos Dorados B.V., a company formed under the laws of the Netherlands with its principal office at Muiderstraat 5/F, 1011 PZ Amsterdam, The Netherlands.

2. LatAm, LLC, a limited liability company formed under the laws of the State of Delaware with its principal office at 1450 Brickell Ave Suite 2530, Miami, Florida 3313 USA.

3. Arcos Dorados Development B.V., a company organized and existing under the laws of the Netherlands with its principal office at Muiderstraat 5/F, 1011 PZ Amsterdam The Netherlands.

4. Arcos Dorados Argentina S.A. (formerly known as "Arcos Dorados S.A."), a *sociedad anónima* (corporation) formed under the laws of Argentina with its principal office at Avenida Santa Fe 1193, 3rd Floor, Office 11, City of Buenos Aires, Argentina.

5. Arcos Dourados Comercio de Alimentos S.A. (formerly known as "Arcos Dourados Comercio de Alimentos Ltda."), a *sociedade* (company) formed under the laws of Brazil with its principal office at Alameda Amazonas 253, Alphaville Industrial, City of Barueri, State of São Paulo, Brazil.

6. Arcos Dorados USVI, Inc. a corporation formed under the laws of the United States Virgin Islands with principal office at Poinsetta House at Bluebeard's Castle, 13 Estate Taarnebjerg, St. Thomas, VI 00802.

7. Arcos Dorados Caribbean Development Corporation, a corporation formed under the laws of Delaware with its principal office at 251 Little Falls Drive, Wilmington Delaware 19808, USA.

8. Arcos Dorados Restaurantes de Chile SpA, a *sociedad por acciones,* formed under the laws of Chile, with its principal office at Cerro El Plomo 5630, Torre 8, oficina 702, comuna de Las Condes, Santiago, Chile.

9. Arcos Dorados Colombia S.A.S. (formerly known as "Arcos Dorados de Colombia S.A."), a *sociedad anónima simplificada* (corporation) formed under the laws of Colombia with its principal office at Avenida Calle 116 No. 7-15 Edificio Torre Cusezar, Oficina 1402 Bogotá D.C., Colombia.

10. Arcgold del Ecuador, S.A., a *sociedad anónima* (corporation) formed under the laws of Ecuador with its principal office at Av. 6 de diciembre y Av. Patria, número 10, planta baja, Quito, Ecuador.

11. Arcos Dorados Costa Rica ADCR, S.A., a *sociedad anónima* (corporation) formed under the laws of Costa Rica with its principal office at San Pedro de Montes de Oca (Los Yoses, calle 39 entre las avenidas 8 y 10), San José, Costa Rica.

12. Arcos Dorados Guadeloupe (formerly known as Restaurant System of Guadeloupe), a *société par actions simplifiée* (simplified joint-stock company) formed under the laws of France with its principal office at Immeuble Caribe, route du Raizet 97139, Abymes Cedex, Guadeloupe.

13. Arcos Dorados Martinique (formerly known as Restaurant System of Martinique), a *société par actions simpifiée* (simplified joint-stock company) formed under the laws of France with its principal office at Immeuble McDonald's, niveau 1 – Rond Point Acajou 97232 Le Lamentin, Martinique.

14. Arcos SerCal Inmobiliaria, S. de R.L. de C.V. (formerly known as MDC Inmobiliaria de Mexico, S. de R.L. de C.V.), a *sociedad de responsabilidad limitada de Capital Variable* (variable capital limited liability company), formed under the laws of Mexico, with its principal office at Conjunto Plaza Marine, Antonio Dovali Jaime No 75 – 3er Piso, Col. Lomas de Santa Fe, Delegación Alvaro Obregon, México, D.F., C.P. 01219 Mexico.

15. Arcos Dorados Panamá S.A. (formerly known as "McDonald's Panama, S.A."), a *sociedad anónima* (corporation), formed under the laws of Panama, with its principal office at Edificio P.H. Financial Park, Piso 41, Oficinas A, B, C y D, Avenida La Rotonda, Urbanización Costa del Este, Ciudad de Panamá.

16. Sistemas McOpCo Panama, S.A., a *sociedad anónima* (corporation), formed under the laws of Panama, with its principal office at Edificio Calle P.H. Financial Park, Piso 41, Oficinas A, B, C y D, Avenida La Rotonda, Urbanización Costa del Este, Ciudad de Panamá.

17. Operaciones Arcos Dorados Peru, S.A., a *sociedad anónima* (corporation), formed under the laws of Peru, with its principal office at Avenida Oscar R. Benavides No. 150, Piso 2, Miraflores, Lima, Perú.

18. Arcos Dorados Puerto Rico, LLC (formerly known as "Arcos Dorados Puerto Rico, Inc."), a limited liability company formed under the laws of the Commonwealth of Puerto Rico, with its principal office at T Montehiedra Office Centre 9615, Ave. Los Romeros, Suite 504 San Juan, Puerto Rico 00926-7031.

19. Golden Arch Development LLC (formerly known as "Golden Arch Development Corporation"), a limited liability company formed under the laws of the State of Delaware with its principal office at 251 Little Falls Drive, Wilmington, Delaware 19808, USA.

20. Arcos Dorados de Uruguay S.A. (formerly known as Gauchito de Oro S.A.), a *sociedad anónima* (corporation) formed under the laws of Uruguay, with its principal office at Río Negro 1338, Primer Piso, Montevideo, Uruguay.

21. Arcos del Sur, S.R.L., a *sociedad de responsabilidad limitada* (limited liability company) formed under the laws of the duty free trade zone in Uruguay, with its principal office at Doctor Luis Bonavita 1294, Torre 2 oficina 931 del "Edificio World Trade Center," Montevideo, Uruguay.

22. Administrative Development Company, a company formed under the laws of the State of Delaware, with its principal office at 251 Little Falls Drive, Wilmington, Delaware 19808, USA.

23. Alimentos Arcos Dorados de Venezuela C.A., compañía anónima (company) formed under the laws of Venezuela, with its principal office at Calle París, Torre Luxor, pisc 2, Oficina O2-A, Urbanización Las Mercedes, Municipio Baruta del Estado Miranda, Caracas 1060, República Bolivariana de Venezuela.

24. Compania Operativa de Alimentos COR, C.A., compañía anónima (company) formed under the laws of Venezuela, with its principal office at Calle París, Torre Luxor, pis 2, Oficina O2-A, Urbanización Las Mercedes, Municipio Baruta del Estado Miranda, Caracas 1060, República Bolivariana de Venezuela.

25. Gerencia Operativa ARC, C.A., compañía anónima (company) formed under the laws of Venezuela, with its principal office at Calle París, Torre Luxor, piso 2, Oficina O2 A, Urbanización Las Mercedes, Municipio Baruta del Estado Miranda, Caracas 1060, República Bolivariana de Venezuela.

26. Logistics and Manufacturing LOMA Co., a corporation formed under the laws of the State of Delaware, with its principal office at 251 Little Falls Drive, Wilmingto Delaware 19808, USA.

27. Management Operations Company, a company formed under the laws of the State of Delaware, with its principal office at 251 Little Falls Drive, Wilmington, Delawar 19808, USA.

28. Arcos Dorados Curacao N.V., a company formed under the laws of the Netherlands Antilles, with its principal office at Kaya C. Winkel, Blok G Z/N, Curacao.

29. Arcos Dorados French Guiana (formerly known as Restaurant System of French Guiana), a company formed under the laws of France, with its principal office at Route c la Madeleine Rond Point Mirza 97300 Cayenne, French Guiana.

30. Arcos Dorados Aruba N.V. (formerly known as "McDonald's Aruba N.V."), a company formed under the laws of Aruba, with its principal office at L.G. Smith Boulevar 376, Palm Beach/Malmok, Noord/Tanki, Leendert, Aruba.

31. Alimentos Latinoamericanos Venezuela ALV, C.A., a *compañía anónima* (company) formed under the laws of Venezuela, with its principal office at Calle París, Torre Luxor, piso 2, Oficina O2-A, Urbanización Las Mercedes, Municipio Baruta del Estado Miranda, Caracas 1060, República Bolivariana de Venezuela.

32. Arcos Dorados LatAm LLC, a limited liability company formed and existing under the laws of the State of Delaware with its principal office at 251 Little Falls Driv Wilmington, Delaware 19808, USA.

33. Compañía de Inversiones Inmobiliarias, S.A., a *sociedad anónima* (corporation) formed and existing under the laws of Argentina with its principal office at anta Fe Avenue 1193, 3rd Floor, Office 11, Buenos Aires, Argentina.

34. Restaurantes ADMX, S. de R.L. de C.V., a*Sociedad Cooperativa de Responsabilidad Limitada de Capital Variable* formed and existing under the laws of Mexico with its principal office at Antonio Dovalí Jaime No. 75, piso 2, Colonia Lomas de Santa Fe, Código Postal 01219, Alcaldía Álvaro Obregón, Ciudad de México, México.

35. Arcos Dorados Trinidad Limited, a limited company formed and existing under the laws of Trinidad and Tobago with its principal office at Building D, Grand Bazaar, Cor Churchill Roosevelt Highway & Uriah Butler Highway, Valsayn.

36. AD Real Estate Peru S.A.C. with its principal office at Av. Oscar R. Benavides 146, interior 05, Miraflores, Lima, Perú.

37. AD Real Ecuador S.A.S. with its principal office at Av. Las Monjas N° 10 y Carlos Julio Arosemena Parque empresarial Bosch - Edificio Hamburgo, Guayaquil, Ecuador.

38. ADC Real Estate SpA (Cerro El Plomo 5630, Torre 8, oficina 702, comuna de Las Condes, Santiago, Chile).

39. AD Real Estate S.A. with its principal office at Avenida Santa Fe 1193, Piso 3 oficina 11°, C.A.B.A., Argentina.

40. Arcos BraPa S.A., a company incorporated under the laws of Panama, with registered address at Edificio CalleP.H. Financial Park, Piso 41, Oficinas A, B, C y D, Avenic La Rotonda, Urbanización Costa del Este, Ciudad de Panamá.

41. Arcos Dorados Restaurantes Ltda., a*sociedade limitada* company formed under the laws of Brazil with its principal office at Alameda Amazonas, 113 – 1st floor - Alphaville Industrial, city of Barueri – State of Sao Paulo, Brazil.

42. Arcos Dourados Empreendimentos Imobiliários Ltda.,*sociedade limitada* company formed under the laws of Brazil with its principal office at Alameda Amazonas, 113 – 1st floor, Alphaville Industrial, city of Barueri, State of Sao Paulo, Brazil.

43. ADUY S.A., a *sociedad anónima* company formed under the laws of Uruguay with its principal office at Río Negro 1338, Primer Piso, Montevideo, Uruguay.

44. Arcos Dorados Costa Rica Inmobiliaria S.A., a*sociedad anónima* company formed under the laws of Costa Rica, with its principal office at San Pedro de Montes de Oc (Los Yoses, calle 39 entre las avenidas 8 y 10), San José, Costa Rica.

45. Arcos de Valparaiso SpA, a *sociedad por acciones* company formed under the laws of Chile with its principal office at Cerro El Plomo 5630, Torre 8, oficina 702, comuna de Las Condes, Santiago, Chile.

46. Arcos Mendocinos S.A., a *sociedad anónima* company formed under the laws of Argentina with its principal office at Santa Fe Avenue 1193, 3rd Floor, Office 11, Buenos Aires, Argentina. Curacao Entity, directly or indirectly, owns 90% of the Equity Interests in this entity.

47. Adcon S.A., a*sociedad anónima* company formed under the laws of Argentina with its principal office at Santa Fe Avenue 1193, 3rd Floor, Office 11, Buenos Aires, Argentina.

48. Sistemas Central America, S.A., a*sociedad anónima* company formed under the laws of Panama with its principal office at Edificio Evergreen piso 8 Avenida 5B y Calle 78 San Francisco, Panama City, Panama.

49. Arcos Dorados Holdings, Inc. - Suc. Uruguay, Arcos Dorados Holdings Inc. Branch in Uruguay with its principal office at Río Negro 1338, Primer Piso, Montevid Uruguay.

50. AD Inmobiliaria Colombia S.A.S, a sociedad anónima simplificada with its principal office at Avenida Calle 116 No. 7-15 Edificio Torre Cusezar, Oficina 1402 Bogotá D.C. Colombia.

51. Arcos Dorados I B.V., a company formed under the laws of The Netherlands with its principal office at Muiderstraat 5/F, 1011 PZ Amsterdam, The Netherlands.

EXHIBIT 2

DEFINITIONS

The following terms, when used in this Agreement, shall have the following meanings:

"5% First Royalties" has the meaning set forth in Section 5.2.2.

"6% First Royalties" has the meaning set forth in Section 5.2.3.

"A&R MFA" has the meaning set forth in the recitals.

"Action" means any Claim, action, suit, demand, Order, consent, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority or any other Person.

"ADÇA" has the meaning set forth in Section 3.1.5.

"Adjusted Fair Market Value" has the meaning set forth in Section 22.7.1(d)(2).

"Adjusted Fair Market Value Date" has the meaning set forth in Section 22.7.1(e).

"Advisor Expenses" has the meaning set forth in Section 25.5.

"Advisor Expenses Cap" has the meaning set forth in Section 25.5.

"Affiliate" means, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under Common Control with, such specified Person. For the avoidance of doubt, in no event shall Axionlog be deemed or construed to be an Affiliate or Subsidiary of Parent, Beneficial Owner, Owner Entities or any Master Franchisee Party for the purposes of this Agreement.

"Agreement" has the meaning set forth in the preamble.

"Already Pending Proceeding" has the meaning set forth in Section 26.2.12.

"Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States of America (or any successor Order), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) of 2001 (or any successor legislation) and all other present and future federal, state and local laws, ordinances, regulations, policies, lists, Orders and any other requirements of any Governmental Authority addressing or in any way relating to terrorist acts and acts of war.

"Applicable Law" means all existing and future laws, including Anti-Terrorism Laws, rules, regulations, statutes, treaties, codes, ordinances, permits, certificates, Orders, decrees, licenses and concessions of, or any interpretation of any of the foregoing by, any Governmental Authority, including OFAC.

"Approved Closing" means any proposed closing of a Franchised Restaurant or closings of multiple Franchised Restaurants that (a) has been approved by McDonald's, such approval not to be unreasonably withheld, it being understood that (i) whether a closing is reasonable shall be determined by

McDonald's in light of the use of the related Real Estate in the operation of a McDonald's Restaurant, without regard to any other potential use of such Real Estate; and (ii) failure by McDonald's to approve any closing shall not be deemed to be unreasonable if McDonald's reasonably believes that such closing is proposed in contemplation of or in connection with the Transfer or use of the related Real Estate (or any related Site Agreement) to or in connection with a Competitive Business; (b) is the result of a condemnation of the related premises by a Governmental Authority; or (c) is the result of the opening within the same trading area of a Franchised Restaurant having comparable Gross Sales and menu scope.

"Approved Successor" means an individual who will succeed Mr. Woods W. Staton or the prior Approved Successor, as the case may be, with respect to the Master Franchise Business in Controlling Beneficial Owner, the Owner Entities and Master Franchisee, in accordance with the process separately agreed by the Parties.

"Approved Suppliers" has the meaning set forth in Section 9.1.

"Arbitrating Party" has the meaning set forth in Section 26.2.3.

"Arcos Parties" has the meaning set forth in Section 15.14.

"Arcos-Provided Developed IP" means any Developed IP created by any Arcos Party and provided by any Arcos Party to any member of the McDonald's Group.

"Arcos-Provided Information" means any Information generated or collected by any Arcos Party and provided by any Arcos Party to any member of the McDonald's Group; and, for avoidance of doubt, such Arcos-Provided Information (other than Corporate Entity Information) shall be deemed Confidential Information.

"Arcos Subsidiaries" means each of the Subsidiaries of Curacao Entity, and Arcos Dorados Holdings, Inc. - Suc. Uruguay, listed in Exhibit 1 and each other Subsidiary of Curacao Entity that (i) owns and operates a Franchised Restaurant; (ii) licenses or sub-licenses others to own or operate a Franchised Restaurant; or (iii) owns or leases real estate related to the Master Franchise Business and, in each case, becomes a Party hereto pursuant to Section 22.2.2; provided; however, that solely for purposes of Section 3.1.5, 3.2, and 3.7, the Restaurant System of Guadeloupe and the Restaurant System of Martinique shall not be deemed to be Arcos Subsidiaries.

"Arcos Subsidiary Rights" has the meaning set forth in Section 3.2.

"Assets" means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including Capital Stock.

"Attributable Indebtedness" means, on any date, (a) in respect of any Capital Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, (b) in respect of any Synthetic Lease Obligation of any Person that is not an Operating Lease, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a Capital Lease, and (c) in respect of any Operating Lease of any Person, an amount equal to (x) the Rent Expense under such Operating Lease for the period of four consecutive fiscal quarters most recently ended on or before such date *multiplied by* (y) 6.5.

"Axionlog" means any and all of Axionlog S.A. or any of its Subsidiaries.

"Bankruptcy Actions" shall have the meaning set forth in Section 7.2.3.

"Base First Royalties" shall have the meaning set forth in Section 5.2.1.

"Beneficial Owner" shall have the meaning set forth in the preamble.

"Brand Commitments" shall have the meaning set forth in Section 14.3.

"Branded Merchandise, Apparel and Accessories Safety Process" means the McDonald's Branded Merchandise, Apparel and Accessories Safety Process, as may be amended from time to time by McDonald's.

"Brazil MFA" shall have the meaning set forth in Section 3.7.1.

"Brazilian Master Franchisee" shall have the meaning set forth in Section 3.7.1.

"Business Day" means a day other than a Saturday, Sunday or other day on which commercial banking institutions are authorized or required by law to close in the State of Illinois.

"Business Facilities Lease" means a lease agreement related to the business and equipment of a McDonald's Restaurant entered into between Master Franchisee or any Master Franchisee Party, on the one hand, and a Franchisee, on the other hand.

"Business Plan" means a comprehensive operating plan with respect to each Territory comprising each Component Plan and such other information as McDonald's may require from time to time.

"Business Review" has the meaning set forth in Section 18.4.

"Call Option" has the meaning set forth in Section 22.5.1.

"Call Option Price" has the meaning set forth in Section 22.5.2.

"Capital Lease" means, as of any date of determination, any lease of property, real or personal, the obligations of the lessee in respect of which are required to be capitalized on the balance sheet of the lessee in accordance with GAAP.

"Capital Stock" means, with respect to any Person as of any date of determination, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of capital stock, partnership interests (whether general or limited), membership interests or equivalent ownership interests in or issued by such Person.

"Cash" means (a) cash; (b) any evidence of Indebtedness with a maturity of 365 days or less issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof (provided that the full faith and credit of the United States of America is pledged in support thereof); (c) deposits, certificates of deposit, Eurodollar time deposits and bankers' acceptances with a maturity of 180 days or less and overnight bank deposits of any financial institution that is organized under the laws of the United States of America or any state thereof, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of $50,000,000 (to the extent non-U.S. Dollar denominated, the U.S. Dollar equivalent of such amount), and, in the case of any financial institution organized under the laws of the United States, has outstanding debt which is rated

"A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the U.S. Securities Act of 1933 as amended); (d) commercial paper with a maturity of 365 days or less issued by a corporation that is not an Affiliate of Master Franchisee and is organized under the laws of any state of the United States of America or the District of Columbia and rated at least A-1 by Standard & Poor's or at least P-1 by Moody's; and (e) investments in money market funds all of the assets of which consist of securities of the type described in one or more of the foregoing clauses(b) through (d).

"Certificated Equity Interests" means the certificates evidencing all Equity Interests issued in certificated form by Master Franchisee and each Escrowed Arcos Subsidiary.

"Chief Executive Officer" has the meaning set forth in Section 7.3.2.

"Chief Financial Officer" means the chief financial officer (or similar designation) having overall responsibility for the financial affairs of the Master Franchise Business in the Territories.

"Chief Marketing Officer" means the chief marketing officer (or similar designation) having overall responsibility for the marketing activities of the Master Franchise Business in the Territories, and as at the Effective Date, is Santiago Blanco.

"Chief Operating Officer" has the meaning set forth in Section 7.3.2.

"Claim" means any allegation or demand from any Person.

"Collateral" has the meaning set forth in the applicable Letter of Credit.

"Collateral Agent" has the meaning set forth in the applicable Letter of Credit.

"Commencement Date" has the meaning set forth in Section 25.1.

"Competitive Business" means any Person engaged in a local or international Informal Eating Out Business, including local or international QSR Business or any Person operating under the marks or trade names listed in Exhibit 21 as amended by McDonald's from time to time, and includes any business that grants or proposes to grant franchises or licenses or establishes or proposes to establish joint ventures for the operation of any Competitive Business.

"Compliance Officer" has the meaning set forth in Section 7.20(a).

"Compliance Program" has the meaning set forth in Section 7.20.

"Component Plan" means, with respect to the Business Plan for each Territory, the related Restaurant Opening Plan, Reinvestment Plan, Strategic Marketing Plan and Franchising Plan for such Territory.

"Conditions-Based Technology" has the meaning set forth in the definition of "Technology Standards."

"Confidential Information" has the meaning set forth in Section 19.1.1.

"Constituent Documents" means, with respect to any Person other than an individual, the charter and by-laws of a corporation; the statement of qualification and the limited liability partnership agreement of a limited liability partnership; the certificate of limited partnership and limited partnership agreement of a limited partnership; or the comparable documents of a Person organized in other form under Applicable Law.

"Contingencies" means, as of any date of determination with respect to any Person and its consolidated Subsidiaries, the aggregate amount of contingent liabilities of such Person and its consolidated Subsidiaries, as determined in accordance with Statement of Financial Accounting Standards No. 5 and Interpretation No. 47, Accounting fo Conditional Asset Retirement Obligations (FIN 47), which construes Statement of Financial Accounting Standards No. 143 (or any successor standard or interpretation wi respect to any of the foregoing).

"Control" means, with respect to the relationship between or among two or more Persons, the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including the ownership, directly or indirectly, of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person, and the terms "Controlled by" and "under Common Control with" have correlative meanings.

"Copyrights" means, collectively, the copyrights, copyrighted works and copyrighted materials owned, directly or indirectly, or hereafter acquired or licensed by McDonald's relating to the development, ownership, operation, promotion and management of the Franchised Restaurants, including advertising materials, marketing materials promotional materials, software, manuals and training materials.

"Corporate Entity Information" means corporate entity information of each Master Franchisee Party (such as the owner entity information in Exhibit 3 and administrative corporate, tax or financial statements information) that (cumulatively) (a) is not Intellectual Property, (b) is generated solely by or relates solely to such Master Franchisee Party and (c) does not otherwise relate to the System or to McDonald's or its Affiliates.

"Costa Rican Arcos Subsidiaries" means each of Arcos Dorados Costa Rica ADCR, S.A and Arcos Dorados Costa Rica Inmobiliaria S.A., and each other Arcos Subsidiary organized under Costa Rican law.

"Costa Rican Trust Agreement" means the trust agreement, dated as of August 3, 2007, by and among McDonald's, LatAm and the Costa Rican Trustee pursuant to which the Equity Interests of Arcos Dorados Costa Rica ACDR, S.A are held in trust.

"Costa Rican Trustee" means Banco Improsa, S.A., as trustee and its successors in. interest, as trustee under the Costa Rican Trust Agreement.

"Curacao Entity" has the meaning set forth in the preamble.

"Customer Information" means any data, information or representation of Information that identifies McDonald's customers and any analytics (non-identifying) data derived from such identifying information, and such identifying information includes any information that identifies or can be used to directly or indirectly identify, contact, locate, or be traced back to the specific Person to whom such information pertains, or from which identification or contact information of an individual Person can be

derived. Customer Information may include names, addresses, telephone numbers, electronic addresses, internet protocol addresses, device IDs, geo-location information demographic information, anonymous or pseudonymous identifiers, or any identifier that is assigned to an individual for the purposes of the operations of the business and uniquely identifies that individual in relation to the data user even if it does not include an individual name used to identify the individual, or any other information that, either alone or in combination with other data, could provide information specific to a particular Person or device, and any non-identifying analytics data derived from the foregoing identifying information.

"Customer Service Program" means a program for measuring customer satisfaction implemented through the use of one or more of the following (or similar) means: (a) a customer satisfaction hotline; (b) customer surveys; and (c) "mystery shop" visits.

"Data Warehouse" means the record keeping system (whether electronic or on one (1) or more computer servers and networks maintained by the Master Franchisee Parties or their designees) containing the books, records, accounts and other reports as set out in Section 17, and other financial, accounting and operational data generated by or related to the Master Franchise Business.

"Debt Assumption Election" has the meaning set forth in Section 22.5.2(b).

"Default Exercise Notice" has the meaning set forth in Section 22.5.3.

"Defending Party" has the meaning set forth in Section 26.2.4(a).

"Dematerialized Equity Interests" means each Escrowed Constituent Document of any Escrowed Arcos Subsidiary that does not issue Equity Interests in certificate form.

"Dessert Kiosk" means any dessert kiosk or dessert counter or dessert counter point of distribution operated under the System and the Trademarks.

"Developed IP" has the meaning set forth in Section 15.8.1.

"Dispute" has the meaning set forth in Section 26.2.1.

"Disputed Amounts" has the meaning set forth in Section 22.7.2(b).

"Disputed Amounts Notice" has the meaning set forth in Section 22.7.2(b).

"Disputed Amounts Settlement Notice" has the meaning set forth in Section 22.5.9.

"Disqualified Firm" has the meaning set forth in Section 22.7.2(b)(1).

"Distributor" means any Person that distributes products and services to Franchised Restaurants or that arranges for such distribution.

"EBIT" means, for any period with respect to any Person and its consolidated Subsidiaries, an amount equal to Net Income for such period, *plus* (a) the following to the extent deducted in calculating such Net Income: (i) Interest Expense for such period; (ii) federal, state, local and foreign income taxes payable for such period; and (iii) losses from the sale of fixed assets not in the ordinary course of business and other extraordinary or nonrecurring items; *minus* (b) to the extent added in calculating such

Net Income, Interest Income, gains from the sale of fixed assets not in the ordinary course of business and other extraordinary or nonrecurring items.

"EBITDA" means, for any period with respect to any Person and its consolidated Subsidiaries, an amount equal to EBIT for such period*plus*, to the extent deducted in calculating Net Income for such period, depreciation and amortization, as calculated in accordance with GAAP. For the avoidance of doubt, it is understood that for purposes o calculating the Leverage Ratio, any payment related to Capital Leases or Synthetic Leases shall be considered as an expense in determining the relevant EBITDA.

"EBITDAR" means, for any period with respect to any Person and its consolidated Subsidiaries, an amount equal to EBITDA for such period*plus*, to the extent deducted in calculating Net Income for such period, Capital Leases and Synthetic Lease Obligations (including any Rent Expense) for such period.

"Economic Interests" shall mean, with respect to any Person, any Equity Interests of any class entitled to participate in the economic benefits of the operations of such Person or otherwise entitled to dividends or distributions of such Person's income.

"Effective Date" has the meaning set forth in Section 25.1.

"Effective Termination" means the termination by McDonald's of the Master Franchisee Rights with respect to all Territories then subject to this Agreement and the Brazil MFA, which shall be deemed to have occurred on the earlier of (a) the date set forth in a written notice which, notice shall be reasonably satisfactory in form and scope to McDonald's to give effect to the provisions hereof, delivered by Master Franchisee to McDonald's acknowledging such termination with respect to all such Territories provided that (i) such written notice shall serve only as evidence of Master Franchisee's agreement that the grant of Master Franchisee Rights is of no further force or effec and that all Master Franchisee Parties must cease all exercise of Master Franchisee Rights as and in the manner contemplated by this Agreement; and (ii) such written notic or the absence thereof shall not be in derogation of the rights of Master Franchisee to assert the wrongfulness of such termination or the rights of McDonald's to take al appropriate action to enforce its termination of the Master Franchisee Rights; and (b) the last date on which a final non-appealable judgment is rendered with respect to (i) the termination date of this Agreement with respect to all Territories; and (ii) the amount of damages awarded to McDonald's in connection therewith.

"Electronic Payment Systems and Services" has the meaning set forth in Section 7.19.

"Electronic Properties" has the meaning set forth in Section 14.5.2.

"Eligible Franchised Restaurant" means any Franchised Restaurant (including, for the avoidance of doubt, Franchised Restaurants that are not Master Franchise Restaurants) that at the relevant time of determination of eligibility, either (a) have a remaining lease term of at least seven (7) years, and a positive cash flow, or (b) McDonald's and Master Franchisee, acting reasonably, agree that a remodel and upgrade is reasonably likely to improve such Franchised Restaurant's profitability.

"Employee Information" means any information that relates to applicants and employees of the Master Franchise Business, but does not identify any individual applicant or employee, and any analytics (non-identifying) data derived from such information; provided that such information will not include any information that identifies or can be used to identify, contact, locate, or be traced back to the specific Person to whom such information pertains, or from which identification or contact information of an

individual Person can be derived. Employee Information may include demographic information, anonymous identifiers, or any other information that, either alone or in combination with other data, does not provide information specific to a particular Person or device, and any non-identifying analytics data derived from the foregoing non-identifying information.

"Encumbrance" means any and all liens, encumbrances, charges, security interests, options, claims, mortgages, pledges, proxies, voting trusts or agreements, obligations, reversions, reverters, restrictive covenants, conditions, understandings or arrangements or other restrictions of any kind whatsoever, including any restriction on the title, transfer, use, voting receipt of income or other exercise of any attributes of ownership of any kind whatsoever.

"EOTF" means the Experience of the Future model.

"Equity Interest" means, with respect to any Person, (a) all of the shares of Capital Stock of such Person; (b) all warrants, options or other rights for the purchase or acquisition from such Person of shares of Capital Stock of such Person; (c) all securities convertible into or exchangeable for shares of Capital Stock of such Person or warrants, rights or options for the purchase or acquisition of such securities; and (d) all other ownership or profit interests in such Person (including partnership, member or trust interests), whether voting or non-voting.

"ERISA" means the U.S. Employee Retirement Income Security Act of 1974, as amended.

"Escrow Agent" means Citibank, N.A. and its successors in interest, as escrow agent under the Escrow Agreement.

"Escrow Agreement" means the Escrow Agreement entered into among McDonald's, LatAm, each Owner Entity, Escrow Agent, Collateral Agent and the other parties named therein, dated as of August 3, 2007, as amended.

"Escrowed Arcos Subsidiary" means each Arcos Subsidiary other than any Arcos Subsidiary organized in Mexico, Costa Rica, French Guiana, Guadeloupe or Martinique.

"Escrowed Constituent Documents" has the meaning set forth in the Escrow Agreement.

"Execution Date" has the meaning set forth in the preamble.

"Exercise Date" has the meaning set forth in Section 22.5.3.

"Exercise Notices" has the meaning set forth in Section 22.5.3.

"Existing Franchise Agreement" means a franchise agreement between a Master Franchisee Party and a Franchisee in effect on and as of the Effective Date exclusive of any renewal or amendment thereof.

"Existing Franchisee" means a Person that operates one or more McDonald's Restaurants under an Existing Franchise Agreement.

"Existing Master Franchisee Restaurant" means a Master Franchisee Restaurant in operation as of December 31, 2024.

"Existing Suppliers" means those vendors and Distributors that as of the Effective Date supply any Restricted Product.

"Fair Market Value" means, with respect to a Subject Business, the fair market value thereof (including for the avoidance of doubt all Real Estate thereof) determined in accordance with Section 22.7.1, without taking into account Funded Debt, Cash or Contingencies attributable to such Subject Business.

"Fair Market Value Date" has the meaning set forth in Section 22.7.1(c).

"Financing Agreements" means the agreements set forth in Exhibit 29, as may be amended from time to time, and any ancillary agreements relating thereto or entered into in connection therewith.

"First Royalties" has the meaning set forth in Section 5.2.3.

"Fixed Charge Coverage Ratio" means, with respect to any Person as of any date of determination, the ratio of (a) the sum of (i) EBITDAR*less* (ii) distributions and dividends of such Person and its consolidated Subsidiaries, in each case for the period of four consecutive fiscal quarters ending on such date of determination, to (b) the sum of (i) Principal and Interest Expense,*plus* (ii) Capital Leases and Synthetic Lease Obligations (including any Rent Expense) of such Person and its consolidated Subsidiaries, each case for the period of four consecutive fiscal quarters ending on such date of determination.

"FMV Institution List" has the meaning set forth in Section 22.7.1.

"FMV Review Notice" has the meaning set forth in Section 22.7.1(d).

"Force Majeure" means natural disasters (including epidemics, pandemics, floods, hurricanes, typhoons, landslides, earthquakes, forest and other fires caused as a result of spontaneous combustion, windstorms and lightning), man-made events (including wars or acts of war, the outbreak of hostilities (regardless of whether war is declared), terrorist acts, embargoes, sanctions, blockades, revolutions, riots, civil commotions, boycotts, sabotage, strikes and acts of any Governmental Authority), and other events or causes beyond the reasonable control of the Party affected, but excluding: (a) the imposition by any Governmental Authority of exchange controls or similar limitations, restrictions or prohibitions; (b) a Party's inability to obtain funds or other resources, materials, equipment, labor or supplies due to circumstances that are unique to such Party; (c) any fluctuation of the exchange rate between U.S. Dollars and any other currency; (d) the state of the economy of the Territories; (e) a Party's inability to obtain permits necessary for the performance of its obligations under this Agreement; (f) any act of Governmental Authority specific to or caused by the affected Party; or (g) other events or causes unique to the affected Party.

"Franchise Agreements" has the meaning set forth in Section 11.2.1.

"Franchised Restaurant" means a McDonald's Restaurant, including any related Incorporated McCafe and each Initial Freestanding McCafe, each Dessert Kiosk, and each Satellite, to be developed, owned, operated or managed by Master Franchisee and / or its Franchisees in accordance with and subject to the terms of this Agreement and any applicable Franchise Agreement.

"Franchisees" has the meaning set forth in Section 11.1.1.

"Franchisee Approval Process" has the meaning set forth in Section 11.1.1.

"Franchising Plan" means, with respect to the Business Plan for any Territory, the plan specifying the initiative to be undertaken with Franchisees in such Territory during a specified period, and for the avoidance of doubt includes the Franchising Plan for the initial three (3) years of the Terms and every successor Franchising Plan mutually agreed by McDonald's and Master Franchisee pursuant to Section 13.1.2.

"Franchising Principles, Policies and Guidelines" means the principles, policies and guidelines of McDonald's and its Affiliates with respect to the grant of franchises for McDonald's Restaurants, McCafes and other McDonald's-branded points of distribution, as amended by McDonald's from time to time.

"Freestanding McCafé" means any McCafe other than an Incorporated McCafe. For purpose of clarification, a McCafe within a Dessert Kiosk located outside th premises of a Franchised Restaurant shall be deemed a Freestanding McCafe.

"French Term" has the meaning set forth in Section 4.1, and for the avoidance of doubt, includes any extension pursuant to Section 4.2.

"Funded Debt" means, as of any date of determination with respect to any Person and its consolidated Subsidiaries, all of the following (without duplication), determined in accordance with GAAP:

(a) obligations for borrowed money and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments, including, in all cases, any accrued interest thereon;

(b) any direct or contingent obligations arising under standby or commercial letters of credit (excluding the Letter of Credit), banker's acceptances, bank guaranties, surety bonds and similar instruments;

(c) any Receivables Facility Attributed Indebtedness;

(d) net obligations of such Person under any Swap Contract; and

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse.

"GAAP" means (a) in the case of Master Franchisee, generally accepted accounting principles in the United States of America; and (b) with respect to any other Person, generally accepted accounting principles in the jurisdiction in which such Person is domiciled, in each case as in effect from time to time.

"Global Supplier" has the meaning set forth in Section 9.4.

"Global Training Standards" means the global training standards to be adopted by McDonald's pursuant to the Global Training Alignment strategy, as amended from time to time.

"Governmental Authority" means, in any applicable Territory or other jurisdiction, any federal, provincial, state, territorial or local government, any governmental, regulatory or administrative authority, agency or commission or any court or tribunal or arbitral body.

"GROIP" means the McDonald's Global Restaurant Operation Improvement Process as in effect as of the Effective Date, as it may be replaced or amended b McDonald's from time to time.

"Gross Sales" means, with respect to any or all of the Franchised Restaurants as the context may require, all revenues of Master Franchisee or any Franchisee, a applicable, attributable to sales by such Franchised Restaurants, whether such sales be evidenced by check, cash, credit, charge account, debit card, exchange, gift cards and certificates or otherwise, and shall include the amounts received from the sale of goods, wares, and merchandise, food, beverages and tangible property of every kind and nature, promotional or otherwise, and for services performed from or at such Franchised Restaurants, together with the amount of all orders taken or received at the Franchised Restaurants, whether such orders be filled from the Franchised Restaurants or elsewhere. Gross Sales with respect to any Franchised Restaurant shall not include sales o merchandise for which cash has been refunded, provided that such sales shall have previously been included in such Gross Sales. Revenues of Master Franchisee attributable t sales at Dessert Kiosks shall be included within Gross Sales. There shall be deducted from Gross Sales with respect to any Franchised Restaurant the price of merchandis returned by customers for exchange, provided that such returned merchandise shall have been previously included in Gross Sales, and provided further that the sales price of merchandise delivered to the customer in exchange shall be included in such Gross Sales. Gross Sales with respect to any Franchised Restaurant shall not include the amount o any sales, service, value-added or other similar taxes imposed by any local, foreign, federal, state, municipal, or other Governmental Authority that are actually collected from customers and paid by Master Franchisee or the applicable Franchisee to such Governmental Authority. Each charge or sale upon credit shall be treated as a sale for the ful price in the month during which such charge or sale shall be made, irrespective of the time when Master Franchisee or the applicable Franchisee shall receive payment (whether full or partial) therefor.

"Guaranty Obligation" means, as to any Person, any (a) obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person. The amount of any Guaranty Obligation shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guaranty Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Hamburger University License Agreement" means the license agreement, dated as of July 27, 2007, with respect to certain matters relating to the operation of Hamburger University (São Paolo).

"ICC" has the meaning set forth in Section 26.2.1.

"ICC Rules" has the meaning set forth in Section 26.2.1.

"Incident" has the meaning set forth in Section 7.12.4.

"Incorporated McCafe" means a McCafe that is fully incorporated within the premises of a McDonald's Restaurant.

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial but, in the case of Master Franchisee, excluding the Letter of Credit except to the extent of any drawn amount), banker's acceptances, bank guaranties, surety bonds and similar instruments;

(c) net obligations of such Person under any Swap Contract;

(d) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(e) Attributable Indebtedness in respect of Capital Leases and Synthetic Lease Obligations;

(f) Off-Balance Sheet Liabilities;

(g) obligations in respect of Redeemable Stock of such Person;

(h) any Receivables Facility Attributed Indebtedness;

(i) any "withdrawal liability" of such Person as such term is defined under Part I of Subtitle E of Title IV of ERISA; and

(j) all Guaranty Obligations of such Person in respect of any of the foregoing.

"Indemnitee" has the meaning set forth in Section 21.2.

"Indemnitor" has the meaning set forth in Section 21.2.

"Individual" means a natural person, whether acting for himself or herself, or in a representative capacity.

"Informal Eating Out Business" means branded and unbranded QSR Businesses, casual dining full service restaurants, pizzerias, cafés, cafeterias, coffee shops sandwich bars/shops, street stalls/kiosks/carts, bakeries, shops in petro/gas stations, convenience stores, grocery retail stores, cloud kitchens, ghost kitchens, local cuisine and similar restaurant services providing eat-in, carry-out and/or home delivery of foods and beverages.

"Information" means, collectively, (a) Customer Information, Employee Information, Restaurant Information, and Supplier Information, (b) all information in the Dat Warehouse, and (c) any other information reasonably necessary to enable and operate the Technologies described in Section 7.13.

"Initial Franchise Fees" has the meaning set forth in Section 5.1.4.

"Initial Freestanding McCafes" means each Freestanding McCafe owned by Master Franchisee on the Effective Date.

"Initial MFA Fee" has the meaning set forth in Section 5.1.4.

"Initial MFR Fee" has the meaning set forth in Section 5.1.1.

"Initial SFR Fee" has the meaning set forth in Section 5.1.2.

"Intellectual Property" means, collectively, the Copyrights, Patents, Trademarks, Trade Secrets and any Developed IP.

"Interest Expense" means, with respect to any Person and its consolidated Subsidiaries for any period, total interest expense, whether paid or accrued (including the interest component of Capital Leases and Synthetic Lease Obligations), including all commissions, discounts and other fees and charges owed with respect to letters of credi and net costs under interest rate contracts and foreign exchange contracts, amortization of discount, but excluding interest expense not payable in cash (including interest accruing on deferred compensation obligations) other than amortization of discount, all as determined in accordance with GAAP.

"Interest Income" means, with respect to any Person and its consolidated Subsidiaries for any period, interest income, whether paid or accrued, all as determined in accordance with GAAP.

"JPM Trustee" means JPMorgan Trust Company (Bahamas) Limited or any successor trustee of The Los Laureles Trust.

"Key Employee" has the meaning set forth in Section 12.1.

"LatAm" has the meaning set forth in the recitals.

"LC Bank" means Credit Suisse Cayman Islands Branch, and its successors in interest, or any other issuer of a Letter of Credit.

"LC Collateral Pool" has the meaning set forth in Section 7.24.1.

"LC Expiration Date" shall mean the stated expiration date of any Letter of Credit.

"LC Payable" has the meaning set forth in Section 7.9.2.

"LC Trigger Event" has the meaning set forth in Section 7.9.2.

"Letters of Credit" has the meaning set forth in Section 7.9.1.

"Leverage Ratio" means, as of any date of determination with respect to any Person and its consolidated Subsidiaries, collectively and in the aggregate, the ratio of (a) Rent-Adjusted Debt to (b) EBITDAR for four fiscal quarters most recently ended.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, and any financing lease having substantially the same economic effect as any of the foregoing).

"Local Stock Power" has the meaning set forth in the Escrow Agreement.

"Local Store Content" has the meaning set forth in Section 14.5.1.

"Local Taxes" has the meaning set forth in Section 25.2.6.

"Local Voting Power" has the meaning set forth in the Escrow Agreement.

"Los Laureles PTC" means Los Laureles (PTC) Limited, a company organized and existing under the laws of the British Virgin Islands.

"Los Laureles Trust Arrangements" means all trust and governance arrangements relating to the Equity Interests held by Beneficial Owner in Parent, including (i) The Los Laureles Trust, entered into on October 11, 2018 by and between Woods W. Staton and the JPM Trustee, as amended from time to time ("The Los Laureles Trust"), (ii) The Los Laureles Voting Trust, entered into on March 23, 2011 by and between Beneficial Owner and Arias Fabrega & Fabrega Co. (BVI) Limited, as amended from time to time ("The Los Laureles Voting Trust"), and (iii) the constitutional documents and all other legally binding governance arrangements in relation to Beneficial Owner and Los Laureles PTC.

"Losses and Expenses" means, without limitation, all damages, losses, fines, charges, costs, expenses, lost profits, attorneys' or experts' fees, court costs, settlement amounts, judgments and other reasonable costs and expenses of investigating, defending or countering any third-party claim; compensation for damages to McDonald's reputation or goodwill; costs of or resulting from delays, financing, costs of advertising materials and media time and / or space, and costs of changing, substituting or replacing the same; and any and all expenses of recalls, refunds, compensation, public notices and such other amounts incurred.

"Maintenance and Repair" means to maintain and/or repair equipment, signs, seating, décor, the physical plant or infrastructure (costs of which are in the nature of expenses and not capital investments) to keep the Franchised Restaurants operating properly and in accordance with the Standards at all times.

"Major Territory" means, as of any date of determination, any Territory in which at least 100 Franchised Restaurants are then in operation.

"Managing Director" has the meaning set forth in Section 7.4.1.

"Mandatory Marketing Commitment" has the meaning set forth in Section 14.1.2.

"Mandatory Marketing Commitment Guidelines" means the guidelines set forth in Exhibit 25.

"Master Agreement" has the meaning set forth in the definition of Swap Contract.

"Master Franchise Business" means the business operated, directly or indirectly, by Master Franchisee and the Arcos Subsidiaries hereunder, including pursuant to the Master Franchisee Rights, including all Assets used therein, and owning and granting leases of Real Estate for Franchised Restaurants.

"Master Franchisee" has the meaning set forth in the preamble.

"Master Franchisee Parties" means Master Franchisee and each of the Arcos Subsidiaries.

"Master Franchisee Restaurant" means a Franchised Restaurant owned and operated by any Master Franchisee Party.

"Master Franchisee Rights" has the meaning set forth in Section 3.1.

"Material Breach" has the meaning set forth in Section 23.2.

"Materials" means advertising, marketing and promotional materials, including without limitation television, radio, newspaper and print advertising, packaging, premiums, brochures, outdoor advertising, direct mail, coupons and point of sale materials, merchandise, apparel and accessories.

"McCafe" means a McCafe-branded point of distribution offering a limited menu of pastries, coffee, tea and other beverages and operated under the System and the Trademarks.

"McDonald's" has the meaning set forth in the preamble.

"McDonald's Corporation" means McDonald's Corporation, a Delaware (U.S.A.) company with its principal office at 110 North Carpenter Street, Chicago, Illino 60607 (U.S.A.).

"McDonald's Group" means any, all, or any combination of McDonald's, McDonald's Corporation, and other Affiliates of McDonald's.

"McDonald's Indemnified Parties" has the meaning set forth in Section 21.1.

"McDonald's Related Party" means:

(a) with respect to any natural Person,

(i) any of such Person's Relatives;

(ii) any other Person with respect to which such Person or any of his Relatives serves as a director, officer, partner, member or in a similar function;

(iii) any entity in which such Person or any of his Relatives, individually or collectively, owns or controls, directly or indirectly, 5% or more of the Equity Interests; and

(iv) any trust or estate in which such Person or any of his Relatives has a substantial interest or serves as a trustee or in a similar capacity; and

(b) with respect to any other Person,

(i) any Person that directly or indirectly owns or controls 5% or more of the Equity Interests of such Person and the McDonald's Related Parties of suc Person;

(ii) any other Person in which such Person owns 5% or more of the Equity Interests;

(iii) any director, officer, partner, member or similar representative of such Person or any of its McDonald's Related Parties; and

(iv) any Affiliate of such Person.

"McDonald's Restaurant" means any McDonald's-branded restaurant operated under the System.

"McDonald's Security Agreements" means each of (a) the Trust Agreements; (b) the Second Lien Brazilian Quota Pledge Agreement, dated as of August 3, 2007 among McDonald's Latin America, LLC, LatAm, McDonald's Caribbean Development Corporation and Master Franchisee; (c) McDonald's Contrato de Prenda Abie Sobre Acciones en Colombia, dated as of August 3, 2007, among LatAm, McDonald's Caribbean Development Corporation and McDonald's; (d) McDonald's Contrato d Prenda Abierta Sobre Cuotas en Colombia, dated as of August 3, 2007, among LatAm, McDonald's Caribbean Development Corporation and McDonald's; (e) McDonald Deed of Pledge of Shares, dated as of August 3, 2007 among LatAm, McDonald's and McDonald's St. Maarten and Curacao N.V.; (f) Second Lien Ecuadorian Stock Pled Agreement, dated as of August 3, 2007, by and between LatAm and McDonald's.; (g) McDonald's Panamanian Stock Pledge Agreement, dated as of August 3, 2007, amon LatAm, Eduardo de Alba and McDonald's; (h) Constitución y Preconstitución de Garantía Mobiliaria Sobre Acciones, dated as of August 3, 2007, among LatAm, McDonald and Operaciones Arcos Dorados de Peru S.A.; (i) Ratification to McDonald's U.S. Stock Pledge Agreement, dated as of August 3, 2007, among LatAm, McDonald's and t other parties thereto; (j) McDonald's Uruguay Social Quotas Pledge Agreement, dated as of August 3, 2007, among LatAm, McDonald's Caribbean Development Corporatio McDonald's and Arcos del Sur S. R.L.; (k) McDonald's Uruguay Stock Pledge Agreement, dated as of August 3, 2007, among LatAm, McDonald's Caribbean Developme Corporation, McDonald's and Arcos del Sur S.R.L.; (1) McDonald's Deed of Pledge of Shares, dated as of August 3, 2007 among LatAm, McDonald's and McDonal Aruba N.V.; (m) the Venezuelan Share Pledge Agreement, dated as of August 3, 2007 between LatAm, Management Operations Company and Deutsche Bank Tru Company Americas; (n) Los Contratos de Prenda de Acciones y Cesión Fiduciaria con Fines de Garantía, dated as of August 3, 2007, among LatAm, Arcos Dorados S.A McDonald's, Deutsche Bank Trust Company Americas and the other parties thereto; (o) McDonald's U.S. Stock Pledge Agreement, dated as of August 3, 2007, amon McDonald's, Master Franchisee, LatAm and the other parties thereto; (p) the First Lien Quota Pledge Agreement, dated as of March 2018, among McDonald's Latin Americ LLC, Curacao Entity and Arcos Dorados Curacao, N.V.; (q) the Deed of Pledge of Shares, dated as of March 21, 2018, among McDonald's, Curacao Entity and Arc Dorados Curacao N.V.; (r) the Pledge Agreement, dated as of September 29, 2020, among LatAm, Netherlands Subholding, ADÇA, Woods W. Staton, Arcos Dorad Argentina S.A. and McDonald's, with respect to the Equity Interests of Arcos Dorados Argentina S.A.; (s) the Chilean Deed of Pledge of Shares, dated as of July 2, 202 between LatAm and McDonald's, with respect to the Equity Interests ofArcos Dorados Restaurantes de Chile SpA; and(t) the Pledge Certificate, dated as of July 9, 2024 between LatAm and McDonald's,

with respect to the Equity Interests of Arcos Dorados Restaurantes de Chile SpA; each as amended or otherwise modified from time to time.

"McDonald's Use" has the meaning set forth in Section 15.14.1.

"Menu Items" means the food, beverage and other products designated or approved by McDonald's Group from time to time to be offered for sale by the Franchised Restaurants.

"Menu Plan" means the comprehensive plan for Menu Items for each applicable Territory, specifying the type and customization of the Menu Items to be made available in the Franchised Restaurants during the relevant period.

"Mexican Arcos Subsidiaries" means each of Arcos SerCal Inmobiliaria, S. de R.L. de C.V. and Restaurantes ADMX, S. de R.L. de C.V., and each other Arcos Subsidiary organized under Mexican law.

"Mexican Trust Agreement I" means the trust agreement, dated as of August 3, 2007, by and among McDonald's, LatAm and Mexican Trustee pursuant to which certain of the Equity Interests of the Mexican Arcos Subsidiaries are held in trust.

"Mexican Trust Agreement II" means the trust agreement, dated as of August 3, 2007, by and among McDonald's, Arcos Dorados LatAm, LLC and Mexican Trustee pursuant to which certain of the Equity Interests of the Mexican Arcos Subsidiaries are held in trust.

"Mexican Trustee" means Banamex División Fiduciaria, as trustee and its successors in interest, as trustee under each of the Mexican Trust Agreements.

"MFA Document" means each side letter or side agreement relating to this Agreement, whether entered into on or after the Commencement Date, between any Parties to this Agreement.

"MFR Term" has the meaning set forth in Section 5.1.1.

"Modernize" or "Modernization" means to make a major renovation of the features and facilities of the relevant Franchised Restaurant so that, at the time of renovation, it meets the Standards applicable to a new McDonald's Restaurant (including any Standards relating to the design and décor of a new McDonald's Restaurant). Examples of such major renovation include EOTF, which includes hospitality, Global Mobile Application (known as "GMA"), Self-Order Kiosks (known as "SOK") with Made For You (known as "MFY") customization, table service, split or open counter, modern menu boards (including digital menu boards and outdoor digital menu boards) and other elements in compliance with the Standards.

"Net Income" means, for any period with respect to any Person and its consolidated Subsidiaries, the net income of such Person and its consolidated Subsidiaries (whether positive or negative), all as determined in accordance with GAAP.

"Netherlands Subholding" has the meaning set forth in the recitals.

"New Claims" has the meaning set forth in Section 26.2.12.

"New Franchise Agreement" has the meaning set forth in Section 11.2.1.

"New Franchisee" has the meaning set forth in Section 11.1.1.

"New Supplier" has the meaning set forth in Section 9.1.

"New Term Notice" has the meaning set forth in Section 4.3.1.

"New Term Option" has the meaning set forth in Section 4.3.

"No New Term Notice" has the meaning set forth in Section 4.3.1.

"No New Term Response" has the meaning set forth in Section 4.3.2.

"No New Term Solicitation Period" has the meaning set forth in Section 4.3.3.

"Non-Default Exercise Notice" has the meaning set forth in Section 22.5.3.

"Non-Escrowed Arcos Subsidiaries" means each of the Mexican Arcos Subsidiaries and the Costa Rican Arcos Subsidiaries.

"Non-Public Shareholder" shall mean Beneficial Owner and each other Person that acquires in any manner beneficial ownership of any Transferred Equity Interests in Parent other than pursuant to a sale into the public markets, other than a block trade.

"Notices" means (a) any pleading or other court paper or arbitration demand that (i) names McDonald's or any of its Affiliates as a party; (ii) is issued in connection with a criminal investigation or subpoena of Master Franchisee, any of its Subsidiaries or Related Parties that arises out of or relates to the Master Franchise Business; and (b) any notice issued by any Governmental Authority relating to a health or safety matter if such notice relates to one or more incidents that, individually or in the aggregate, involves damages, fines or other penalties in excess of two hundred fifty thousand dollars ($250,000).

"Notices of Adverse Events" means (a) any pleading or other court paper or arbitration demand that (i) names any one or more members of the McDonald's Group as a party; or (ii) is issued in connection with a criminal investigation or subpoena of any Master Franchisee Party, Owner Entity or any of their respective Affiliates or Related Parties that arises out of or relates to the Master Franchise Business; (b) any notice issued by any Governmental Authority relating to a health or safety matter if such notice involves material damages, fines or other penalties; (c) the commencement of any material Action, suit or proceeding relating to the Master Franchise Business or any Franchised Restaurant; (d) any material Order which adversely affects any Master Franchisee Party's or Owner Entity's operation or financial condition or that of any Franchised Restaurant (including the revocation or threatened revocation of any license, permit or certification applicable to any Franchised Restaurant); or (e) any notice of any violation of any Applicable Law.

"OFAC" means the U.S. Treasury Department's Office of Foreign Asset Control.

"Off-Balance Sheet Liabilities" means, with respect to any Person and its consolidated Subsidiaries as of any date of determination, without duplication and to the extent not included as a liability on the consolidated balance sheet of such Person in accordance with GAAP: (a) with respect to any asset securitization transaction (including any accounts receivable purchase facility) (i) the unrecovered investment of purchasers or transferees of Assets so transferred; and (ii) any other payment, recourse, repurchase, hold harmless, indemnity or similar obligation of such Person or any of its

Subsidiaries in respect of Assets transferred or payments made in respect thereof, other than limited recourse provisions that are customary for transactions of such type and that neither (x) have the effect of limiting the loss or credit risk of such purchasers or transferees with respect to payment or performance by the obligors of the Assets so transferred; nor (y) impair the characterization of the transaction as a true sale under Applicable Law (including applicable bankruptcy laws); (b) the monetary obligations under any financing lease or so-called "synthetic," tax retention or off-balance sheet lease transaction which, upon the application of any Applicable Law to such Person or any of such Subsidiaries, would be characterized as indebtedness; (c) the monetary obligations under any sale and leaseback transaction which does not create a liability on the consolidated balance sheet of such Person and such Subsidiaries; or (d) any other monetary obligation arising with respect to any other transaction which (i) upon the application of any Applicable Law to such Person or any of such Subsidiaries, would be characterized as indebtedness; or (ii) is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the consolidated balance sheet of such Person and such Subsidiaries (for purposes of this clause (d), any transaction structured to provide tax deductibility as interest expense of any dividend, coupon or other periodic payment will be deemed to be the functional equivalent of a borrowing).

"Offered Interest" has the meaning set forth in Section 22.4.1.

"Offering Document" means a preliminary prospectus or prospectus (including any supplement), any offering circular or comparable document or any other document used in connection with a Securities Offering in any jurisdiction or produced by or on behalf of the Parent or any of its Subsidiaries including, without limitation, any road show or similar presentation and any reports or other documents.

"Operating Lease" means, as of any date of determination, any lease of property, real or personal, the obligations of the lessee in respect of which are not required to be capitalized on the balance sheet of the lessee in accordance with GAAP.

"Operations Manuals" means the various operations and procedures manuals and business manuals (as such manuals may be amended and supplemented by McDonald's from time to time) owned by McDonald's and provided to Master Franchisee and its Franchisees, regardless of the form or medium in which they may be provided and including all translations made or obtained by Master Franchisee, which contain suggested and mandatory standards, specifications and procedures and information relative to the System, certain obligations of Master Franchisee and its Franchisees, and the operation of each Franchised Restaurant.

"Option Closing Date" has the meaning set forth in Section 22.5.5.

"Order" means the entry in any judicial or administrative proceeding brought under Applicable Law by any Person of any permanent or preliminary injunction or other judgment, order or decree.

"Original MFA" has the meaning set forth in the recitals.

"Owner Entities" has the meaning set forth in the preamble.

"Parent" has the meaning set forth in the preamble.

"Parties" has the meaning set forth in the preamble.

"Patents" means, collectively, any and all patents now or hereafter owned, used, acquired or registered by McDonald's or licensed to McDonald's by one of its Affiliates.

"Payment Election" has the meaning set forth in Section 22.5.2(b).

"Person" means any individual, partnership, firm, limited liability company, corporation, association, joint venture, trust, unincorporated organization or other entity, in each case whether or not having separate legal personality.

"Petitioning Party" has the meaning set forth in Section 26.2.4(a).

"Primary Calculations" has the meaning set forth in Section 22.7.2(b)(1).

"Primary Valuation" has the meaning set forth in Section 22.7.1(b)(1).

"Principal" means, with respect to any Person with respect to any period, total payments of principal on its Funded Debt made by such Person and its consolidated Subsidiaries.

"Products and Services" means all products (food, beverage and otherwise), services, equipment, furnishings, fixtures, signs, supplies, Technologies and other items (including packaging, premiums, uniforms and other miscellaneous items) used in the establishment and operation of the Franchised Restaurants, or offered for sale by the Franchised Restaurants.

"Promotional Activities" means all marketing, advertising, publicity and promotional strategies and activities including sweepstakes, contests, raffles, sampling, sponsorships, customer loyalty programs, special offers, in-restaurant events and the distribution and publication of Materials.

"Proposed Transferee" has the meaning set forth in Section 22.2.2.

"QSC Standards" means the standards for quality, service and cleanliness established by McDonald's from time to time and memorialized in the Standards, as amended by McDonald's from time to time.

"QSR Business" means any Person operating restaurants or other points of distribution in the "quick-service" segment of the restaurant industry.

"Qualified Bank" means any commercial banking institution that (a) has long term unsecured debt credit ratings issued by Moody's Investors Service, Inc. of at least A and by Standard & Poor's Rating Services of at least A; (b) has a capital and surplus of not less than $500,000,000; and (c) is organized and chartered to do business in a country which is a full member of the Organization for Economic Cooperation and Development.

"Real Estate" means any leasehold, free-hold or other property interest in real estate or any part thereof, including improvements thereon.

"Receivables Facility Attributed Indebtedness" means the amount of obligations outstanding under a receivables purchase facility on any date of determination that would be characterized as principal if such facility were structured as a secured lending transaction other than a purchase.

"Redeemable Stock" means any Capital Stock of Master Franchisee or any of its Subsidiaries which is (a) mandatorily redeemable, (b) redeemable at the option of the holder thereof or (c) convertible into Funded Debt of Master Franchisee or any of its Subsidiaries.

"Refinance" means Indebtedness that is incurred to refund, refinance, replace, defease, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness, in whole or in part, existing as of the Effective Date or incurred in compliance with this Agreement, including Indebtedness that refinances previously refinanced Indebtedness; *provided* that any (i) refinanced Indebtedness has a maturity date no earlier than the maturity date of the Indebtedness being refinanced and (ii) refinanced Indebtedness is incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) of then-outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and fees incurred in connection therewith). "Refinanced" and "Refinancing" shall have correlative meanings.

"Regular Term" has the meaning set forth in Section 4.1.

"Reimage" or "Reimaging" means to make periodic improvements to a Franchised Restaurant to ensure that it continues to meet the Standards applicable to a new McDonald's Restaurant. Examples of such improvements include upgrading the Franchised Restaurant using a global design, including the interior using global portfolio designs (*e.g.*, chairs, benches, tables, stools, trash bins, partition walls, window shades, "Happy Meal" merchandiser, floor and walls covering/tiling, ceiling and ceiling features, lighting, front counter) and exterior (*e.g.*, facade, signage, drive thru lane, outside terrace, play area).

"Reinvestment Plan" means, with respect to the Business Plan for any Territory, the plan specifying (i) the number of restaurants to be remodeled or upgraded in such Territory during a specified period and the extent of such remodel or upgrade and (ii) the Master Franchisee Parties' annual operating expenses budget during such specified period, and for the avoidance of doubt includes the Reinvestment Plan for the initial three (3) years of the Terms and every successor Reinvestment Plan mutually agreed by McDonald's and Master Franchisee pursuant to Section 13.1.2.

"Related Agreement" means each agreement related to this Agreement, whether entered into on or prior to the Commencement Date, or to be entered into after the Commencement Date, including the Hamburger University License Agreement, the Escrow Agreement, the Trust Agreements, the Brazil MFA, the McDonald's Securit Agreements, each MFA Document and each Franchise Agreement and any lease agreements relating to property leased by McDonald's or any of its Affiliates to a Master Franchisee Party or any of its Subsidiaries.

"Related Party" has the meaning set forth in the Related Party Transactions Policy. For the avoidance of doubt, in no event shall Axionlog be deemed or construed to be a Related Party of Parent, Beneficial Owner, Owner Entities or any Master Franchisee Party for the purposes of this Agreement.

"Related Party Transactions Policy" means the related party transactions policy separately agreed between Master Franchisee and McDonald's.

"Relatives" means, with respect to any natural Person, any of such Person's parents, siblings, children and spouse, the parents, siblings and children of such Person's spouse, and the spouses of such Person's children.

"Relocation" means the process whereby a Franchised Restaurant is closed pursuant to an Approved Closing and is reconstructed in the same trading area to serve the same customer base, it being understood that the Relocated Franchised Restaurant may or may not be adjacent to the original site but, if adjacent, shall not use any portion of the original premises. "Relocate" and "Relocated" have correlative meanings.

"Rent Expense" means the consolidated rent expense of any Person and its consolidated Subsidiaries, as determined in accordance with GAAP.

"Rent-Adjusted Debt" means, for any period with respect to any Person and its consolidated Subsidiaries, the sum of (a) the aggregate amount of Funded Debt of such Person and its consolidated Subsidiaries; *plus* (b) the Attributable Indebtedness in respect of Capital Leases and Synthetic Lease Obligations.

"Required Technology" has the meaning set forth in the definition of "Technology Standards."

"Restaurant Information" means any restaurant level data, transaction level data and any other data derived from and/or related to Franchised Restaurants, including restaurant location, menu items, and any other data necessary to configure or enable Required Technology and/or Conditions-Based Technology.

"Restaurant Manager" means the individual having primary day-to-day responsibility for the operations of any Franchised Restaurant.

"Restaurant Opening Plan" means the plan specifying the number of new Franchised Restaurants to be opened in the Territories during a specified period, and for the avoidance of doubt includes the Restaurant Opening Plan for the initial 10 years of the Terms and every successor Restaurant Opening Plan mutually agreed by McDonald's and Master Franchisee pursuant to Section 13.1.2 in each case, as may be deemed to be amended pursuant to Section 13.4; provided however, that if no plan is then in effect, then the plan shall be deemed to specify the Targeted Openings with respect to the Territories.

"Restricted Interests" has the meaning set forth in Section 22.2.2.

"Restricted Payments" means (a) any declaration or payment of any dividend or making of any other distribution by Parent or Master Franchisee in respect of any of its shares; (b) repayment or prepayment by Parent or any of its Subsidiaries of any principal amount (or capitalized interest) outstanding under any loans owing to any of Beneficial Owner, Woods W. Staton, an Approved Successor or any of their respective Related Parties (other than Curacao Entity or its Subsidiaries); (c) payment by Parent or any of its Subsidiaries of any interest or any other amounts payable in connection with any loans owing to any of Beneficial Owner, Woods W. Staton, an Approved Successor or any of their respective Related Parties (other than Curacao Entity or its Subsidiaries); and (d) payment by Parent or any of its Subsidiaries of any management, service, consulting or similar fee to any of Beneficial Owner, Woods W. Staton, an Approved Successor or any of their respective Related Parties (other than Curacao Entity or its Subsidiaries (other than any management compensation or director fees, in each case, payable in the ordinary course of business); provided that, for the avoidance of doubt, each case of the foregoing clauses (a) through (d) shall exclude any payment of any dividend or other distribution by Parent if the dividend or distribution would have been permitted under Section 23.5 on the date of declaration thereof.

"Restricted Payments Period" means the period from the date on which a Restricted Payment Trigger Event has occurred until such time that such Restricted Paymen Trigger Event has been fully remedied to McDonald's satisfaction.

"Restricted Payment Trigger Event" has the meaning set forth in Section 23.5.

"Restricted Persons" means any of the following: (a) the government of any country that is subject to an embargo imposed by the United States government; (b) Persons located in, or organized under, the laws of any country that is subject to an embargo imposed by the United States government; (c) Individuals that ordinarily reside in any country that is subject to an embargo imposed by the United States government; or (d) Persons identified from time to time by any government or legal authority under Applicable Laws as a Person with whom dealings and transactions by McDonald's Group are prohibited or restricted, including Persons designated on the U.S. Department o the Treasury's Office of Foreign Assets Control (OFAC) List of Specially Designated Nationals and Other Blocked Persons (including terrorists and narcotics trafficker (available at https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx), and similar restricted party listings, including those maintained by other governments pursuant to applicable United Nation's Security Council, regional or national trade or financial sanctions; and/or (e) Person(s) Controlled by one (1) or more Persons in (d) above.

"Restricted Product" means each bakery, protein, potato-based, liquid, condiment, packaging and beverage product, or distribution service, used to prepare or provide any "core" or "branded product" offered by Franchised Restaurants, as such "core" or "branded products" may be designated by McDonald's from time to time.

"Restricted Real Estate" means the Real Estate identified in Exhibit 12.

"RFR Seller" has the meaning set forth in Section 22.4.1.

"Royalties" has the meaning set forth in Section 5.2.5.

"SA&R MFA" has the meaning set forth in the recitals.

"Satellite" means a McDonald's-branded point of distribution operated under the System and the Trademarks that (a) has one or more of the following characteristics (i) such point of distribution's operations are contingent upon the provision of services by another Franchised Restaurant in the same trading area; (ii) such point of distribution offers a limited menu of products; (iii) such point of distribution is operated from a location that is approximately 30% of the size (in terms of square feet) of the average size of a Franchised Restaurant that is not a Satellite or a McCafe in the relevant Territory; (iv) such point of distribution generates Gross Sales that are approximately 50% of the Gross Sales of a Franchised Restaurant that is not a Satellite or a McCafe in the relevant Territory; or (v) such point of distribution is located within a Wal-Mart-branded reta location; and (b) has been expressly designated as a "Satellite" by McDonald's.

"Second Royalties" has the meaning set forth in Section 5.2.4.

"Secondary Calculation" has the meaning set forth in Section 22.7.2(b)(3).

"Secondary Valuation" has the meaning set forth in Section 22.7.1(b)(2).

"Secured Restricted Real Estate" means the Restricted Real Estate other than any Restricted Real Estate located in Brazil, Mexico or Puerto Rico.

"Securities" means any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit sharing agreement or arrangement, bonds, debentures, options, warrants, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"Securities Offering" has the meaning set forth in Section 22.8.

"Senior Executives" has the meaning set forth in Section 7.3.2.

"Service Coordinator" has the meaning set forth in Section 24.3.2(d)(i).

"Services" has the meaning set forth in Section 24.3.2(d).

"Settlement Notice" has the meaning set forth in Section 22.5.4.

"Settlement Notice Date" has the meaning set forth in Section 22.5.4.

"Site Agreement" means any agreement of any nature whatsoever relating to the premise on which any Franchised Restaurant is located, including any real estate mortgage, lease, construction contract or similar agreement.

"Social Media" means social platforms and networks (such as blog, chat and social networking websites and application software like "Blogger," "Snapchat," "WeChat," "Facebook," "Weibo," "Instagram," and the like), professional platforms and networks (such as "Linked-In"), online social networking services (such as "Twitter"), and other online and digital virtual worlds, social sharing and networking services, file, audio and video sharing sites and other similar social networking media, services or tools, whether existing now or in the future.

"Specified Related Party Transaction" means any transaction or series of transactions (including any purchase, sale, lease or exchange of any property or the rendering of any service) with a Related Party the value of which exceeds one hundred twenty thousand dollars ($120,000) on an annual basis, but excluding any transaction or series of transactions that would be deemed an exception as set forth under "Exceptions" in the Related Party Transactions Policy.

"Standard Reporting Package" has the meaning set forth in Section 17.3.

"Standards" means all standards, policies, guidelines and codes of conduct of whatever type used in the operation of the System, and ensuring quality control, including with respect to the Operations Manuals, QSC Standards, specifications with respect to customer service, product content and delivery, supplier standards, equipment, building layout and design standards, hours of operation, marketing and advertising policies, strategies and standards, protocols for conducting games, sweepstakes or contests, Golden Arches Code, Golden Arches Code Policies and Standards, packaging and creative standards and frameworks, trademark clearance procedures, McDonald's Corporation Standards of Business Conduct, McDonald's Code of Conduct for Suppliers, McDonald's Corporation Worldwide Restaurant Development: Restaurant Reinvestment Guide GROIP, McDonald's safety standards and procedures,

safety testing standards, the Global Training Standards and the Branded Merchandise, Apparel and Accessories Safety Process, in each case as such standards, policies strategies, protocols or codes may be amended from time to time by McDonald's in its sole discretion.

"Strategic Issue" means, in each case not in existence prior to the Effective Date, (i) an economy-wide financial crisis involving extreme financial/market/banking stress, (ii) a sustained recession, (iii) a material sustained inflation, (iv) a restriction to access foreign exchange markets or foreign currencies, (v) a material labor strike, work stoppage or lockout, (vi) an outbreak of any military conflict, war, armed hostilities or acts of terrorism, (vii) a significant and sustained political unrest or a government shutdown, or (viii) a law causing the deterioration of the economic position of the Master Franchise Business.

"Strategic Marketing Plan" means, with respect to the Business Plan for any Territory, the related comprehensive advertising, promotion and marketing program for such Territory during a specified period that addresses, without limitation, advertising, promotion and marketing strategies and activities, related Materials, in-store advertising and promotions, games/sweepstakes/contests, media strategies and the costs and fees expected to be incurred in connection with such Materials and activities, the purpose of which is to enhance and promote the McDonald's brand and System and to maximize consumer recognition of the Intellectual Property and patronage of the Franchised Restaurants in such Territory, and for the avoidance of doubt includes the Strategic Marketing Plan for the initial one (1) year of the Terms and every successor Strategic Marketing Plan mutually agreed by McDonald's and Master Franchisee pursuant to Section 13.1.2.

"Strategic Relationship Committee" has the meaning set forth in Section 16.1.

"Subject Business" means the Equity Interests to be acquired by McDonald's as a result of the exercise of a Call Option, which, in the event McDonald's determines to acquire (a) all of the fully diluted Equity Interests of Parent owned or held, directly or indirectly, by each Non-Public Shareholder and any Equity Interests Transferred pursuant to Section 22.5.1, shall be all such Equity Interests of the Parent; or (b) one or more, but not all, of the Territories, shall be all of the Equity Interests of each Arcos Subsidiary operating (or licensing the operation of) Franchised Restaurants in such Territory or Territories, or that owns or leases from a third party Real Estate related to the Franchised Restaurants in such Territory or Territories.

"Subject Business Balance Sheet" has the meaning set forth in Section 22.7.2(a).

"Subject Business Balance Sheet Date" has the meaning set forth in Section 22.7.2(a).

"Subsidiary" means, as to any Person, any other Person (a) of which such Person directly or indirectly owns, securities or other equity interests representing 50% or more of the aggregate voting power; or (b) of which such Person possesses the right to elect 50% or more of the directors or Persons holding similar positions.

"Supplier Criteria" means the supplier criteria set forth in Exhibit 7.

"Supplier Information" means any information relating to suppliers to the Master Franchise Business and Franchised Restaurants, including all data relating to Master Franchisee's procurement of Products and Services for the Master Franchise Business and Franchised Restaurants from such suppliers and any analytics data derived from such information.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement; and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any relate schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Synthetic Lease Obligation" means, without duplication, the monetary obligation of a Person under (a) any Operating Lease; (b) a so-called synthetic, off-balance sheet or tax retention lease; or (c) any agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the Indebtedness of such Person (without regard to accounting treatment).

"System" has the meaning set forth in Section 2.1.

"System Platforms" has the meaning set forth in Section 14.5.1.

"System Support" means any services, products, tools, systems, or programs made available upon Master Franchisee's written request or reasonably required by McDonald's Group from time to time on a system-wide, regional, market or other basis, whether provided by McDonald's Group or its designee, including, to the exten applicable: (a) the development of plans, design, construction or build out for any new, Reimaged or Relocated McDonald's Restaurants; (b) the licensing, provision modification, alteration or enhancement of the Technology or Copyrights (including software, digital platforms and applications software); and (c) accounting, marketing and supply chain (including data collection systems and/or programs used to report raw material and product information and supplier production, delivery and/or service capabilities).

"System Support Fees" means the amounts that McDonald's Group charges Master Franchisee for the System Support provided to Master Franchisee and/or th relevant Franchised Restaurants, as periodically determined by McDonald's Group in its good faith, reasonable business judgment and, in each case, on a reasonable, fair and non-discriminatory basis and consistent with past practice of the Parties. Without limiting the generality of, and subject to, the foregoing, (i) the methods used by the McDonald's Group to calculate and determine the System Support Fees shall include per-user pricing, per-license pricing, per-project pricing, pricing based on project charter agreed with Master Franchisee, and allocation of the costs associated with providing the System Support to various markets (including the Territories) or McDonald's Restaurants (including the relevant Franchised Restaurants), and (ii) System Support Fees shall be determined on the same basis as such amounts are determined for substantially all other similarly situated franchisees and/or McDonald's Restaurants (subject to such deviation as may be determined by McDonald's Group in its good faith, reasonable business judgmen based on the market area or other particular circumstances of one or more franchisees or McDonald's Restaurants).

"Targeted Openings" means, as of any date of determination with respect to the Territories:

(a) if a Restaurant Opening Plan is then in effect, for the period covered by such Plan, the number of Franchised Restaurants (excluding Satellites) required to b opened by Master Franchisee in the Territories in such year pursuant to the Restaurant Opening Plan; and

(b) if no Restaurant Opening Plan is then in effect, for each year of the three-year period commencing on the expiration of the predecessor Restaurant Opening Plar the number of Franchised Restaurants (excluding Satellites) equal to the quotient resulting from (i) the number of Franchised Restaurants (excluding Satellites) to be opened i such Territories for such three-year period pursuant to Section 13.1.6 or another amount to be separately agreed by the Parties (as applicable), *divided by* (ii) three, with any fractional Franchised Restaurant rounded to the nearest whole number.

"Technology" means the technology and related equipment to be used in the operation of the Master Franchise Business and Franchised Restaurants, as it may chang over time whether supplied by the McDonald's Group or any other party, and whether or not required by the Technology Standards and/or other Standards, including the electronic cash register, POS system, applications, platforms, hosting, analytics, digital campaign management systems and/or programs, as well as all software, hardware systems, computer equipment, hardware interconnection, system and network security, and similar items, whether in connection with the Technology Standards, other Standards or otherwise.

"Technology Standards" means the global, IT standards promulgated by McDonald's Group from time to time in writing that set forth (i) the type or category o Technology required to be used in connection with the Master Franchise Business and/or Franchised Restaurants, including (a) the use of the type or category of Technology designated as "required" Technology by McDonald's Group in connection with the operation of the Master Franchised Business or Franchised Restaurants, whether created b McDonald's Group or sourced from third parties ("Required Technology"), and (b) the use of Technology in connection with optional products and services (such as kiosks) which Master Franchisee has chosen to adopt or implement in the Master Franchise Business or Franchised Restaurants ("Conditions-Based Technology"), (ii) the standards, policies and guidelines on the provision of, development and maintenance by McDonald's Group of such Technology, (iii) the standards, policies and/or guidelines on cybersecurity, network and systems security and information governance applicable to the Technology, the Master Franchise Business and/or Franchised Restaurants, and (iv) the developer and service provider selection and procurement process for such development and maintenance by third-party providers. The Technology Standards as of the Effective Date are attached hereto as Exhibit 28.

"Terms" has the meaning set forth in Section 4.1.

"Territory" means each of Argentina, Aruba, Brazil, Chile, Colombia, Costa Rica, Curaçao, Ecuador, French Guiana, Guadeloupe, Martinique, Mexico, Panama, Pe Puerto Rico, Trinidad and Tobago, Uruguay, Venezuela and the U.S. Virgin Islands of St. Thomas and St. Croix. "Territories" has a correlative meaning.

"Terrorist Lists" means all lists of known or suspected terrorists or terrorist organizations published by any U.S. Government Authority, including OFAC, tha administers and enforces economic and trade sanctions, including against targeted non-U.S. countries, terrorism sponsoring organizations and international narcotics traffickers.

"Third Royalties" has the meaning set forth in Section 5.2.5.

"Three-Year Compliance Period" means, initially, the period starting on January 1, 2025 and ending on December 31, 2027, and, thereafter, each successive period of three consecutive calendar years.

"Trade Secrets" means, collectively, the trade secrets and proprietary know-how owned or acquired by McDonald's or licensed to McDonald's by one of its Affiliates relating to the development, ownership, operation, promotion and management of McDonald's Restaurants (including the Franchised Restaurants), including all processes systems, marketing calendars, operations manuals and procedures (including the Operations Manual), other manuals containing applicable policies and procedures, supplier lists, data, studies, analyses, technology, inventions, recipes, standards and specifications.

"Trademarks" means, collectively, the "McDonald's" brand, and such other trademarks, service marks, logos, designs, trade dress, domain names, emblems, external and internal building designs, architectural features, and any combination of the foregoing, used to identify the McDonald's Restaurants and the products or services offered by the McDonald's Restaurants, as may be designated by McDonald's from time to time in its sole judgment.

"Training Program" has the meaning set forth in Section 12.2.

"Transfer" means the voluntary, involuntary, direct or indirect sale, assignment, transfer, issuance, donation or other disposition or Encumbrance (whether in one or more transactions). "Transferred" and "Transferee" have correlative meanings.

"Transfer Fee" has the meaning set forth in Section 5.3.

"Transfer Instruction" has the meaning set forth in Section 22.2.6.

"Transition Plan" has the meaning set forth in Section 24.3.1.

"Travel Costs" means all travel, food, lodging, living, per-diem, and other out-of-pocket costs (including the cost of obtaining any required visas, work permits or similar documentation), incurred in compliance with McDonald's Group's travel policy (for McDonald's Group's personnel) or Master Franchisee's travel policy (for Master Franchisee's personnel).

"Tribunal" has the meaning set forth in Section 26.2.1.

"Trust Agreements" means each of Mexican Trust Agreement I, Mexican Trust Agreement II and the Costa Rican Trust Agreement.

"Trustees" means each of the Mexican Trustee and the Costa Rican Trustee.

"Two-Year Compliance Period" means, initially, the period starting on January 1, 2025 and ending on December 31, 2026, and, thereafter, each successive period of two consecutive calendar years.

"Unresolved Dispute" has the meaning set forth in Section 22.5.4.

"U.S. Dollar" or "$" means the lawful currency of the United States of America.

"Voting Interests" shall mean, with respect to any Person, any Equity Interests of any class then entitled to vote in the election of directors (or similar officials) or any other shareholder's meeting of such Person.

"Woods W. Staton" means Mr. Woods White Staton Welten.

Exhibit 4.10

REVOLVING CREDIT FACILITY AGREEMENT NR. AGE 1613672

This Revolving Credit Facility Agreement (as amended, supplemented or otherwise modified from time to time, the "**Agreement**") is made as of April 15, 2025 (the "**Execution Date**") by and between the Lender and the Borrower.

I) SUMMARY OF TERMS

(i) Lender	**Itaú Unibanco S.A., Nassau Branch** Poinciana House South, East Bay Street P.O. Box N-3930 Nassau, Bahamas CC: Mundostar S.A. Paraguay 2141, 18th floor, Office 1802 Montevideo, Uruguay, C.P. 11.800 At: Jorge Luis Marizcurrena Vejo
(ii) Borrower	**Arcos Dorados B.V.** Address: Barbara Strozzilaan 101, 1083 HN Amsterdam, the Netherlands Attention: Lucas Brizuela Telephone: +5491147112000 A private liability company (*besloten vennootschap*), incorporated under the laws of the Netherlands and registered with the Netherlands Chamber of Commerce (*Kamer van Koophandel*) with number 34115939.
(iii) Total Committed Amount	US$25,000,000
(iv) Deposit Account	Account Number: JP MORGAN CHASE BANK NEW YORK CHASUS33XXX Account: [_____]
(v) Lender's Account	JP MORGAN CHASE BANK NEW YORK SWIFT: CHASUS33 ITAU UNIBANCO S.A NASSAU BRANCH SWIFT: CBBABSNS ACCOUNT: [_____]
(vi) Principal Payment Date	For each Loan, shall be the dates specified in the corresponding Loan Request, provided that the final Principal Payment Date shall be the Commitment Termination Date.
(vii) Interest Payment Date	For each Loan, shall be the Principal Payment Date specified in the corresponding Loan Request, provided that the final Interest Payment Date shall be the Commitment Termination Date.

(viii) Interest Period	Shall be each period of one month beginning on an Interest Payment Date and ending on the next following Interest Payment Date.
(viii) Base Interest Rate	TERMSOFR + 2.80 % (two point eighty percent) per annum.
(ix) Step-Up Interest Rate	TERM SOFR + 4.90 % (four point ninety percent) per annum.
(x) Commitment Fee	0.70% per annum to be paid on July 15, 2025, October 15, 2025, January 15, 2026 and on the Commitment Termination Date.
(xi) Guarantee	A corporate guarantee duly executed by Arcos Dourados Comércio de Alimentos S.A.
(xii) Structuring Fee	US$137,500 to be paid within 90 days as from the Execution Date.

II) WHEREAS:

1. The Borrower has requested the Lender to extend credit to the Borrower according to the terms and conditions set forth in this Agreement; and
2. The Lender is willing to extend Loans from time to time to the Borrower, subject to the terms and conditions set forth herein,

NOW THEREFORE, in consideration of the premises set forth herein the Lender and the Borrower hereby agree as follows:

SECTION 1. DEFINITIONS.

As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Agreement" has the meaning given to it in the Preamble;

"Affiliate" means with respect to any Person, any person directly or indirectly controlling, controlled by or under common control with such Person;

"Base Interest Rate" has the meaning set forth in clause (viii) of the Summary of Terms above;

"Borrower" has the meaning set forth in (ii) Summary of Terms above;

"Business Day" means any day other than (i) a Saturday or Sunday or (ii) a day on which commercial banks are required or authorized by law or by local proclamation to close in New York, New York, United States of America, and the Netherlands;

"**Change of Control**" means the occurrence of one or more of the following events:

(a) the Permitted Holders cease to be the "beneficial owners" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of 30.0% of the voting power of the Voting Stock of Arcos Dorados Holdings, Inc.;

(b) individuals appointed by the Permitted Holders cease for any reason to constitute a majority of the members of the Board of Directors of Arcos Dorados Holdings, Inc.;

(c) the sale, conveyance, assignment, transfer, lease or other disposition of all or substantially all of the assets of Arcos Dorados Holdings, Inc., determined on a Consolidated basis, to any "person" (as defined in Sections 13d and 14d under the Exchange Act), whether or not otherwise in compliance with this Agreement, other than a Permitted Holder; or

(d) the approval by the holders of Capital Stock of Arcos Dorados Holdings, Inc. of any plan or proposal for the liquidation or dissolution of Arcos Dorados Holdings, Inc., whether or not otherwise in compliance with this Agreement.

"Consolidated Total Assets" means, as of any date of determination, the total assets shown on the Consolidated balance sheet of Arcos Dorados Holdings, Inc. and its Subsidiaries as of the most recent date for which such a balance sheet is available, determined on a Consolidated basis in accordance with GAAP, calculated on a pro forma basis to give effect to any acquisition or disposition of companies, divisions, lines of business or operations by Arcos Dorados Holdings, Inc. and its Subsidiaries subsequent to such date and on or prior to the date of determination.

"CRR" means the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for cred institutions and investment firms and amending Regulation (EU) No 648/2012.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, *recuperação judicial*, *regime de administração especial temporária*, *concurso mercantil*, *quiebra* or similar debtor relief laws of the United States of America and/or any other jurisdictions applicable to the Borrowe from time to time in effect affecting the rights of creditors generally.

"Commitment" means the Lender's obligation to make Loans from time to time to the Borrower in an aggregate principal amount not to exceed, at any time, the Total Committed Amount;

"Commitment Fee" has the meaning set forth in clause (x) of the Summary of Terms above;

"Commitment Termination Date" means April 14, 2026 (except that, if such date is not a SORF Banking Day, the Commitment Termination Date shall be the next preceding SORF Business Day);

"Default" means an Event of Default or event or condition that, but for the requirement that time elapse, notice be given or a determination be made hereunder, or any combination thereof, would constitute an Event of Default;

"Deposit Account" has the meaning set forth in clause (iv) of the Summary of Terms above;

"Disbursement Date" means, with respect to any Loan, the SOFR Banking Day within the Revolving Availability Period on which such Loan is disburse hereunder;

"Documents" means this Agreement and its Exhibits, the Notes, the Loan Requests, the Guarantee Letter and any other related document (if applicable);

"Dollars", **"U.S. Dollars"** and **"US$"** each means the lawful currency of the United States of America;

"Economic and Trade Sanctions and Anti-Terrorism Laws" means any laws relating to economic or trade sanctions, terrorism or money laundering, including without limitation Executive Order 13224, the Patriot Act, the regulations administered by OFAC, the regulations administered by the European Unio and by the United Nations, the Trading with the Enemy Act (12 U.S.C. §95), and the International Emergency Economic Powers Act (50 U.S.C. §1701-1707);

"Environmental Action" means any action, suit, demand, demand letter, claim, notice of noncompliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit, hazardous material or genetically modified organism, or arising from alleged injury or threat of injury to health, safety or the environment, including, without limitation, (a) by any governmental or regulatory authority for enforcement, clean up, removal, response, remedial or other actions or damages and (b) by any governmental or regulatory authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief;

"Environmental Law" means any federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety, labor conditions or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of hazardous materials;

"Environmental Permit" means any permit, approval, identification number, license or other authorization required under any Environmental Law;

"EU Lists" has the meaning ascribed to it in Section 9(j);

"Event of Default" has the meaning set forth in Section 11 hereof;

"Execution Date" has the meaning given to it in the Preamble;

"**GAAP**" means the generally accepted accounting principles in the United States of America, as in effect from time to time, consistently applied throughout the periods involved.

"Governing Documents" of any Person means the charter and by-laws (or, as it pertains to the Borrower, its articles of association), articles of incorporation or other organizational or governing documents of such Person;

"Guarantee Letter" means a corporate guarantee duly executed by the Guarantor;

"Guarantor" means Arcos Dourados Comércio de Alimentos S.A.;

"Hedging Obligations" means the obligations of the Borrower pursuant to (i) any interest rate protection agreement, including, without limitation, interest rate swaps, caps, floors, collars, derivative instruments and similar agreements and/or other types of hedging agreements designed to hedge interest rate risk of the Borrower, (ii) any foreign exchange contract, currency swap agreement or other similar agreement as to which the Borrower is a party designed to hedge foreign currency risk of the Borrower, or (iii) any commodity swap agreement, commodity cap agreement, commodity collar agreement, commodity or raw material futures contract or any other agreement as to which the Borrower is a party designed to manage commodity risk of the Borrower.

"Historic Term SOFR" means, in relation to the Loan the most recent applicable Term SOFR for a period equal in length to the Interest Period of the Loan and which is as of a day which is no more than one US Government Securities Business Day before the Quotation Day;

"**Indebtedness**" means (i) all indebtedness related to borrowed money (including, without limitation, bonds, debentures, notes, acceptance and letter of credit facilities or other instruments) or the deferred purchase price of property or services (excluding trade payable in the ordinary course of business); (ii) all guarantees to purchase or assure a creditor against loss in respect of the indebtedness of any Person; (iii) obligations as lessee which are or will be recorded as capital leases, (iv) assumed indebtedness of any Person and (v) Hedging Obligations;

"Interest Payment Date" has the meaning set forth in clause (vii) of the Summary of Terms above;

"Interest Rate" means, as the case may be, the Base Interest Rate or the Step-Up Interest Rate;

"Interpolated TERM SOFR" means, with respect to any Interest Period of the Loan, the rate per annum (rounded to the same number of decimal places as TERM SOFR), which results from interpolating on a linear basis between:

(a)either:
(i) the applicable Term SOFR (as of the Quotation Day) for the longest period (for which Term SOFR is available) which is less than the Interest Period of th Loan; and
(ii) if no such Term SOFR is available for a period which is less than the Interest Period of that Loan, SOFR for the day which is two US Government Securitie Business Days before the Quotation Day; and

(b)the applicable Term SOFR (as of the Quotation Day) for the shortest period (for which Term SOFR is available) which exceeds the Interest Period o that Loan;

"Lender" has the meaning set forth in clause (i) of the Summary of Terms above;

"Lender's Account" means the Lender's account set forth in clause (v) of the Summary of Terms above or any other account as the Lender may notify the Borrower from time to time;

"**Lien**" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing); provided that in no event shall an operating lease be deemed to constitute a Lien.

"Loan" has the meaning ascribed to it in Section 2;

"Loan Request" means the Borrower's request for each of the Loans, substantially in the form of Exhibit B hereto, executed by authorized signatories o the Borrower;

"**Master Franchise Agreements**" means the Amended and Restated Master Franchise Agreement, dated as of November 10, 2008 (as the same may be amended, restated, supplemented or otherwise modified from time to time), among McDonald's Latin America, the Borrower and the other parties thereto and the Second Amended and Restated Master Franchise Agreement, dated as of November 10, 2008 (as the same may be amended, restated, supplemented or otherwise modified from time to time), between McDonald's Latin America and the Guarantor.

"**Material Adverse Effect**" means a material adverse effect on (a) the business, properties, operations or financial condition of the Borrower or the Guarantor and their respective Subsidiaries, taken as a whole, (b) the ability of the Borrower and the Guarantor, taken as a whole, to pay or perform their respective obligations, liabilities and indebtedness under the Documents, or (c) the enforceability of the material obligations of any of the Borrower or the Guarantor or the rights and remedies of the Lender, in each case, under the Documents, or the validity, legality, binding effect or enforceability thereof.

"**Netherlands**" means the European part of the Kingdom of the Netherlands and Dutch means in or of the Netherlands.

"**Non-Public Lender**" means (i) until the publication of an interpretation of "public" as referred to in the CRR by the competent authority/ies: an entity which (x) assumes rights and/or obligations vis-à-vis the Borrower, the value of which is at least EUR 100,000 (or its equivalent in another currency), (y) provides repayable funds for an initial amount of at least EUR 100,000 (or its equivalent in another currency) or (z) otherwise qualifies as not forming part of the public; and (ii) ii. as soon as the interpretation of the term "public" as referred to in the CRR has been published by the competent authority/ies: an entity which is not considered to form part of the public on the basis of such interpretation.

"Note" means the promissory note in the form of Exhibit C hereto, duly executed by authorized signatories of the Borrower, to be delivered by the Borrower to the Lender, for a principal amount equal to the principal amount of the relevant Loan;

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury;

"OFAC Lists" has the meaning ascribed to it in Section 9(j);

"**Officer's Certificate**" means a certificate substantially in the form of Exhibit A hereto, duly executed by an authorized managing director of the Borrower, or any other person who is authorized to represent the Borrower;

"Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 United States Public Law 107-56;

"**Permitted Holders**" means (a) any Person that is an Affiliate of Arcos Dorados Holdings, Inc. prior to an event giving rise to a Change of Control (and nc established as an Affiliate in order to effect what would otherwise be a Change of Control), (b) Woods W. Staton and any Related Party of Woods W. Stator and (c) any Person both the capital stock and the voting stock of which (or in the case of a trust, the beneficial interests in which) are owned directly or indirectly 51% or more by Persons specified in clause (b).

"**Permitted Liens**" means any of the following:

(a) Liens for taxes not yet due or which are being contested in good faith and by appropriate proceedings and any Liens arising automatically by operation of law in respect of Tax;

(b) Carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 90 days or which are being contested in good faith and by appropriate proceedings, if adequate reserves with respect thereto are maintained on the books of the Borrower in accordance with GAAP;

(c) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, including any Lien securing letters of credit issued in the ordinary course of business consistent with past practice in connection therewith;

(d) Liens incurred or deposits made to secure the performance of tenders, bids, leases, trade contracts and leases (other than Indebtedness), statutory obligations, surety and appeal bonds, customs duties, performance bonds, government performance and return-of-money bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) encumbrances, ground leases, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or liens incidental to the conduct of the business of the Borrower or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Borrower;

(f) Liens securing any judgments for the payment of money not constituting an Event of Default so long as any such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceeding may be initiated has not expired;

(g) (i) licenses, sublicenses, leases or subleases granted by the Borrower to other Persons not materially interfering with the conduct of the business of the Borrower and (ii) any interest or title of a lessor, sublessor or licensor under any lease or license agreement to which the Borrower is a party;

(h) Liens upon specific items of inventory or other goods and proceeds of the Borrower securing the Borrower's obligations in respect of bankers acceptances issued or created for the account of the Borrower to facilitate the purchase, shipment or storage of such inventory or other goods;

(i) Liens on patents, trademarks, service marks, trade names, copyrights, technology, know-how and processes to the extent such Liens arise from the granting of license to use such patents, trademarks, service marks, trade names, copyrights, technology, know-how and processes to the Borrower in the ordinary course of business of the Borrower;
(j) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof;
(k) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of the applicable person, including rights of offset and set-off;
(l) deposits in the ordinary course of business securing liability for reimbursement obligations of insurance carriers providing insurance to the Borrower and any Liens thereon;
(m) Liens arising solely by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary institution;
(n) Liens securing the obligations of the Borrower pursuant to Hedging Obligations;
(o) Liens securing any Indebtedness which is incurred to refinance any Indebtedness which has been secured by a Lien permitted under this definition not incurred pursuant to clause (q) or (s) hereof; provided that such new Liens:
(i) are no less favorable to the Lender and are not more favorable to the lienholders with respect to such Liens than the Liens in respect of the Indebtedness being refinanced; and
(ii) do not extend to any property or assets other than the property or assets securing the Indebtedness refinanced by such refinancing Indebtedness;
(p) Liens securing acquired Indebtedness not incurred in connection with, or in anticipation or contemplation of, the relevant merger, consolidation or amalgamation; provided that (i) such Liens secured such acquired Indebtedness at the time of and prior to the incurrence of such acquired Indebtedness by the Borrower and were not granted in connection with, or in anticipation of the incurrence of such acquired Indebtedness by the Borrower, and (ii) such Liens do not extend to or cover any property of the Borrower other than the property that secured the acquired Indebtedness prior to the time such Indebtedness became acquired Indebtedness of the Borrower and are no more favorable to the lienholders than the Liens securing the acquired Indebtedness prior to the incurrence of such acquired Indebtedness by the Borrower;
(q) purchase money Liens securing purchase money Indebtedness or capital lease obligations incurred to finance the acquisition or leasing of property of the Borrower used in the business of the Borrower and its Subsidiaries; provided that (i) the related purchase money Indebtedness does not exceed the cost of such property and will not be secured by any property of the Borrower other than the property so acquired and (ii) the Lien securing such Indebtedness will be created within 365 days of such acquisition;
(r) Liens arising under any Permitted Receivables Financing;
(s) Liens securing an amount of Indebtedness outstanding at any one time not to exceed the greater of (i) U.S.$50,000,000 (or the equivalent in other currencies) or (ii) 7.5% of Consolidated Total Assets;
(t) Liens on the capital stock of any Subsidiary;
(u) Liens existing on the date of this Agreement and any extension, renewal or replacement thereof;
(v) Any Liens and any joint and several liability in respect of Tax, including any netting or set-off, as a result of a fiscal unity (*fiscale eenheid*) for Dutch Tax purposes; or

(w) any security right arising under clause 24 of the general terms and conditions (in Dutch: *algemene bankvoorwaarden*) of any member of the Dutch Bankers' Association (in Dutch: *Nederlandse Vereniging van Banken*) or any similar term applied by a financial institution in the Netherlands pursuant to its general terms and conditions.

"**Permitted Receivables Financing**" means any receivables financing facility or arrangement pursuant to which a Securitization Subsidiary purchases or otherwise acquires accounts receivable of the Borrower or any Subsidiary and enters into a third party financing thereof on terms that the board of directors of the Borrower or such Subsidiary has concluded are customary and market terms fair to such Person.

"Person" means any individual, corporation, partnership, trust, unincorporated organization, joint stock company or other legal entity or organization and any governmental authority;

"Principal Payment Date" has the meaning set forth in clause (vi) of the Summary of Terms above;

"Proceedings" means any suit, action or proceeding which may arise out of or in connection with this Agreement;

"Process Agent" has the meaning ascribed to it in Section 13.2;

"Quotation Day" means, in relation to any period for which an interest rate is to be determined, two US Government Securities Business Days before the first day of that period (unless market practice differs in the relevant syndicated loan market, in which case the Quotation Day will be determined by the Lender in accordance with that market practice (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days));

"Reference Rate" means, in relation to the Loan (a) the applicable Term SOFR as of the Quotation Day and for a period equal in length to the Interest Period of that Loan or (b) as otherwise determined pursuant to Clause 6.2 (Unavailability of Term SOFR); provided that if the Reference Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"**Related Party**" means, with respect to any Person, (1) any Subsidiary, spouse, descendant or other immediate family member (which includes any child, stepchild, parent, stepparent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law) (in the case of an individual), of such Person, (2) any estate, trust, corporation, partnership or other entity, the beneficiaries and stockholders, partners or owners of which consist solely of one or more Permitted Holders referred to in clause (1) of the definition thereof and /or such other Persons referred to in the immediately preceding clause (1) or (3) any executor, administrator, trustee, manager, director or other similar fiduciary of any Person referred to in the immediately preceding clause (2), acting solely in such capacity.

"Restriction Lists" has the meaning ascribed to it in Section 9(j);

"Restriction List Violation" has the meaning ascribed to it in Section 10(i);

"Revolving Availability Period" means the period from and including the Execution Date to but excluding the Commitment Termination Date.

"Revolving Credit Exposure" means, at any time, the aggregate principal amount of the Loans then outstanding.

"Securitization Subsidiary" means (a) a Subsidiary that is designated a "Securitization Subsidiary" by the Board of Directors of the Borrower, (b) that does not engage in, and whose charter prohibits it from engaging in, any activities other than Permitted Receivables Financings and any activity necessary, incidental or related thereto, (c) no portion of the Indebtedness or any other obligation, contingent or otherwise, of which is guaranteed by the Borrower or any Subsidiary, is recourse to or obligates the Borrower or any Subsidiary of the Borrower in any way, subjects any property or asset of the Borrower or any Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof and (d) with respect to which neither the Borrower nor any Subsidiary has any obligation to maintain or preserve its financial

condition or cause it to achieve certain levels of operating results other than, in respect of clauses (c) and (d), pursuant to customary representations, warranties, covenants and indemnities entered into in connection with a Permitted Receivables Financing.

"Security" means a mortgage, charge, pledge, lien or any other security interest securing any obligation of any Person or any other agreement or arrangement having a similar effect;

"Step-Up Interest Rate" has the meaning set forth in clause (ix) of the Summary of Terms above;

"SOFR" means a rate per annum equal to the Secured Overnight Financing Rate administered by the Federal Reserve Bank of New York (or any othe person which takes over the administration of Secured Overnight Financing Rate) published by the SOFR Administrator on the SOFR Administrator's Websit provided that if SOFR screen rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement;

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

"SOFR Administrator's Website" means the website of the Federal Reserve Bank of New York, currently at http://www.newyorkfed.org, or any successor source for the Secured Overnight Financing Rate identified as such by the SOFR Administrator from time to time;

"SOFR Banking Day" means any Business Day and, in relation to the fixing of the Interest Rate, a day which is a US Government Securities Busines Day;

"Subsidiary" of any Person means any corporation, association, partnership, limited liability company or other business entity of which more than 50% (fifty percent) of the total voting power of shares of capital stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by (i) such Person, (ii) such Person and one or more Subsidiaries of such Person or (iii) one or more Subsidiaries of such Person;

"TERM SOFR" means the Term SOFR Reference Rate administered by CME Group Benchmark Administration Ltd (or any other person that takes ov the administration of such rate) for the relevant period, published by CME Group Benchmark Administration Limitedas displayed on the applicable Bloomberg screen page that displays such rate (or on any successor or substitute page on such screen, or on the appropriate page of such other information service that publishes such rate from time to time);

"Total Committed Amount" has the meaning set forth in clause (iii) of the Summary of Terms above;

"UN Lists" has the meaning ascribed to it in Section 9(j).

"U.S. Government Securities Business Day" means any day other than (1) a Saturday or a Sunday and (2) a day on which the Securities Industry and Financial Markets Association (or any successor organization) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US government securities.

SECTION 2. COMMITMENT; PURPOSE OF THE LOAN; DISBURSEMENT; EVIDENCE OF INDEBTEDNESS; CANCELLATION

2.1 The Lender hereby agrees, upon the terms and subject to the conditions hereof, to make revolving loans (each such loan, a "**Loan**") to the Borrower, from time to time on any SOFR Banking Day during the Revolving Availability Period in an aggregate principal amount that will not result in such Lender's Revolvin Credit Exposure exceeding the Total Committed Amount. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Loans. Each Loan shall be made as part of a borrowing made by the Lender in accordance with its Commitment. The Commitment which, at that time, is unutilized shall be immediately cancelled at the end of the Revolving Availability Period.

2.2 Each Loan shall be in a minimum amount of US$3,000,000 and integral multiples of US$1,000,000 in excess thereof and for a minimum tenor of 30 days More than one Loan may be outstanding at the same time.

2.3 The Borrower's obligation to pay the principal of each Loan hereunder and other amounts due hereunder, including but not limited to interest on overdue principal, shall be evidenced by a Note. As additional evidence of such indebtedness, the Lender shall maintain in accordance with its usual practice records evidencing the indebtedness of the Borrower to the Lender resulting from the Loans, including the amounts of principal and interest payable and paid to the Lender from time to time hereunder, and such records shall be conclusive and binding on the Borrower absent manifest error.

2.4 The Borrower covenants that it will use the proceeds of the Loans for corporate purposes.

2.5 The Borrower may, upon not less than 5 (five) days' irrevocable written notice to the Lender, request the Lender to cancel the undisbursed portion of all or part of the Commitment on the date specified therein. The Lender shall, by notice to the Borrower, cancel the undisbursed portion of the Commitment as of tha specified date provided that the Lender has received (i) any accrued and unpaid fees and other amounts under the Documents (whether or not then due and payable), (ii) any accrued but unpaid increased costs amounts pursuant to Section 8, (iii) any applicable breakage costs attributable to any such cancellation as determined at the Lender's discretion pursuant to Section 18(b) hereof; and (iii) cancellation fee in respect of the undisbursed portion of the Loans so cancelled in an amount in Dollars equal to 2.0% (two percent) of the cancelled portion of the Commitment. Any portion of the Commitment that is cancelled under this Section 2.5 may not be reinstated or disbursed.

2.6 Unless previously terminated, the Commitment shall automatically terminate on the Commitment Termination Date.

SECTION 3. CONDITIONS PRECEDENT.

(a) The Agreement and the obligations of the Lender to make Loans hereunder shall become effective on such date the Lender shall have received each of the following documents, each of which shall be reasonably satisfactory to the Lender in form and substance:

(A) this Agreement and any other related document, in each case duly executed on behalf of the Borrower;

(B) copies of the Governing Documents of the Borrower then in force and effect;

(C) an Officer's Certificate dated the Execution Date from an authorized managing director of the Borrower, or any other person who is authorized to represent the Borrower, together with all attachments thereto;

(D)

(E) legal opinions at the Borrower's expense, addressed to the Lender (as of the Execution Date) and dated the Execution Date, from NautaDutilh Ne York P.C regarding the applicable laws of the Netherlands to this Agreement and covering the points of opinion contemplated in Exhibit D, which is satisfactory to the Lender;

(F) written evidence of the appointment of the Process Agent for a term at least 6 (six) months after the final Principal Payment Date; and

(H) copies of all governmental approvals, if any, required for the making and/or maintenance of the Loan and the performance of all obligations and transactions contemplated by the Documents, and copies of all approvals and consents of all other Persons necessary, if any, for the making or maintenance of the Loan, if any.

(b) The Lender shall have no obligation hereunder to disburse any Loan, unless:

(A) the Lender has received from the Borrower, at least 3 (three) SOFR Banking Days prior to the proposed Disbursement Date all of the followin documents in form and substance satisfactory to the Lender:

(i) a duly executed Loan Request with all required information for the Loan; and

(ii) the Note for the Loan, duly executed by the Borrower;

(C) the sum of the aggregate principal amount of the Loans previously borrowed hereunder, plus the aggregate principal amount of the Loans requested but not yet disbursed does not and will not, after giving effect to the Loan requested, exceed the Total Committed Amount;

(D) the Borrower shall have fulfilled any requirement of law and/or of its respective Governing Documents (if applicable) to make the undertakings by the Borrower under the Documents valid and legal acts;

(E) no change in the laws or regulations or in the interpretation thereof shall have occurred which would affect the Lender's rights with respect to any of the Documents and/or the repayment of the Loan;

(F) the requested Disbursement Date is a SOFR Banking Day within the Revolving Availability Period;

(G) as of the Disbursement Date, and both before and after giving effect to the requested Loan, no Default shall have occurred and be continuing;

(H) the representations and warranties set forth in Section 9 hereof are true on and as of such Disbursement Date as if made on such date and both before and after giving effect to the Loan; and

(I) the duly executed Guarantee Letter in favor of the Lender, and granted to the Lender in form and substance reasonably satisfactory to the Lender.

SECTION 4. AVAILABILITY OF THE LOAN; DISBURSEMENT; FEES.

4.1 The Lender's receipt of the Loan Request shall irrevocably oblige the Borrower to borrow the requested Loan on the Disbursement Date therein state upon the terms and subject to the conditions contained herein.

4.2 If the conditions precedent set forth in Section 3 above have been satisfied, then the Lender will disburse the requested Loan to the Borrower on the Disbursement Date by crediting the Deposit Account on behalf of the Borrower, as specified in the Loan Request.

4.3 The Borrower agrees to pay to the Lender the Commitment Fee on the average daily unused amount of the Commitment, which shall accrue at a rate pe annum equal to the Commitment Fee during the period from and including the Execution Date to but excluding the Commitment Termination Date. Accrue Commitment Fee shall be payable in the dates specified the Summary of Terms above. For purposes of computing the Commitment Fee, the Commitmen shall be deemed to be used to the extent of the Revolving Credit Exposure at such time.

4.4 The Borrower will pay to the Lender the Structuring Fee within 90 days as from the Execution Date.

SECTION 5. SCHEDULED REPAYMENT.

Subject to Section 7.5 below, each Loan shall be due and, together with any other amounts due an unpaid under the Documents, repaid in full by the Borrower to the Lender in one installment on the Principal Payment Date that is specified in the relevant Loan Request provided, however, that the entire principal amount of each Loan must be paid in full by the Commitment Termination Date.

SECTION 6. INTEREST.

6.1. Interest Rate and Payment.

6.1.1. The Borrower shall pay interest to the Lender on the outstanding principal amount of each Loan for the period from and including the Disbursement Dat thereof to and excluding the due date or the date such Loan is repaid in full.

6.1.2. Each Loan shall bear interest at the following Interest Rates: (a) any Loan made on any Disbursement Date on which the Revolving Credit Exposure sha be, after giving effect to the disbursement thereof, equal to or lower than 50% (fifty percent) of the Total Committed

Amount, at the Base Interest Rate; and (b) any Loan made on any Disbursement Date on which the Revolving Credit Exposure shall be, after giving effect to th disbursement thereof, higher than 50% (fifty percent) of the Total Committed Amount, at the Step-Up Rate.

6.1.3. Accrued interest shall be payable in arrears on the relevant Interest Payment Date.

6.2. Unavailability of Term SOFR.

(a) Interpolated Term SOFR: If no Term SOFR is available for the Interest Period of the Loan, the applicable Reference Rate shall be the Interpolate Term SOFR for a period equal in length to the Interest Period of that Loan.

(b) Historic Term SOFR: If paragraph (a) above applies but it is not possible to calculate the Interpolated Term SOFR, the applicable Reference Rat shall be the Historic Term SOFR for that Loan, provided that the TERM SOFR determined pursuant to this sentence shall be used for purpose of calculation of the Interest Rate no more than once during the period of the Loan

(c) If the event described in (b) has already occurred once, the Reference Rate shall be, the rate to be reasonably determined by the Lender, through a written notice of such determination to the Borrower.

SECTION 7. PAYMENTS, COMPUTATION, OVERDUE INTEREST, BREAK-FUNDING COST.

7.1 The Borrower shall make each payment hereunder and under any Document delivered in connection herewith not later than 12:00 noon (New York City time) on the SOFR BankingDay when due in freely transferable and immediately available Dollars without setoff or counterclaim to the Lender at the Lender's Account. For the purposes of clarification, if funds are blocked or frozen upon receipt at such account pursuant to any Economic and Trade Sanctions and Anti-Terrorism Laws, then such funds will not constitute payment hereunder.

7.2 All computations of interest shall be made by the Lender on the basis of a year of 360 days for the actual number of days elapsed. Interest shall accrue from and including the Disbursement Date to but excluding the date the Loan is repaid in full. Anything herein to the contrary notwithstanding, the obligations of the Borrower under this Agreement and each Note shall be subject to the limitation that payments of interest shall not be required to the extent that receipt thereof would be contrary to provisions of law applicable to the Lender limiting rates of interest which may be charged or collected by the Lender and, in such event, the rates of interest shall be reduced to the maximum permitted by the applicable law.

7.3 Any amount of principal, interest or any other amount due hereunder or under any Note which is not paid when due shall bear interest from the due date thereof until the date the Lender receives payment of such amount in full at an interest rate equal to 2.0% (two percent) per annum in excess of the Interest Rate that would otherwise be applicable to the relevant Loan, payable on demand, but, only to the extent permitted by applicable law (if not permitted by applicable law, such amount shall bear interest at the maximum rate permitted by applicable law). The daily accrued amount of such interest shall be compounded and be deemed to be an additional principal amount of the relevant Loan.

7.4 Whenever any payment to be made hereunder or under any Document delivered hereunder is stated to be due on a day other than a SOFR Banking Day such payment shall be made on the SOFR Banking Day immediately following such day in that calendar month (if there is one) or the preceding SOFR Banking Day (if there is not).

7.5 The Borrower may prepay any Loan, or any portion thereof, on any SOFR Banking Day, for which purpose it shall deliver an irrevocable notice to the Lender substantially in the form of Exhibit E, no later than 11:00 A.M., New York City time, at least 5 (five) SOFR Banking Days prior to the proposed prepayment date thereof. Prepayment of any Loan under this Section 7.5 shall be accompanied by (i) any and all accrued interest to the date of such prepayment on the outstanding principal amount of such Loan, and (ii) to the extent that such prepayment date is not an Interest Payment Date or a Principal Payment Date, any break-funding costs, as determined pursuant to Section 19(b) hereof.

7.6 If on any SOFR Banking Day for any reason the Revolving Credit Exposure at any time exceeds the Total Committed Amount then in effect, the Borrowe shall, immediately upon receipt of notice thereof by the Lender, prepay the Loans pro rata in an aggregate amount equal to such excess.

SECTION 8. TAXES; INCREASED COSTS.

8.1 Any and all payments made by the Borrower hereunder or under each Note shall be made free and clear of and without deduction for any present or future taxes, levies, imposts, deductions, charges, or withholdings, and all liabilities with respect to such payments excluding (a) net income taxes and franchise taxes (imposed in lieu of net income taxes) imposed on the Lender as a result of a present or former connection between the Lender and the jurisdiction of the governmental authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Document), (b) Taxes assessed under the laws of The Netherlands, if and to the extent (i) such Taxes become payable as a result of the Lender having a substantial interest (*aanmerkelijk belang*) as defined in the Dutch Income Tax Act (*Wet inkomstenbelasting 2001*) in the Borrower or (ii) such Taxes are imposed pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*), in effect as of the date hereof, or (c) taxes that would not have been imposed but for a failure by the Lender to comply with Section 8.5 hereof (the "**Taxes**"). If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under each Note, (a) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Lender receives an amount equal to the sum it would have received had no such deductions been made, (b) the Borrower shall make such deductions, and (c) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

8.2 In addition, the Borrower agrees to pay any present or future stamp or documentary taxes, or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to the Documents (hereinafter referred to as "**Other Taxes**").

8.3 The Borrower will indemnify the Lender for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section) paid by the Lender and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. Should any doubt arise as to the correctness or legality of such Taxes or Other Taxes, the Borrower shall, after duly indemnifying the Lender, be entitled to contest such correctness or legality of such Taxes or Other Taxes before the relevant taxation authority. Payment by the Borrower under this indemnification shall be made within ten (10) SOFR Banking Day from the date the Lender makes written demand therefor.

8.4 Within 20 (twenty) days after the date of any payment of Taxes or Other Taxes, the Borrower will furnish to the Lender the original or a certified copy of a receipt evidencing payment thereof.

8.5 If the Lender is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Document, the Lender shall deliver to the Borrower and the applicable withholding agent, at the time or times reasonably requested by the Borrower or such applicable withholding agent, such properly completed and executed documentation reasonably requested by the Borrower or such applicable withholding agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, the Lender, if reasonably requested by the Borrower or such applicable withholding agent, shall deliver such other documentation or information prescribed by applicable law or reasonably requested by the Borrower or such applicable withholding agent as will enable the Borrower or the applicable withholding agent to determine whether or not the Lender is subject to any

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

8.6 Except with respect to Taxes or Other Taxes (which are indemnifiable under Sections 8.1, 8.2 and 8.3), if any imposition, modification or applicability of any reserve, special deposit, capital requirement, capital adequacy or other similar requirements, or change in the basis of taxation is made or imposed and the result of any of the foregoing is to increase the cost to the Lender of funding, making or maintaining the Loan or to reduce any amount to be received by the Lender with respect to any Loan, then the Borrower shall immediately pay to the Lender additional amounts in order to fully compensate the Lender for such increased cost or reduced amount. A certificate of the Lender setting forth the basis for the determination of such additional amounts necessary to compensate the Lender as provided herein shall be conclusive and binding, absent manifest error. The Borrower shall pay the Lender the amount shown due on such certificate within ten (10) Business Days after receipt thereof.

8.7 Without prejudice to the survival of any agreement of the Borrower, the agreements and obligations of the Borrower contained in this Section shall survive the payment in full of all principal, interest and other amounts hereunder or under each Note.

SECTION 9. REPRESENTATIONS AND WARRANTIES.

The Borrower hereby makes the following representations and warranties to the Lender as of the date hereof, and hereby agrees that each representation and warranty contained herein shall be deemed repeated in the Loan Request and on the Disbursement Date as if made on and as of such dates:

(a) it has been duly incorporated and validly existing as a private company with limited liability (*besloten vennootschap*) with all power and authority to conduct its business, to own its property and to execute, deliver and perform all of its obligations under the Documents;

(b) the execution, delivery and performance of the Documents are within its corporate powers, have been authorized by all necessary corporate or other action and do not contravene any existing law, regulation, rule, order, writ, judgment, injunction, decree, determination or award presently in effect and applicable to it, its Governing Documents, or any contract or other restriction binding or affecting it or its property;

(c) this Agreement has been, and each Note when delivered hereunder will have been, duly executed and delivered by the Borrower. This Agreement is, and each Note when delivered hereunder will be, legal, valid and binding obligations of, and enforceable against the Borrower in accordance with the respective terms thereof, except as enforceability may be limited by applicable Debtor Relief Laws;

(d) there are no pending or, to the knowledge of the Borrower, threatened Proceedings against or affecting the Borrower before any court, governmental agency or arbitrator, which would reasonably be expected to, in any one case or in the aggregate, materially adversely affect the financial condition, operations, property or business of the Borrower, or which purport to affect the legality, validity or enforcement of the Documents or the ability of the Borrower to perform its obligations thereunder;

(e) the payment obligations of the Borrower under the Documents rank at least *pari passu* in priority of payment with all its other senior unsecured Indebtedness, other than obligations which are preferred or otherwise have priority by operation of law;

(f) neither the Borrower nor any of its property or assets has any immunity (sovereign or otherwise) from the jurisdiction of any court or from setoff or any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under the laws of any jurisdiction;

(g) to ensure the legality, validity, enforcement or admissibility in evidence of the Documents in the Netherlands or in any New York State Court or in any U.S Federal court sitting in the City of New York, as applicable, it is not necessary that the Documents or any other document be filed or recorded with any court or other authority in the Netherlands or with any New York State or any U.S. Federal court sitting in the City of New York, or that any court or similar tax be paid or or in respect of the Documents or that any stamp or similar tax be paid on or in respect of the Documents. The choice of New York law is enforceable against the Borrower;

(h) all licenses, approvals, authorizations and/or consents, including all governmental approvals, necessary for the execution, delivery and/or performance by the Borrower of the Documents have been obtained and are in full force and effect;

(i) the financial statements of the Borrower as of its most recent fiscal year end, copies of which have been delivered to the Lender, represent its respective financial condition as of such date in accordance with GAAP consistently applied, and since such date there has been no material adverse change in such condition;

(j) neither the Borrower nor, to the best of its knowledge, any Person holding any legal or beneficial interest whatsoever in the Borrower (whether directly or indirectly) (i) is named on the list of Specially Designated Nationals and Blocked Persons maintained by OFAC or any list of Persons issued by OFAC pursuant to Executive Order 13224 – Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, as in effect on the date hereof, or any similar list issued by OFAC (the "**OFAC Lists**"), by the European Union (or any of its members) (the "**EU Lists**") or by the United Nations (the "**UN Lists**") (the OFAC Lists, the EU Lists and the UN Lists collectively, the "**Restriction Lists**"); (ii) are Persons determined by the Secretary of the Treasury of the United States, the United Nations or the European Union (or its members) to be owned by, controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the Persons referred to or described in the Restriction Lists; or (iii) have conducted business with or engaged in any transaction with any Person identified in (i) or (ii) above;

(k) there is nothing of which it is aware which would be reasonably likely to have a Material Adverse Effect on its financial condition, operations, properties or business which has not been disclosed to the Lender in writing in connection with or pursuant to the terms of this Agreement. All information supplied by the Borrower to the Lender relating to it was true and accurate in all material respects as of the date supplied, and did not as of such date, and does not as of the date hereof, in each case viewed individually or in the aggregate, omit to state any material information necessary to make the information therein contained, in light of the circumstances under which such information was supplied, not misleading;

(l) there is no Dutch stamp, registration or other or similar documentary Dutch tax, duty, impost, deduction imposed (whether by withholding or otherwise) by the Netherlands (including any political subdivision thereof) or any other governmental authority on or by virtue of the execution or delivery of this Agreement or any other document required to be delivered hereunder or thereunder;

(m) any certificate signed by any officer of the Borrower and delivered pursuant to this Agreement shall be deemed a representation and warranty by the Borrower to the Lender as to the matters covered thereby;

(n) the operations and properties of the Borrower comply in all material respects with all applicable Environmental Laws and Environmental Permits and all applicable biosafety laws, including, but not limited to, laws and regulations related to genetically modified organisms, if applicable, to their business; and

(o) no Event of Default has occurred or is continuing as of the date hereof.

SECTION 10. COVENANTS.

So long as any Revolving Credit Exposure shall remain outstanding hereunder or under any Note or the Lender shall have any Commitment hereunder t make a Loan, the Borrower will, unless the Lender shall otherwise consent in writing:

(a) comply in all material respects with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, (i) paying when due all taxes, assessments and governmental charges imposed upon the Borrower or upon its properties except to the extent contested in good faith, (ii) obtaining and maintaining in effect all approvals or authorizations of, or registrations or filings with, any governmental authority or regulatory body which may at any time be required with respect to the execution, delivery and performance of the Documents, (iii) complying with any Environmental Laws and Environmental Permits and all applicable biosafety laws, including without limitation laws and regulations related to genetically modified organisms as applicable to its business (and cause any Person operating or occupying its properties to comply with it), and (iv) obtaining and renewing all Environmental Permits necessary for its operation and providing the Lender with copies thereof upon request;

(b) furnish to the Lender as soon as available and in any event within 120 (one hundred and twenty) days after the end of each fiscal year, a copy of its financial statements for such year certified by independent public accountants of nationally recognized standing;

(c) provide to the Lender as soon as possible and in any event within 5 (five) days after the occurrence of an Event of Default, or of an event that with the giving of notice or lapse of time or both would constitute an Event of Default, a statement signed by an authorized officer of the Borrower setting forth the details of such Event of Default or event and the action that the Borrower has taken or proposes to take with respect thereto; andsuch other information with respect to its business, properties or its condition or operations, financial or otherwise, as the Lender may from time to time reasonably request;

(d) maintain, preserve and keep its properties and assets which are necessary to it for the conduct of its business in good repair and working order (ordinary wear and tear excepted);

(e) preserve and maintain its corporate existence and, if applicable, good standing in the jurisdiction of its incorporation;

(f) not enter into any merger, consolidation, or amalgamation, or liquidate, wind up or dissolve or enter into any reorganization or similar restructuring, except for a merger, consolidation or amalgamation with companies that are a direct or indirect Subsidiary of the Borrower or the Borrower's current direct or indirect shareholders;

(g) not make any material change in the nature of its business or operations as carried on at the date hereof;

(h) ensure that the payment obligations of the Borrower under the Documents rank at least *pari passu* in priority of payment with all it other senior unsecured Indebtedness, other than obligations which are preferred or otherwise have priority by operation of law;

(i) (i) not knowingly conduct business with or engage in any transaction with any Person named on any of the Restriction Lists or any Persons determined by the Secretary of the Treasury of the United States pursuant to Executive Order 13224 to be owned by, controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the Persons referred to or described in the Restriction Lists or any person in sanctioned countries (as such list of sanctioned countries may be modified from time to time); (ii) if the Borrower obtains actual knowledge or receives any written notice that it or any Person holding any legal or beneficial interest whatsoever therein (whether directly or indirectly), is named on any of the Restriction Lists (such occurrence, an "Restriction List Violation"), the Borrower will immediately (A) give written notice to the Lender of such Restriction List Violation, and (B) comply with all applicable laws with respect to such Restriction List Violation (regardless of whether the party included on any of the Restriction Lists is located within the jurisdiction of the United States of America or the European Union (or any of its members)), including, without limitation, the Economic and

Trade Sanctions and Anti-Terrorism Laws. The Borrower hereby authorizes and consents to the Lender taking any and all steps it deems necessary, in its sole discretion, to comply with all applicable laws with respect to any such Restriction List Violation, including, without limitation, the requirements of the Economic and Trade Sanctions and Anti-Terrorism Laws (including the "freezing" and/or "blocking" of assets); and (iii) the Borrower will (A) comply at all times with the requirements of all Economic and Trade Sanctions and Anti-Terrorism Laws, applicable economic or trade sanctions, terrorism and money laundering laws, (B) ensure that the Lender will not be subject to any adverse consequence under any such laws applicable to the Lender as a consequence of its entry into and/or performance of the transactions contemplated by this Agreement, (C) ensure that the proceeds of the Loan will not be used to facilitate transactions involving sanctioned countries (as such list of sanctioned countries may be modified from time to time) or Persons named on any of the Restriction Lists; and (D) upon the Lender's request from time to time during the term of this Agreement, deliver a certification confirming its compliance with the covenants set forth in this Section 10(i). Any provisions in this Document relating to Economic and Trade Sanctions and Anti-Terrorism Laws shall not apply in respect of a party to the extent that it would result in that party violating, or conflicting with EU Regulation (EC) 2271/96 (or any national legislation enacted pursuant to it) or any similar anti-boycott statute applicable to that party;

(j) not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of all or any substantial part of the assets of the Borrower;

(k) not create, incur, assume or suffer to exist any lien upon the whole or any part of its undertakings, properties, assets or revenues whether now owned or hereafter acquired (including any uncalled capital), except for any Permitted Lien;

(l) not make or permit any material changes in accounting policies or reporting practices, except as required by applicable law and generally accepted by accounting principles;

(m) (i) inform the Lender in writing as soon as reasonably practicable upon becoming aware of the same but no later than (5) five days thereafter if any new Environmental Action has been commenced or, to the knowledge of the Borrower, is threatened against the Borrower and of any facts or circumstances which will or are reasonably likely to result in any Environmental Action being commenced or threatened against the Borrower and shall provide the Lender with an action plan describing all steps that should be taken in order to dismiss such Environmental Action or remedy such facts or circumstances, and (ii) make adequate reserves for such Environmental Action whether or not commenced;

(o) promptly furnish to the Lender such other information with respect to its business, properties or its condition or operations, financial or otherwise, as the Lender may from time to time reasonably request.

SECTION 11. EVENTS OF DEFAULT.

If any of the following events (each an "**Event of Default**") shall occur:

(a) the Borrower shall fail to pay when due (by acceleration or otherwise) in accordance with the terms of the Documents (i) the principal of any Loan due and payable hereunder or under any Note or (ii) any interest, fee or any other amount due and payable hereunder or thereunder within five (5) days after any such amount becomes due in accordance with the terms thereof; or

(b) any representation or warranty made by the Borrower or the Guarantor (or any of their respective officers or agents) under or in connection with the Documents or in any certificate, agreement, document or statement delivered hereunder or thereunder, shall prove to have been false, incorrect or misleading in any material respect when made or deemed to have been made; or

(c) the Borrower or the Guarantor, as applicable, shall fail to perform or observe any other term, covenant or agreement contained in the Documents to which each is a party and such default shall continue unremedied for a period of 30 days after the Borrower's or the Guarantor's receipt, as applicable, of written notice thereof from the Lender; or

(d) any governmental or other authorization or approval necessary to enable the Borrower to comply with any of its obligations under the Documents shall be revoked, withdrawn or withheld or shall otherwise fail to be issued or remain in full force and effect and such default shall not be remedied within thirty (30) days of the date of such occurrence; or

(e) any material provision of the Documents shall for any reason cease to be valid and binding on the Borrower or the Guarantor, or the Borrower or the Guarantor shall so state in writing, in each case, as applicable; or

(f) it is or will become unlawful for the Borrower or the Guarantor to perform or comply with any one or more of their material obligations under the Documents to which each it is a party; or

(g) the Borrower or the Guarantor, as the case may be, shall fail to maintain its respective good standing (if applicable) and existence as a corporation validly organized and existing under the laws of their respective jurisdiction of incorporation; or

(h) the Borrower or the Guarantor, as the case may be, shall (i) fail to pay any Indebtedness having an aggregate principal amount in excess of U.S.$40,000,000 for which it is liable, whether contingently or otherwise, as obligor, guarantor or otherwise, when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness, or (ii) fail to perform or observe any term, covenant or condition on its part to be performed or observed under any such agreement or any agreement or instrument relating to any such Indebtedness, when required to be performed or observed, and such failure shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such failure to perform or observe is to cause that any such Indebtedness shall be declared due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), in each case prior to the stated maturity thereof; or

(i) the aggregate amount of unsatisfied judgments, decrees or orders for the payment of money against the Borrower or the Guarantor, as the case may be, equals or exceeds 1% (one percent) of its respective net worth; or

(j) there is a Change of Control; or

(k) the Borrower or the Guarantor shall: (i) generally not, or be unable to, or shall admit in writing their inability to, pay their debts as such debts become due; (ii) make an assignment for the benefit of creditors, or petition or apply to any tribunal for the appointment of a custodian, receiver, trustee or other similar official for it or any substantial part of their assets; (iii) commence any proceeding under any bankruptcy, insolvency, judicial reorganization, extra judicial reorganization, arrangement, readjustment of debt, dissolution, winding-up or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; (iv) have had any such petition or application (as described in (ii) above) filed or any such proceeding (as described in (iii) above) shall have been commenced, against it, in which an adjudication or appointment is made or order for relief is entered, or which petition, application or proceeding is not dismissed within 60 (sixty) days of such filing or commencement; or (v) by any act or omission indicate their consent to, approval of or acquiescence in any such petition, application or proceeding or order for relief or the appointment of a custodian, receiver or trustee for all or any substantial part of their property; or

(l) any competent authority shall declare a moratorium on the payment of Indebtedness by the Borrower or the Guarantor, or shall take any measure which has the effect of prohibiting, preventing or delaying the remittance of Dollars by the Borrower or the Guarantor to the Lender or the convertibility of local currency to Dollars; or

(m) (i) any step is taken by any government agency or any Person acting or purporting to act under authority of any government (de jure or de facto) with a view to the seizure, compulsory acquisition, custody, control, expropriation or nationalization of all or a material part of the assets or shares of the Borrower or the Guarantor or (ii) all or any substantial part of the assets of the Borrower or the Guarantor shall be condemned, seized or otherwise expropriated, or custody or control of such property shall be assumed by any Person or agency acting or purporting to act under authority of any government (de jure or de facto); or

(n) any Master Franchise Agreement is terminated or for any reason ceases to be valid and binding on any of the parties thereto, or the Borrower or the Guarantor so states in writing, as the case may be,

then, (i) if such Event of Default occurs under Section 11(k) above, then the Lender's Commitment to make Loans shall automatically terminate, and each Note the aggregate outstanding principal amount of each Loan and all other amounts payable under this Agreement and the Documents shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower, and (ii) if such Event of Default occurs under any other clause of Section 11 above, then the Lender may by notice to the Borrower (A) terminate its Commitment to make Loans and/or, as the case may be, (B) declare each Note and the aggregate outstanding principal amount of each the Loan and all other amounts payable under this Agreement and the Documents to be forthwith due and payable, whereupon each Note, each Loan and all such other amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower. Notwithstanding any other rights the Lender may have under any applicable law and hereunder, the Borrower agrees that upon the occurrence of an Event of Default, the Lender shall have the right to set-off and/or apply any of the property of the Borrower held by the Lender or thereafter coming into the Lender's possession (including account balances) to a reduction of the obligations of the Borrower hereunder and under the Notes in such order as the Lender may deem appropriate.

SECTION 12. GOVERNING LAW.

The Documents shall be governed by and construed in accordance with the laws of the State of New York, United States of America, including, without limitation, Section 5-1401 of the New York General Obligations Law, but excluding any conflicts of law principles that would lead to the application of the laws of another jurisdiction. The Borrower agrees that any judgment against the Borrower of a State or Federal court sitting in the State of New York may be enforced against the Borrower in the courts of Netherlands in the manner provided under Dutch law.

SECTION 13. CONSENT TO JURISDICTION; SERVICE OF PROCESS.

13.1 The Borrower hereby irrevocably submits to the non-exclusive jurisdiction of any New York State or U.S. Federal court sitting in the City of New York in any Proceeding and irrevocably agrees that a final judgment in any Proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. The Borrower represents, warrants and covenants that the submission of the Borrower to the jurisdiction of the courts referred to herein does not contravene the law of Netherlands.

13.2 The Borrower hereby irrevocably appoints National Registered Agents, Inc., currently having an address at 28 Liberty Street, New York, NY 10005, United States of America (the "**Process Agent**"), as its agent to receive, accept and acknowledge for and on its behalf, and in respect of its property, service of any and all legal process, summons, notices and documents which may be served in any Proceeding in the state courts sitting in the City of New York, New York, United States of America or in the United States District Court for the Southern District of New York in respect of this Agreement and agrees that service in such manner shall, to the fullest extent permitted by law, be deemed effective service of process upon it in any such suit, action or proceeding. The Borrower further agrees that failure by a Process Agent to notify it of any process will not invalidate the relevant Proceeding. If for any reason such Process Agent shall cease to be available to act as such, the Borrower agrees to designate a new Process Agent in the City of New York, on the terms and for the purposes of this provision, provided that the new Process Agent shall have accepted such designation in writing before the termination of the appointment of the prior Process Agent. The Borrower irrevocably consents to the service of process in any Proceeding by the mailing of copies of such process to the Borrower at its address specified pursuant to Section 20 hereof.

13.3 This Section 13 is for the benefit of the Lender only. As a result, the Lender shall not be prevented from taking Proceedings relating to a dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent Proceedings in any number of jurisdictions.

13.4 Nothing in this Agreement shall affect the right of the Lender to serve legal process in any other manner or method permitted by law or affect its right to bring any Proceeding against the Borrower or its property in the courts of any other jurisdiction.

SECTION 14. DOLLAR LOAN AND JUDGMENT

This is an international finance transaction in which the specification of payment in Dollars is of the essence. Dollars shall be the currency of account and of payment in all events, except as otherwise specifically set forth herein. The Borrower's obligations hereunder to make payments in Dollars shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than Dollars, except to the extent that such tender or recovery results in the effective receipt by the Lender of the full amount of Dollars expressed to be payable to the Lender under this Agreement. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder in Dollars into another currency (and such conversion rate or methodology is not otherwise specified herein for such circumstances), the parties hereto agree, to the fullest extent permitted by law, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Lender could purchase Dollars with such other currency on the SOFR Banking Day preceding that on which final, non-appealable judgment is given. The obligation of the Borrower in respect of any sum due hereunder shall, notwithstanding any judgment in currency other than Dollars, be discharged only to the extent that on the SOFR Banking Day following receipt by the Lender of any sum adjudged to be so due in such other currency, the Lender may, in accordance with normal, reasonable banking procedures, purchase Dollars with the amount of the judgment currency so adjudged to be due. If the amount of Dollars so purchased is less than the sum originally due to the Lender in Dollars, the Borrower agrees, as a separate and independent obligation of the Borrower, to indemnify the Lender against such loss. If the amount of Dollars so purchased is greater than the sum originally due to the Lender in Dollars, the Lender agrees to repay such excess to the Borrower.

SECTION 15. RIGHT TO SET-OFF

15.1 Upon the occurrence and during the continuance of any Event of Default, the Lender and any of its Affiliates are hereby authorized at any time and from time to time, without notice to the Borrower (any such notice being expressly waived by the Borrower), to the fullest extent permitted by law, to set-off and apply any and all deposits (general or special, time or demand, provisional or final), at any time held and other Indebtedness at any time therefore owing by the Lender or any of its Affiliates to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement, each Note and the Documents, irrespective of whether or not the Lender shall have made any demand under this Agreement and although such obligations may be unmatured. The Lender agrees to notify the Borrower promptly after any such set-off and application, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Lender under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Lender may have.

15.2 The Borrower hereby authorizes the Lender and any of its Affiliates, if and to the extent payment is not made when due hereunder, to charge from time to time against any or all of the Borrower's accounts with the Lender or any of its Affiliates any amount so due even if such charge causes any such accounts to be overdrawn. The Lender is hereby authorized to deliver a copy of this Agreement to any of its Affiliates for the purposes described in this Section 15.

15.3 For the purpose of determining, if necessary, the currency equivalent of the amount of any deposit or indebtedness that shall be set-off and applied against any and all obligations of the Borrower hereunder or that may be charged against any or all of the Borrower's accounts with the Lender or any of its Affiliates the method of determination shall be that which, in accordance with normal banking procedures, will be necessary to purchase with such other currency, in the City of New York, the amount of Dollars that the Borrower has so failed to pay when due. For such purposes, the Borrower hereby irrevocably appoints the Lender as its attorney-in-fact to buy foreign currency by means of a foreign exchange transaction.

SECTION 16. WAIVERS BY BORROWER.

The Borrower hereby irrevocably waives the defense of an inconvenient forum to the maintenance of any Proceeding in any New York State or U.S. Federal court sitting in The City of New York and irrevocably waive, to the fullest extent permitted by law, any objection which they may now or hereafter have to the laying of venue of any Proceeding in any such court. The Borrower hereby irrevocably and unconditionally waives and agrees not to plead or claim any immunity in respect of its obligations under the Documents, including for purposes of the U.S. Foreign Sovereign Immunities Act. The Borrower hereby waives any right it may have to require the Lender to proceed against either the Borrower, or any other Person, to proceed against or exhaust any deposit or any other security held by the Lender, or to pursue any other remedy available to the Lender.

SECTION 17. ASSIGNMENTS.

17.1 This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and permitted assigns of the parties hereto, provided that the Borrower shall not have the right to assign, transfer or participate its rights and/or obligations hereunder or any interest herein without the prior written consent of the Lender. The Lender may assign or transfer all or any part of its rights, benefits and obligations or any interest herein and in respect of each Note hereunder, with the prior written consent of the Borrower (such consent not to be unreasonably withheld or delayed), except that no such consent shall be required to the extent that such assignment or transfer is to an Affiliate of the Lender or is made during the occurrence and continuance of an Event of Default. Notwithstanding the foregoing, any assignment, transfer of, or participation in, all or any part of the rights, benefits and obligations or any interest herein and in respect of each Note hereunder of the Lender or any of its successors, shall only be permitted to or by a Non-Public Lender. Promptly upon the

consummation of any assignment or transfer of all or any part of any Loan, the Borrower shall make appropriate arrangements so that replacement Notes are issued to such transferor, if applicable, and the transferee, in each case in principal amount reflecting the principal amount of the Loans so transferred; provided that any original Notes which have been replaced have been returned to the Borrower marked "cancelled". Any expenses payable in connection with any issue of substitute Notes shall be borne by the Lender other than those arising pursuant to a transfer made during the occurrence and continuance of an Event of Default, which shall be borne by the Borrower.

17.2 The Borrower hereby authorizes the Lender to disclose information relating to the Borrower, its Affiliates and/or the transactions contemplated hereby to any actual or potential participants, transferees and/or assignees, if the Lender deems such disclosure necessary, provided that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential.

SECTION 18. COSTS AND EXPENSES.

The Borrower hereby agrees to pay to the Lender, within 10 (ten) days of written request by the Lender (a) all costs and expenses (including without limitation reasonable counsel fees and expenses) in connection with (i) the preparation of the Documents, and (ii) the enforcement of the Documents or any other documents related hereto or arising herefrom, or preservation of any rights of the Lender thereunder; and (b) all reasonable losses or expenses (including, without limitation, any loss suffered as a result of re-employing deposits acquired by the Lender for the purpose of funding any Loan at a rate of return lower than the cost of acquiring the deposits or any expense incurred by the Lender in liquidating the deposits) incurred as a consequence of the Borrower's (i) revocation of the Loan Request after it has been delivered to the Lender; (ii) failure to borrow a Loan after delivery of the Loan Request therefor, (iii) failure to pay any amount payable hereunder or under any Note as and when due, or (iv) making any payment of principal of any Loan other than on the Principal Payment Date for such Loan.

SECTION 19. AMENDMENTS.

Any amendment, modification, termination or waiver of any provision of the Documents or of any other documents or instruments, or consent to any departure by the Lender or the Borrower therefrom, shall only be effective if in writing and signed by the parties hereto.

SECTION 20. NOTICES.

All notices and other communications under the Documents shall be in writing and addressed or sent as set forth in the Summary of Terms or to such other address, telex, or fax numbers as any party hereto may from time to time designate. All such notices shall be effective, if hand-delivered upon delivery, or if mailed, when received or if faxed or telexed, when transmitted.

SECTION 21. GENERAL PROVISIONS.

(a) Severability. Any provision herein that is prohibited or unenforceable in any jurisdiction shall be ineffective only to the extent of such prohibition or non-enforcement without invalidating the remaining provisions hereof or affecting the validity or enforcement of such provision in any other jurisdiction.

(b) Survival. All covenants, agreements, representations and warranties of the Borrower made herein or in any other Document or instrument delivered pursuant hereto shall continue in full force and effect so long as any amounts due to the Lender hereunder or under any Note remain unpaid notwithstanding any investigation heretofore or hereafter made by the Lender, and the Lender shall not be deemed to have waived, by reason of making the Loan, any Event of Default which may arise by reason of any representation or warranty proving to have been false or misleading on the date made or reaffirmed, as the case may be, notwithstanding that the Lender may have had notice or knowledge or reason to believe that such representation or

warranty was false or misleading at the time the Loan was made. In addition, the obligations of the Borrower under Section 8 (Taxes; Increased Costs), Sectio 9 (Representations and Warranties), Section 13 (Consent to Jurisdiction; Service of Process), Section 18 (Costs and Expenses) and Section 21(c (Indemnification) shall survive the repayment of the Loans, the cancellation of the Notes and the termination of the other obligations of the Borrower hereunder.

(c) Indemnification. The Borrower agrees to hold the Lender and its officers, directors, shareholders, employees, agents, servants, correspondents and thei respective successors and assigns indemnified against and harmless from any and all claims, liabilities, costs, losses or damages, including reasonable counsel fees, in any way arising from or in connection with or related to any of the transactions contemplated hereby or any other Document or instrument related hereto, except to the extent such claims, liabilities, costs, losses or damages are determined by the final and non-appealable judgment of a court of competent jurisdiction to specifically have been directly caused by the gross negligence or willful misconduct of the Person to be indemnified. The Borrowe shall indemnify the Lender against any claims, liabilities, costs, losses or damages which arise from any variation in rates of exchange between the currency in which such amount was due and the currency in which any judgment is obtained or enforced between the date of the said amount becoming due (or the date of the said judgment being obtained as the case may be) and the date of actual payment thereof. The Borrower also agrees not to assert any claim against the Lender, any of its Affiliates, or any of its officers, directors, shareholders, employees, attorneys and agents, on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to this Agreement, any of the transactions contemplated hereby or the actual or proposed use of the proceeds of the Loan. This Section 21.1(c) shall not apply to Taxes or Other Taxes, which shall be indemnified pursuant to Section 8.3, other than any Taxes or Other Taxes that represent claims, liabilities, costs, losses or damages arising from any non-tax claim.

(d) Tax Risks. Without prejudice to Section 8 of this Agreement, the Borrower represents that it has conducted its own independent review of the tax laws and regulations applicable to this Agreement, the Loans and the Documents, and in evaluating such risks and making their decision to enter into this Agreement, it has obtained such professional advice as it has deemed appropriate in the circumstances and is aware of, understands and assumes the risks relating to the taxation of this Agreement, the Loans and the Documents.

(e) Section Headings. The section headings and captions appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

(f) Illegality. If the Lender determines at any time that any applicable law, rule, regulation or treaty or change therein or in the interpretation or application thereof makes or will make it unlawful for the Lender to fulfill its commitment to make or maintain any Loan hereunder, to maintain the Agreement or to claim or receive any amount payable hereunder, the Lender shall give notice of such determination to the Borrower whereupon the obligations of the Lender hereunder shall terminate and the Borrower, immediately upon receipt of such notice, shall prepay in full the then Revolving Credit Exposure together with accrued interes thereon. Prepayment pursuant to this Section shall be made without premium but together with interest accrued thereon to the date of prepayment.

(g) Cumulative Rights; No Waiver. The rights and remedies provided herein are cumulative and not exclusive of any other remedies provided by law. No failure or delay on the part of the Lender in exercising any right, power or remedy hereunder shall operate as a waiver or novation, nor shall it prevent the Lender from exercising such right, power or remedy at any time in the future.

(h) Notices and Demands. The Lender shall be under no duty or obligation to the Borrower whatsoever to make or give any presentment, demand for performance, notice of non-performance, protest, notice of protest, or notice of dishonor in connection with any Document or the Loan or any agreement, document or instrument relating to any of the foregoing.

(i) Waiver of Jury Trial. EACH OF THE BORROWER AND THE LENDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY OF ANY DISPUTE DIRECTLY OR IND ARISING UNDER OR RELATING TO ANY DOCUMENT OR ANY TRANSACTION CONTEMPLATED THEREBY AND AGREES THAT ANY SUCH SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY. EXCEPT AS PROHIBITED BY LAW, THE BORROWER HEREBY WAIVES ANY RI IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES.

(j) Patriot Act. The Lender hereby notifies the Borrower that pursuant to the requirements of the Patriot Act it may be required to obtain, verify and record information that identifies the Borrower, including the name and address thereof and other information that allows the Lender to identify the Borrower in accordance with the Patriot Act. The Borrower shall provide such information and take such actions as are requested by the Lender to comply with the Patriot Act.

(k) Acknowledgement. The Borrower hereby acknowledges that (a) it has been advised by counsel in the negotiation, execution and delivery of the Documents; and (b) the Lender does not have a fiduciary relationship to the Borrower, and the relationship between the Lender, on the one hand, and the Borrower, on the other hand, is solely that of creditor and debtor.

(l) Counterparts. This Agreement or any amendment may be executed in separate counterparts, each of which when so executed and delivered shall be an original, but all of which together shall constitute one instrument. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

(m) Entire Agreement. This Agreement, the other Documents and the other documents delivered or entered into in connection with the foregoing constitute the entire agreement between the parties hereto regarding the subject matter hereof and supersede all prior agreements, both written and oral, between the parties.

(n) Disclosure and Consent to Share Information The Borrower is aware that the Lender or any of the Lender's Affiliates, at any time and on an irrevocable and irreversible basis, even after termination of this operation, may be required by laws or regulations of different jurisdictions to provide records and information, including financial, relating to the Borrower and this Agreement and the transactions relating hereto. The Borrower hereby irrevocably authorize the Lender to disclose to any of the Lender's affiliates, governmental or regulatory agencies, tax, customs or judicial or arbitral authorities, any rating agency, auditor, insurance or reinsurance broker, professional advisor, insurer and/or reinsurer any such information and any information relating to the Borrower and/or its Affiliates, and whoever else has legitimate access to the transaction, in any jurisdiction that so requires if the Lender deems such disclosure to be necessary or advisable in carrying out its duties, obligations, commitments or activities, or for the purpose of its asset, liability or risk management policies, or as may be required by law, regulation or judicial, arbitral or administrative process. The Borrower is aware that the Lender or any of the Lender's Affiliates may obtain directly or indirectly, funding with any third parties, and the Lender and/or any of the Lender's Affiliates are authorized to provide to such third parties information and records relating to this Agreement and the transactions relating hereto. The Lender and any of its Affiliates are hereby expressly and irrevocably authorized by the Borrower, and hence expressly relieved from its bank secrecy obligations, to (i) exchange any document (including corporate documents) received from the Borrower (or

any third party acting on behalf of the Borrower), and the Borrower take responsibility for the accuracy, reliability and completeness of the information contained in their respective documents; (ii) exchange information about any transaction that the Borrower have performed or will perform; and (iii) use the name and/or trademark logo, or refer to or identify the transactions contemplated in this Agreement in advertising, publicity releases, or promotional or marketing events, initiatives and publications or correspondence to others in respect to the entering into and performance of any transactions contemplated in this Agreement.

(o) Language. This Agreement and any other document relating hereto shall be in English. Should this Agreement be translated and delivered in a language other than English, the English version shall prevail in the event of any conflict.

(p) Antibribery. The Borrower shall maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its subsidiaries and its and their respective directors, officers, employees and agents with all laws, rules, and regulations of any jurisdiction applicable to the Borrower or any of its Subsidiaries from time to time concerning or relating to bribery or corruption ("**Anti-Corruption Laws**"), in particular Law No. 12.846/13, the FCPA Foreign Corrupt Practices Act and the UK Bribery Act. The Borrower shall not use, and shall procure that its subsidiaries and its or their respective directors, officers employees and agents shall not use, the proceeds of any Loan in any manner that would result in violation of any Anti-Corruption Laws.

(q) Digital and Electronic Signature. The parties acknowledge that this Agreement may, at the parties discretion, be signed digitally and/or electronically in accordance with the current legislation, and acknowledge that, including when signed in these formats, this Agreement is valid, authentic, legitimate and effective for all lawful purposes. The parties also recognize that any divergence between the date of this Agreement and the date that appears in the indicative elements of its electronic or digital formalization exists only due to formal procedures, being valid, for all legal purposes and to regulate all of the events of this Loan, the dates registered in the Agreement itself.

(r) Non residency or operations in the Bahamas. The Borrower hereby certifies that it is not, and none of its legal representatives is, a resident of the Bahamas ("Bahamian Non-resident"). For the avoidance of doubt, shall be considered as Bahamian Non-resident(s): (i) non-Bahamian citizens (except permanent residents with the right to engage in employment); (ii) entities owned by non-Bahamian citizens; and (iii) Bahamian foreign-owned companies that do business exclusively outside the Bahamas and in cases of partnership and trusts, a trust or partnership that does not do business in The Bahamas. The Borrower further certifies that it: (i) does not operate or conduct business locally in the Bahamian economy, nor with Bahamian residents, (ii) does not generate any income in Bahamian dollars, and (iii) is held only by non-Bahamian residents.

(s) Power of Attorney. If a party to this Document is represented by an attorney or attorneys in connection with the execution of this Document or any agreement or document pursuant hereto, and the relevant power of attorney is expressed to be governed by Dutch law, such choice of law is hereby accepted by the other party in accordance with article 14 of the Hague Convention on the Law Applicable to Agency of 14 March 1978.

[*REMAINDER OF PAGE INTENTIONALLY LEFT BLANK*]

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

Arcos Dorados B.V. (Borrower)

By: /s/ Marcelo Rabach
Name: Marcelo Rabac
Title: Director of Arcos Dorados Holdings Inc
Arcos Dorados Holdings Inc. – Director A

By: /s/ Digna van der Pol
Name: Dignata Irene van der Pol
Title: Director B

ITAU UNIBANCO S.A., NASSAU BRANCH (Lender)

By: /s/ Name: Jorge Marizcurrena
Name: Name: Jorge Marizcurrena

By: /s/ Paula Espindola Scarone
Name: Paula Espindola Scarone

EXHIBIT A

FORM OF THE OFFICER'S CERTIFICATE
(Borrower's letterhead)

[date]

To
Itaú Unibanco S.A., Nassau Branch
Paraguay 2141, 18th floor, Office 1802
Montevideo, Uruguay, C.P. 11.800
At: Jorge Luis Marizcurrena Vejo

I refer to the Revolving Credit Facility Agreement Nr. ___ (as it may be amended, varied, novated, supplemented or otherwise modified from time to time the "**Loan Agreement**") dated as of _____, 20__ between _____ as Borrower and **Itaú Unibanco S.A., Nassau Branch** as the Lender. Capitalized terms used herein unless otherwise defined herein shall have the meanings assigned to them in the Loan Agreement.

I am a _____[title]_____ of the Borrower and, pursuant to Section 3(a)(iii) of the Loan Agreement, hereby certify in this certificate (this "**Certificate**") as follows:

(1) I am duly authorized to give this Certificate.

(2) Powers: Attached as Annex I to this Certificate are true, complete and up-to-date copies of the Governing Documents of the Borrower as in effect on the date hereof and on the date of the Borrower's execution and delivery of the Documents and as last amended or modified on _____. The Borrower is carrying on a business authorized under its Governing Documents.Neither the entry into the Documents nor the execution and delivery of the Note by the Borrower, nor the exercise of its rights and/or performance of or compliance with its obligations under the Documents does or will violate, or exceed any borrowing or other power or restriction granted or imposed by, its Governing Documents.

(3) Due Execution: Attached as Annex II to this Certificate is an Incumbency Certificate dated as of _____, executed by the [general counsel/secretary] of the Borrower containing a list of the names and titles, and specimen of the signatures, of the persons who are at the date of this Certificate officers of the Borrower or attorneys-in-fact of the Borrower/ and who (either individually or with others, as provided in the [Resolutions/Governing Documents][1]) are authorized, on behalf of the Borrower, to sign the Documents and are authorized to give all communications and take any other action required under or in connection with the Documents on behalf of the Borrower.

[1] Choose as appropriate

(4) Due Authorization: [Use this bracketed alternative if the Governing Documents require approval of the Board of Directors/shareholders and delete the other alternative: Attached as Annex III to this Certificate is a true and complete certified copy of the minutes (including, if the same is not in the English language, an accurate English translation thereof) of a duly convened meeting of its [board of directors, shareholders, members etc][2] duly held on _____ __, 20__, at which a duly constituted quorum was present and voting throughout and at which the resolutions set out in the minutes were duly passed and adopted (the "Resolutions"). Each of the Resolutions remains in full force and effect and has not been amended, modified, revoked or rescinded. The Resolutions constitute all action necessary on the part of the Borrower to approve the execution and delivery by the Borrower of the Documents, the borrowings thereunder and the performance by the Borrower of its obligations thereunder.] [Use this bracketed alternative if the Governing Documents do not require approval of the Board of Directors/shareholders and delete the other alternative: The Governing Documents of the Borrower provide all authorizations necessary for the Borrower to execute, deliver and perform the Documents to which it is a party, and no further action is necessary for the Borrower to execute, deliver and perform the Documents to which it is a party.]

(5) Default: No Default has occurred and is continuing as of the date of this Certificate.

(6) Covenants and Representations and Warranties: As of the date hereof the Borrower is in full compliance with all covenants under the Documents that are applicable to it and all representations and warranties of the Borrower contained in the Documents and any certificates, statements or other documents delivered pursuant thereto are true and correct as of this date.

_____
Name:
Title:

[2] Insert the relevant corporate body (Board of Directors, Executive Committee) or other group (such as shareholders), as appropriate, if this bracketed clause is applicable

ANNEX I TO EXHIBIT A

COPIES OF THE GOVERNING DOCUMENTS OF THE BORROWER

ANNEX II TO EXHIBIT A

FORM OF THE INCUMBENCY CERTIFICATE
(Borrower's letterhead)

I refer to Revolving Credit Facility Agreement Nr. ___ (as it may be amended, varied, novated, supplemented or otherwise modified from time to time, the "Loan Agreement") dated as of _____, 20__ between _____ as Borrower, and **Itaú Unibanco S.A., Nassau Branch** as the Lender. Capitalized terms used herein unless otherwise defined herein shall have the meanings assigned to them in the Loan Agreement.

The undersigned certifies that he is the [General Counsel/Secretary] of the Borrower (the "Company"), and that, as such, he is authorized to execute this Certificate on behalf of the Borrower and further certifies that the following are the names, offices and true and genuine specimen signatures of the persons each of whom are authorized, on behalf of the Borrower to sign the Documents and are authorized to give all communications and take any other action required under or in connection with the Documents on behalf of the Borrower:

Name	Office	Signature
		_____
		_____

You may assume that each such person continues to be so authorized until you receive authorized written notice that they, or any of them, are no longer so authorized.

IN WITNESS WHEREOF, I have hereunto executed this certificate as of the date set forth below.

Dated: ____ __, 20__

_____
Name:
Title: [General Counsel/Secretary]

* Signatures of the officers who will sign the Agreement and the Promissory Note. Shall NOT be the signatory of the Incumbency Certificate.

** IMPORTANT:The signatory of the Incumbency Certificate MUST NOT certify his/her own signature (i.e. the Transaction Documents must not be signed b the signatory of the Incumbency Certificate). **

ANNEX III TO EXHIBIT A

COPIES OF THE MINUTES OF BOARD OF DIRECTORS OF THE BORROWER

EXHIBIT B

FORM OF THE LOAN REQUEST
(Borrower's letterhead)

(Date)

To
Itaú Unibanco S.A., Nassau Branch
Paraguay 2141, 18th floor, Office 1802
Montevideo, Uruguay, C.P. 11.800
At: Jorge Luis Marizcurrena Vejo

Re: Loan Request under the Revolving Credit Facility Agreement Nr. [] between Itaú Unibanco S.A., Nassau Branch *(Lender)* and [ ] *(Borrower)* dated as of [ ] for up to US$ [ ] ([ ] U.S. Dollars) (the "Agreement").

Dear Sir/Madam:

Pursuant to Section 3(a)(v) of the above-mentioned Agreement and subject to the conditions under the Documents, we hereby request the following Loan:

1. Amount: US$ [_] ([____] U.S. Dollars)
2. Interest Rate: [Base Interest Rate / Step-Up Interest Rate]
2. Disbursement Date: [____]
3. Principal Payment Date: [____]
4. Interest Payment Date: [____]

Please credit the amount of the Loan to the Deposit Account, as specified in Summary of Terms, pursuant to the Agreement, under advice to us.

We confirm that, on the date hereof, the representations and warranties set forth in the Agreement are true and that no Default has occurred or will result from the disbursement of the Loan requested hereby.

Capitalized terms used herein shall have the same meanings given to them in the Agreement.

Sincerely,

By [BORROWER]

Name:	Name:
Title:	Title:

EXHIBIT C

FORM OF THE PROMISSORY NOTE

Amount: US$[____]

(Date)

FOR VALUE RECEIVED, the undersigned, [____], a [____] organized and existing under the laws of [____], with its principal offices located at [____] (the "**Borrower**"), **HEREBY IRREVOCABLY AND UNCONDITIONALLY PROMISES TO PAY** to the order of **Itaú Unibanco S.A., Nassau Branch** (the "**Lender**"), the principal sum of US$ [____] ([____] U.S. Dollars) on [____]. The Borrower also promises to pay interest on the outstanding principal amount hereof from the date hereof until such principal amount has been paid in full at a [____] interest rate per annum. Wherever used in this Note, unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Agreement (as defined below).

Both principal and interest hereunder are payable in lawful money of the United States of America without setoff or counterclaim (in immediately available U.S. Dollars) to the Lender, no later than 12:00 noon (New York City time) at its account [___], in JP Morgan Chase Bank (New York), in favor of **Itaú Unibanco S.A., Nassau Branch**, or such other account of the Lender as notified to us in writing, free and clear of, and without deduction for, any and all present and future taxes, levies, imposts, charges and withholdings whatsoever.

In the event the principal amount of this Note is not paid in full when due, such unpaid principal amount shall carry interest from the due date thereof until the date payment is received by the holder hereof (after as well as before judgment) at an interest rate equal to 2.0% (two percent) per annum in excess of the interest rate that would otherwise be applicable hereto.

Upon and during the continuation of an Event of Default (as defined in the Agreement), the unpaid principal balance of the Loan evidenced by this Note may be declared, and immediately shall become, due and payable without demand, notice or legal process of any kind.

The Borrower hereby waives all requirements as to diligence, presentment, demand of payment, protest and notice of any kind with respect to this Note. The failure of any holder of this Note to exercise any of its rights hereunder in any particular instance shall not constitute a waiver thereof in that or any subsequent instance.

This Note is a Note referred to in Revolving Credit Facility Agreement Nr. [], dated as of [_____], between the Lender and the Borrower, as amended, supplemented or otherwise modified from time to time (the "**Agreement**"), which among other things, contains provisions for the acceleration of the maturity hereof upon the happening of certain stated events therein specified.

This Note shall be governed by and construed in accordance with the laws of the State of New York, United States of America, as specified in the Agreement.

EACH OF THE BORROWER AND THE LENDER BY ITS ACCEPTANCE HEREOF, VOLUNTARILY AND INTENTIONALLY WAIVES FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY OF ANY DISPUTE DIREC INDIRECTLY ARISING UNDER OR RELATED TO THIS NOTE OR ANY TRANSACTION CONTEMPLATED HEREBY AND AGREES THAT A DISPUTE SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY.

By [BORROWER]

Name:	Name:
Title:	Title:

EXHIBIT D

POINTS OF [ ] OPINION

Corporate Status

1. Arcos Dorados B.V. is validly existing as a *besloten vennootschap met beperkte aansprakelijkheid*.

Corporate Power

2. Arcos Dorados B.V. has the corporate power to enter into the Credit Agreement and to perform its obligations thereunder. Arcos Dorados B.V does not violate any provision of its Articles of Association by entering into the Credit Agreement or performing its obligations thereunder.

Corporate Action

3. Arcos Dorados B.V. has taken all corporate action required by its Articles of Association and Dutch law in connection with entering into the Credi Agreement and the performance of its obligations thereunder.

Valid Signing

4. The Credit Agreement has been validly signed on behalf of Arcos Dorados B.V.

Choice of Law

5. The choice of the laws of the State of New York to govern the obligations of Arcos Dorados B.V. under the Credit Agreement is recognized under Dutch law and will be given effect to by the Dutch courts.

Pari Passu Ranking of Obligations

6. The payment obligations of Arcos Dorados B.V. under the Credit Agreement rank at least*pari passu* with all other unsecured obligations of the Dutch Company, other than obligations which are preferred or otherwise have priority by operation of law.

No Violation of Law

7. The entering into of the Credit Agreement by Arcos Dorados B.V. and the performance by Arcos Dorados B.V. of its obligations thereunder does not in itself result in a violation of Dutch law.

Jurisdiction

8. The agreement conferring jurisdiction in the Credit Agreement is recognized under Dutch law.

No Immunity

9. Arcos Dorados B.V. does not enjoy any right of immunity from legal proceedings in the Netherlands in relation to the Credit Agreement, it cannot claim immunity from the enforcement of judgments of Dutch courts and its assets located in the Netherlands do not enjoy immunity from attachment or enforcement in the Netherlands.

No Authorizations, Consents or Approvals

10. No authorization, consent, approval, license or order from or notice to or filing with any regulatory or other authority or governmental body of the Netherlands is required by Arcos Dorados B.V. in connection with its entering into the Credit Agreement or the performance of its obligations thereunder.

Enforcement of Judgments

11. There is no enforcement treaty between the Netherlands and the United States of America. Consequently, a judgment of a New York Cour cannot be enforced in the Netherlands. In order to obtain a judgment in respect of the Credit Agreement that can be enforced in the Netherlands against Arcos Dorados B.V., the dispute will have to be re-litigated before the competent Dutch court. This court will have discretion to attach such weight to the judgment of a New York Court as it deems appropriate. Given the submission by Arcos Dorados B.V. to the jurisdiction of the New York Courts, the Dutch courts can be expected to give conclusive effect to a final and enforceable judgment of such court in respect of the obligations under the Credit Agreement without re-examination or re-litigation of the substantive matters adjudicated upon. This would require (i) the court involved accepted jurisdiction on the basis of an internationally recognized ground to accept jurisdiction, (ii) the proceedings before such court to have complied with principles of proper procedure (*behoorlijke rechtspleging*), (iii) such judgment not being contrary to the public policy of the Netherlands and (iv) such judgment not being incompatible with a judgment given between the same parties by a Dutch court or with a prior judgment given between the same parties by a foreign court in a dispute concerning the same subject matter and based on the same cause of action, provided such prior judgment is recognizable in the Netherlands.

No Tax Residency

12. The Addressee will not become or be deemed to become resident or domiciled in the Netherlands for Dutch tax purposes or otherwise become subject to Dutch taxation on income or capital gains by reason only of (i) the signing or enforcement of the Credit Agreement, or (ii) the performance by Arcos Dorados B.V. of its obligations under the Credit Agreement.

No Withholding Tax

13. All payments of principal and interest made by Arcos Dorados B.V. to the Addressee under the Credit Agreement may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

C**hoice of Law Appointment Process Agent**

14. The choice of New York law to govern the appointment by Arcos Dorados B.V. of an agent for service of process in the Credit Agreement is recognised under Dutch law and, accordingly, the validity of such appointment is determined by reference to New York law.

EXHIBIT F

FORM OF THE PREPAYMENT NOTICE
(Borrower's letterhead)

(Date)

To
Itaú Unibanco S.A., Nassau Branch
Paraguay 2141, 18th floor, Office 1802
Montevideo, Uruguay, C.P. 11.800
At: Jorge Luis Marizcurrena Vejo

Re: Prepayment Notice under the Revolving Credit Facility Agreement Nr. [] between Itaú Unibanco S.A., Nassau Branch *(Lender)* and [ ] *(Borrower)* dated as of [ ] for up to US$ [ ] ([ ] U.S. Dollars) (the "Agreement").

Dear Sir/Madam:

Pursuant to Section 7.5 of the above-mentioned Agreement and subject to the conditions under the Documents, we hereby notify you that we wil prepay the following Loan(s):

1. Loan
   a. Disbursement Date: [____]
   b. Principal outstanding: [____]
   c. Amount to be prepaid: [____]

2. Loan
   a. Disbursement Date: [____]
   b. Principal outstanding: [____]
   c. Amount to be prepaid: [____]

Capitalized terms used herein shall have the same meanings given to them in the Agreement.

Sincerely,

By [BORROWER]

Name:	Name:
Title:	Title:

THIRD AMENDED AND RESTATED
MASTER FRANCHISE AGREEMENT

THIS THIRD AMENDED AND RESTATED MASTER FRANCHISE AGREEMENT (together with all Exhibits hereto, this "Agreement"), dated as of December 30, 2024 (the "Execution Date"), between McDONALD'S LATIN AMERICA, LLC, a limited liability company organized under the laws of the State Delaware with its principal office at 110 North Carpenter Street, Chicago, Illinois 60607 U.S.A. ("Franchisor" or "McDonald's"), and ARCOS DOURADO COMERCIO DE ALIMENTOS S.A. (formerly known as Arcos Dourados Comercio de Alimentos Ltda.), a Brazilian company with its registered office in the stat São Paulo, the city of Barueri, Alameda Amazonas, 253 ("Brazilian Master Franchisee" and, together with the Franchisor, the "Parties").

WHEREAS, the Parties hereto entered into the Amended and Restated Master Franchise Agreement on August 3, 2007 (the "First A&R MFA");

WHEREAS, the Parties hereto entered into the Second Amended and Restated Master Franchise Agreement on November 10, 2008 (the "Second A&R MFA");

WHEREAS, McDonald's has exercised its right to grant Brazilian Master Franchisee an option to extend the Term (as defined in the Second A&R MFA) a Brazilian Master Franchisee has decided to exercise such option in accordance with Section 4.1 of the Second A&R MFA, and the Parties have determined that certai amendments to the Second A&R MFA are necessary;

NOW, THEREFORE, the Second A&R MFA is hereby amended, restated, superseded and replaced in its entirety as follows:

1. Definitions and Interpretation

1.1 Definitions. Defined terms in this Agreement, which may be identified by the capitalization of the first letter of each principal word thereof, have the meanings assigned to them in Exhibit 1.

1.2 Interpretation. In this Agreement, except to the extent that the context otherwise requires:

1.2.1 The Table of Contents and headings are for convenience of reference only and shall not affect the interpretation of this Agreement;

1.2.2 Defined terms include the plural as well as the singular and vice versa;

1.2.3 Words importing gender include all genders;

1.2.4 References to Sections, clauses, Schedules and Exhibits are references to Sections and clauses of, and Schedules and Exhibits to, this Agreement;

1.2.5 References to any document or agreement, including this Agreement, shall be deemed to include references to such document or agreement as amended, restated,

supplemented or replaced from time to time in accordance with its terms and (where applicable) subject to compliance with the requirements set forth herein; and

1.2.6 References to any Party or Person include its successors and permitted assigns.

1.2.7 Each Party hereto agrees that, if any provision of this Agreement conflicts with any provision of the Second Amended and Restated Maste Franchise Agreement dated as of the date hereof between, among others, Arcos Dorados B.V. and McDonald's (the "LatAM MFA"), then the terms of the LatAM MFA shall prevail and Brazilian Master Franchisee shall take all actions necessary or desirable (or will cooperate with McDonald's in taking such actions to ensure that at all times this Agreement is not inconsistent with any provision of the LatAM MFA.

2. Nature and Scope of Agreement

2.1 The System McDonald's and its Affiliates operate a restaurant system (the "System"), which is a comprehensive system for the ongoing development, operation and maintenance of McDonald's Restaurants, and includes the Intellectual Property and other proprietary rights and processes, including the designs and colo schemes for restaurant buildings, signs, equipment layouts, formulas and specifications for certain food products, including food and beverage products designated by McDonald's as permissible to be served and sold in McDonald's Restaurants, methods of inventory, operation, control, bookkeeping and accounting, and manuals covering business practices and policies that form part of the Standards. McDonald's and its Affiliates may add elements to or modify, alter or delete elements from, the System in their sole discretion from time to time. McDonald's Restaurants have been developed for the retailing of a limited menu of uniform and quality food products, emphasizing prompt and courteous service in a clean, wholesome atmosphere that is intended to be attractive to children and families. The System is operated and advertised widely within the United States of America and in many foreign countries. McDonald's and its Affiliates hold, directly or indirectly, all rights to authorize the adoption and use of the System. The foundation of the System is compliance with the Standards by McDonald's franchisees, including the Brazilian Master Franchisee an the Franchisees, and compliance with the Standards provides the basis for the valuable goodwill and wide acceptance of the System. Such compliance by the Brazilian Master Franchisee and the Franchisees, the accountability of Brazilian Master Franchisee for its performance hereunder and the establishment and maintenance by Brazilia Master Franchisee of a close working relationship with McDonald's in the operation of the Brazilian Franchise Business together constitute the essence of this Agreement.

2.2 Brazilian Master Franchisee Rights are Personal to Brazilian Master Franchisee Brazilian Master Franchisee acknowledges that the Brazilian Maste Franchisee Rights are being granted based upon the special relationship of trust and confidence that McDonald's and certain of its Affiliates have developed and enjoy with the Person who Controls Los Laureles, Ltd. (the "Principal"), which controls, directly or indirectly, the Brazilian Master Franchisee. The special relationship that McDonald's has developed with the Principal is based upon the Principal's reputation and character and the Principal's demonstrated skills, ability, knowledge and experience related to the management and operation of McDonald's Restaurants, as well as the Principal's thorough understanding of the importance of the Intellectua Property and the

Standards to McDonald's and its Affiliates. The Parties acknowledge that the Brazilian Master Franchise Rights are granted to the Brazilian Master Franchisee only and t no other Person and may not, except as otherwise set forth in this Agreement, be Transferred to any other Person by assignment, will or operation of Applicable Law.

2.3 Intent. This Agreement shall be interpreted to give effect to the intent of the Parties stated in this Section so that the Brazilian Franchise Business and an Franchised Restaurants shall be operated at all times in conformity and strict compliance with the System.

2.4 Restatement of Agreement. The Parties agree that this Agreement shall supersede in all respects the First A&R MFA and the Second A&R MFA and that as of the date of execution of this Agreement, the provisions of the First A&R MFA and the Second A&R MFA shall cease to be of further force and effect.

3. Grant of Rights

3.1 Brazilian Master Franchisee Rights Subject to the terms and conditions of this Agreement, including all rights reserved to McDonald's hereunder, McDonald's grants to Brazilian Master Franchisee the following rights (collectively, the "Brazilian Master Franchisee Rights"):

3.1.1 The right to own and operate, directly or indirectly, Franchised Restaurants in Brazil;

3.1.2 The right and license to grant franchises with respect to Franchised Restaurants to Franchisees in Brazil in accordance with the franchisee approva process and the applicable Franchise Agreement, it being understood and agreed that any Franchisee may establish and operate only one Franchised Restaurant pe each Franchise Agreement;

3.1.3 The right to adopt and use, and to grant the right and license to Franchisees to adopt and use, the System in the Franchised Restaurants in Brazi and

3.1.4 The right to advertise to the public that it is a franchisee of McDonald's.

3.2 Certain Matters Relating to McCafés, Satellites and Dessert Kiosks.

3.2.1 Brazilian Master Franchisee acknowledges and agrees that it has no right or license to use or sublicense any Freestanding McCafe, other than th Initial Freestanding McCafes, and that its rights with respect to the "McCafe" brand are limited to the operation of Incorporated McCafes and the Initi Freestanding McCafes subject to the conditions set forth in this Agreement.

3.2.2 Each proposed designation by Brazilian Master Franchisee of a McDonald's Restaurant as a Satellite shall be subject to the consent of McDonald to such designation prior to (a) the opening of such proposed Satellite; (b) the acquisition by Brazilian Master Franchisee or any Subsidiary, directly or indirectly, o the fee simple interest (or the local equivalent) in, or entrance into of a lease (or the local equivalent) directly or indirectly from the owner of such interest, the real property on which such

Satellite is to be located; (c) the incurrence of any other contractual obligation relating to such proposed Satellite; or (d) the request of any permit, authorization, consent or approval from any Governmental Authority relating to such proposed Satellite.

3.2.3 Brazilian Master Franchisee shall have the right to operate Dessert Kiosks within or outside the premises of Franchised Restaurants, subject to th conditions set forth in this Agreement and the Standards. All revenues attributable to sales at Dessert Kiosks shall be included within Gross Sales. Each Desse Kiosk shall follow the Standards.

3.3 Exclusivity. McDonald's shall not at any time during the Term (a) own and/or operate, directly or indirectly, any McDonald's Restaurant in Brazil; (b) grant to any other Person any right to own and/or operate any McDonald's Restaurant in Brazil; or (c) grant the right or license to grant franchises to any other Person to own and/or operate any McDonald's Restaurant in Brazil.

3.4 Reservation of Rights. McDonald's, on behalf of itself and its Affiliates, reserves all rights not specifically granted to Brazilian Master Franchisee under this Agreement, including the right, directly or indirectly, to:

3.4.1 Use and sublicense the Intellectual Property in Brazil for all other purposes and means of distribution, including retail licensing, catalogs, Ronald McDonald House Charities, other charities, grocery, packaged foods, public and corporate relations materials and activities and Internet marketing and distribution;

3.4.2 Sell, promote or license the sale of products or services under the Intellectual Property, including through electronic communications or the use of the Internet; and

3.4.3 Use the Intellectual Property in connection with all other activities not prohibited by this Agreement.

4. Term of Agreement

4.1 Term. Unless terminated pursuant to Section 12, the initial term of this Agreement shall commence on the Effective Date and shall extend until December 31, 2044 (the "Term"). McDonald's shall have the right, in its sole judgment, to grant Brazilian Master Franchisee an option to enter into a new agreement to continue operating the Brazilian Franchise Business for an additional term of twenty (20) years after the expiration of the Term.

5. Franchise and Related Fees

5.1 Initial Franchise Fees.

5.1.1 Unless otherwise agreed by McDonald's, in connection with the opening of any new Brazilian Master Franchisee Restaurant on or after the Effective Date, an initial franchise fee (the "Initial BMFR Fee") shall be paid by Brazilian Master Franchisee to McDonald's in an amount equal to, in the case of any Brazilian Master Franchisee Restaurant other than a Satellite, $2,250, and, in the case of any Satellite,

$1,125, *multiplied by,* in each case, the lesser of (a) 20; or (b) the number of years remaining in the Term (with any partial remaining year rounded up to one full year) (such number of years, the "BMFR Term"). If on the expiration of the BMFR term, Brazilian Master Franchisee desires to keep operating such Brazilian Master Franchisee Restaurant, then Brazilian Master Franchisee shall pay to McDonald's an additional Initial BMFR Fee in connection with such Brazilian Master Franchisee Restaurant.

5.1.2 Subject to Section 5.1.5(b) and unless otherwise agreed by McDonald's, for each Franchise Agreement (or agreement to extend the term of any Franchise Agreement) entered into by Brazilian Master Franchisee or any of its Subsidiaries with a Franchisee (other than Brazilian Master Franchisee or of its Subsidiaries) on or after the Effective Date, Brazilian Master Franchisee shall require the applicable Franchisee to pay to Brazilian Master Franchisee an initial franchise fee (the "Initial SFR Fee") in an amount equal to, in the case of any Franchised Restaurant other than a Satellite, $2,250, and, in the case of any Satellite, $1,125, *multiplied by*, in each case, the greater of (a) the number of years remaining in the Term; or (b) the number of years included in the term of such Franchise Agreement (or agreement to extend the term of the Franchise Agreement), in each case, with any partial remaining year rounded up to one full year. Brazilian Master Franchisee shall pay to McDonald's 50% of the amount of each Initial SFR Fee, regardless of whether received by Brazilian Master Franchisee from the applicable Franchisee.

5.1.3 With respect to any new Brazilian Master Franchisee Restaurant, each Initial BMFR Fee shall be payable on or prior to the date of the opening of such new Brazilian Master Franchisee Restaurant.With respect to a Franchised Restaurant that is not a Brazilian Master Franchisee Restaurant, the Initial SFR Fee shall be payable on or prior to (a) the date of entry into a new Franchise Agreement for such Franchised Restaurant; and (b) date of entry into an agreement to extend the term of the existing Franchise Agreement for such Franchised Restaurant.

5.1.4 Brazilian Master Franchisee shall pay to McDonald's an initial franchise fee for each Brazilian Master Franchisee Restaurant in operation as of January 1, 2025, in an amount equal to $2,250 per Brazilian Master Franchisee Restaurant, for the period from August 3, 2027 until December 31, 2044 (the "Initial MFA Fee" and, collectively with the Initial BMFR Fees and the Initial SFR Fees, the "Initial Franchisee Fees"). The Initial MFA Fee shall be paid to McDonald's as follows: (i) 50% of the Initial MFA Fee shall be paid on or before August 1, 2027; and (ii) the remaining 50% of the Initial MFA Fee shall be paid on or before August 1, 2037.

5.1.5

(a) Brazilian Master Franchisee shall not be required to pay the Initial Franchise Fee with respect to any Franchised Restaurant that Relocates unless the term of the applicable Franchise Agreement is extended in connection with such Relocation, in which case the Initial Franchise Fee shall be equal to, in the case of any Franchised Restaurant other than a Satellite, $2,250, and, in the case of any Satellite, $1,125,*multiplied by*, in each case, the number of years of such extension (with any partial remaining year rounded up to one full year).

(b) If a Franchisee enters into a Franchise Agreement (or agreement to extend the term of any Franchise Agreement) in connection with (i) the acquisition of a Franchised Restaurant from Brazilian Master Franchisee; or (ii) the exercise of an option to acquire a Franchised Restaurant included as term of a Business Facilities Lease entered into with Brazilian Master Franchisee, then Franchisee shall only be required to pay the Initial Franchise Fee respect of the years of such Franchise Agreement that extend beyond the Term.

5.2 Royalties.

5.2.1 Between the Effective Date and December 31, 2034, Brazilian Master Franchisee shall pay to McDonald's aggregate royalties ("Base First Royalties") with respect to each calendar month (or ratable portion thereof, including in the case of any Franchised Restaurant subject to an Approved Closing during such calendar month) during the Term in an amount equal to 6% of the U.S. Dollar equivalent of the Gross Sales of (a) each Franchised Restaurant in Braz that is a Brazilian Master Franchisee Restaurant, and (b) each Franchised Restaurant in Brazil that is (i) not a Brazilian Master Franchisee Restaurant; and (opened after January 1, 2025, in each case, for such calendar month (or such ratable portion thereof).

5.2.2 Between the Effective Date and December 31, 2029, Brazilian Master Franchisee shall pay to McDonald's aggregate royalties ("5% First Royalties") with respect to each calendar month (or ratable portion thereof, including in the case of any Franchised Restaurant subject to an Approved Closing during such calendar month) during the Term in an amount equal to 5% of the U.S. Dollar equivalent of the Gross Sales of each Franchised Restaurant in Brazil tha is: (i) not a Brazilian Master Franchisee Restaurant; and (ii) in existence on January 1, 2025 (irrespective of whether, during this period, the Franchise Agreemen relating to such Franchised Restaurant is renewed, or a new Franchise Agreement is entered into in relation to such Franchised Restaurant) for such calendar month (or such ratable portion thereof).

5.2.3 Between January 1, 2030 and December 31, 2034, Brazilian Master Franchisee shall pay to McDonald's aggregate royalties ("6% First Royalties" and, together with the Base First Royalties and the 5% First Royalties, "First Royalties") with respect to each calendar month (or ratable portion thereof, including in the case of any Franchised Restaurant subject to an Approved Closing during such calendar month) during the Term in an amount equal to 6% of the U.S. Dolla equivalent of the Gross Sales of each Franchised Restaurant in Brazil that is: (i) not a Brazilian Master Franchisee Restaurant; and (ii) in existence on January 2025 for such calendar month (or such ratable portion thereof).

5.2.4 Between January 1, 2035 and December 31, 2039, Brazilian Master Franchisee shall pay to McDonald's aggregate royalties ("Second Royalties") with respect to each calendar month (or ratable portion thereof, including in the case of any Franchised Restaurant subject to an Approved Closing during such calendar month) during the Term in an amount equal to 6.25% of the U.S. Dollar equivalent of the Gross Sales of each Franchised Restaurant in Brazil for such calendar month (or such ratable portion thereof).

5.2.5 Between January 1, 2040 and December 31, 2044, Brazilian Master Franchisee shall pay to McDonald's aggregate royalties ("Third Royalties" and, together with the First Royalties and Second Royalties, "Royalties") with respect to each calendar month (or ratable portion thereof, including in the case of any Franchised Restaurant subject to an Approved Closing during such calendar month) during the Term in an amount equal to 6.5% of the U.S. Dollar equivalent of the Gross Sales of each Franchised Restaurant in Brazil for such calendar month (or such ratable portion thereof).

5.2.6 If any Franchised Restaurant fails to report or generate Gross Sales with respect to any calendar month (or a ratable portion thereof) other than (a) as a result of an Approved Closing or (b) due to the full closure of such Franchised Restaurant directly caused by Force Majeure, then Gross Sales for such Franchised Restaurant with respect to such calendar month (or such ratable portion thereof) shall be deemed to be equal to the average monthly Gross Sales (or comparable ratable portion thereof) reported by such Franchised Restaurant within the 12-month period ending immediately preceding the calendar month in which such failure to report or generate occurred; provided that, if any Franchised Restaurant fails to generate Gross Sales due to the full closure of such Franchised Restaurant directly caused by Force Majeure, to the extent that such Force Majeure is covered by the relevant business interruption insurance policy, the Gross Sales for such Franchised Restaurant for the relevant period shall be deemed to be equal to the lost sales which form the basis for recovery under such business interruption insurance policy (to the extent such amount is recovered under such policy).

5.2.7 Royalties with respect to any calendar month shall be payable by Brazilian Master Franchisee to McDonald's no later than the seventh Business Day of the next succeeding calendar month.

5.3 Transfer Fees. In the event of any voluntary, involuntary, direct or indirect sale, assignment, transfer or other disposition of a Franchised Restaurant by Brazilian Master Franchisee, any of its Subsidiaries or any Franchisee, Brazilian Master Franchisee shall charge a transfer fee of not less than $10,000 per Franchised Restaurant and shall remit to McDonald's at the same time that it makes payment of the Royalties in the calendar month in which the transfer fee is payable, an amount equal to 50% of the amount of each such fee so charged ("Transfer Fee"); provided, however, that no such fee shall be charged (a) by Brazilian Master Franchisee or any of its Subsidiaries to any other Subsidiary of Brazilian Master Franchisee; (b) in the event of any such sale, assignment, transfer or other disposition by a Franchisee to any of its Affiliates; or (c) in the event of the exercise of an option to acquire a Franchised Restaurant included as a term of a Business Facilities Lease entered into with Master Franchisee.

5.4 System Support Fees. In addition to the Initial Franchise Fee, Royalties and Transfer Fees, Brazilian Master Franchisee will pay McDonald's (or i designee) the System Support Fees with respect to the System Support provided to Brazilian Master Franchisee or one or more Franchised Restaurants in accordance wi the terms and conditions of Section 14.2. In the event that Brazilian Master Franchisee reasonably believes that any fee purported by McDonald's to be a System Suppo Fee does not satisfy the requirements of a System Support Fee hereunder, upon Brazilian Master Franchisee's request, the Parties shall meet to discuss such fee in goo faith; provided that, if within thirty (30) days of commencing such discussion the Parties have failed to reach an agreement with respect to such fee, then such fee shall be deemed to be a System Support Fee and shall be payable by Brazilian Master Franchisee to McDonald's (or its designee).

6. Certain Obligations of the Brazilian Master Franchisee

6.1 Certain Actions with Respect to Franchised Restaurants. Brazilian Master Franchisee shall, at its sole expense:

6.1.1 Cause each new Brazilian Master Franchisee Restaurant to comply with the terms and conditions of the New Franchise Agreement.

6.1.2 Cause each Franchised Restaurant to comply with the System and not to engage in activity that may conflict with, or otherwise be detrimental to, the System.

6.1.3 At all times faithfully, honestly and diligently perform its obligations under this Agreement and promote and enhance the operation of the Brazilian Franchise Business and the image, goodwill and reputation associated with the "McDonald's" brand and the System.

6.1.4 Ensure that each Franchised Restaurant is subject to a Customer Service Program that meets or exceeds the applicable Standards.

6.1.5 Monitor continuously and measure with reasonable frequency the compliance by each Franchised Restaurant with the QSC Standards using system for evaluating restaurant performance that meets or exceeds the applicable Standards.

6.1.6 Acquire and use Products and Services for the operation of the Brazilian Franchise Business only in compliance with the Standards.

6.1.7 Operate the Franchised Restaurants in a clean and wholesome manner in compliance with the Standards.

6.1.8 Keep the Franchised Restaurants constructed and equipped in accordance with the Standards, and without McDonald's approval (not to b unreasonably withheld) (i) not make any building design conversions and (ii) not make any alterations, conversions, or additions to the building, equipment or parking areas, in each case, in any manner that does not comply with the Standards;

6.1.9 Where parking is provided and its use is exclusive to a Franchised Restaurant's customers, maintain such parking areas in compliance with the Standards;

6.1.10 Operate the Franchised Restaurants for the days and during the hours specified in the Standards (except (i) during any period when a Franchised Restaurant is inoperable as a result of Force Majeure, (ii) during any public holiday recognized in Brazil, or (iii) when operating hours are restricted by Applicable Law or the lease for the Franchised Restaurant's Real Estate);

6.1.11 Maintain sufficient supplies and employ adequate personnel so as to operate the Franchised Restaurants at their maximum capacity and efficiency;

6.1.12 Use reasonable best efforts to cause all employees of Brazilian Master Franchisee, while working in the Franchised Restaurants, to comply with the Standards with respect to their uniform appearance and service to customers;

6.1.13 Serve only the Menu Items and comply with specifications, preparation methods, quality specifications and appearance specifications applicable to the Menu Items and the Products and Services, as set out in the Menu Plans;

6.1.14 In the dispensing and sale of the Menu Items, (i) use only containers, cartons, bags, napkins, other paper goods and packaging that comply with the Standards, (ii) use only those flavorings, garnishments and food and beverage ingredients that comply with the Standards, and (iii) employ only those methods of handling and preparation that comply with the Standards;

6.1.15 Make all payments in accordance with the terms of undisputed invoices related to the operation of the Brazilian Franchise Business;

6.1.16 Participate in McDonald's market research, testing and product and service development programs, as required by McDonald's from time to time;

6.1.17 Issue and honor gift certificates, gift cards and similar items and participate in other Promotional Activities in accordance with the Standards;

6.1.18 Not operate any automatic vending device unless it is in compliance with the Standards relating to the installation and maintenance of such devices;

6.1.19 Place and display at the Franchised Restaurants (interior and exterior) only those signs, emblems, artwork, lettering, logos and display and advertising materials that comply with the Standards;

6.1.20 Except as required by Applicable Law, comply with the Standards with respect to the use of signage, receipts and letterheads; and

6.1.21 Adopt and implement procedures for identifying all Confidential Information as such and for controlling the distribution, reproduction and collection of Confidential Information to and from Franchisees and employees of the Franchised Restaurants, and for preventing each Franchisee and / or its employees from further disseminating such Confidential Information. Brazilian Master Franchisee shall promptly notify McDonald's in the event any Confidential Information is lost, stolen, released or unaccounted for by it or any of its Subsidiaries or Franchisees. Brazilian Master

Franchisee shall advise McDonald's as to the steps being taken by Brazilian Master Franchisee and/or such Franchisee to recover such Confidential Informatio and shall take such steps as McDonald's may direct.

6.2 Closings. Brazilian Master Franchisee shall not, and shall not permit any of its Subsidiaries or Franchisees to, close any Franchised Restaurant excep pursuant to an Approved Closing.

6.3 New Franchisees; Transfers.

6.3.1 Brazilian Master Franchisee may enter into or renew a Franchise Agreement with, or Transfer any Franchise Agreement to, any Person provided that (a) such Person is an Existing Franchisee or such Person (including, in the case of any renewal of a Franchise Agreement, the applicable Franchisee) is pre approved by Brazilian Master Franchisee (a "New Franchisee" and together with the Existing Franchisees, the "Franchisees") in accordance with a franchisee approval process on terms, conditions and procedures to be agreed upon between the Parties; (b) in the case of any Existing Franchisee, such Existing Franchisee i in compliance with each of its Franchise Agreements; and (c) the entry into such Franchise Agreement is not inconsistent with the applicable business plan to be agreed upon between the Parties.

6.3.2 Promptly following its pre-approval of a Franchisee, Brazilian Master Franchisee shall provide McDonald's with the following: (a) the full legal nam of the Franchisee and each Person that has any direct or indirect Equity Interest in such Franchisee; (b) an electronic image of the related Franchise Agreement; an (c) such other information as McDonald's may request from time to time.

6.4 Franchise Agreements.

6.4.1 Any franchise agreement, including any amendment or renewal thereof, entered into with respect to a New Franchisee shall be substantially in a form to be agreed upon between the Parties subject to any deviations required based on Applicable Law (each, a "New Franchise Agreement" and together with the Existing Franchise Agreement, the "Franchise Agreements").

6.4.2 If Brazilian Master Franchisee or any Franchisee seeks to (a) amend any Existing Franchise Agreement (x) that relates to a Franchised Restaura that is not a Brazilian Master Franchisee Restaurant, then Brazilian Master Franchisee shall use its best efforts to cause such amendment to reflect the form of Ne Franchise Agreement to the extent not already reflected therein; or (y) that relates to a Franchised Restaurant that is a Brazilian Master Franchisee Restaurant, the Brazilian Master Franchisee shall not amend the Existing Franchise Agreement without the prior consent of McDonald's; or (b) renew any Franchise Agreemen then (x) Brazilian Master Franchisee shall effect such renewal only by entering into a New Franchise Agreement with the applicable Franchisee; and (y) subject t the terms and conditions of Section 5.2, shall charge a Royalty that is not less than the rate then applicable hereunder for purposes of calculating Royalties.

6.4.3 Brazilian Master Franchisee shall only enter into a Franchise Agreement with a Franchisee for a particular Franchised Restaurant in BrazilBrazilian Master Franchisee shall not enter into a Franchise Agreement or any other agreement or understanding in respect of franchise rights, whether express or implied, that would grant it rights with respect to any region or sub-division of Brazil, nor shall Brazilian Master Franchisee enter into a Franchise Agreement if, after giving effect to such Franchise Agreement, such Person would be the sole Franchisee with respect to Brazil or any subdivision thereof.

6.4.4 Brazilian Master Franchisee shall provide to each Franchisee any disclosure document or other information required to be so delivered under Applicable Law in connection with the entry into a Franchise Agreement or otherwise.

6.4.5 No Franchise Agreement shall be extended without the prior consent of McDonald's.

6.5 Actions with Respect to Franchisees. Brazilian Master Franchisee shall, at its sole expense:

6.5.1 Cause each Franchise Agreement to be timely registered with any appropriate Governmental Authority as and to the extent required by Applicable Law.

6.5.2 Take all actions necessary to enforce each Franchise Agreement strictly in accordance with its terms and to ensure each Franchisee is in compliance with the System.

6.5.3 Provide reasonable levels of assistance to each Franchisee and to the Restaurant Managers to promote and enhance the operation of the System and the Franchised Restaurants and the goodwill or reputation associated with the Trademarks and other Intellectual Property.

6.5.4 Notwithstanding anything in this Agreement to the contrary, with respect to any Existing Franchise Agreement, and any Franchisee with respect to any such Existing Franchise Agreement, in no event shall Brazilian Master Franchisee be required hereunder to ensure any such Franchisee complies, or cause any such Franchisee to comply with, any new or amended obligations hereunder as compared to the Second A&R MFA to the extent such new or amended obligation is not included in the Existing Franchise Agreement with respect to such Franchisee;provided that Brazilian Master Franchisee shall ensure any renewal or extension of an Existing Franchise Agreement shall be in accordance withSection 6.4 (other than any such renewal or extension which is as of right, in which case Brazilian Master Franchisee shall use commercially reasonable efforts to ensure such renewal or extension shall be in accordance with Section 6.4).

6.6 Strategic Marketing Plan Brazilian Master Franchisee has developed a strategic marketing plan that obligates Brazilian Master Franchisee to aggregate expenditures to implement such strategic marketing plan in an amount not less than 5% of Gross Sales of all Franchised Restaurants in Brazil (the "Mandatory Marketing Commitment"); provided, however, that such amount shall be reduced for any Franchised Restaurant subject to an Existing Franchise

Agreement to the extent such Existing Franchise Agreement requires lesser expenditures for such purposes. Brazilian Master Franchisee shall be entitled to cause Franchisees to contribute to expenditures contemplated by such strategic marketing plan no less than 5% of Gross Sales of their respective Franchised Restaurants, but in no event in excess of the commitment specified in any Existing Franchise Agreement in the case of any Existing Franchisee.

6.7 Global Marketing. Brazilian Master Franchisee acknowledges and agrees that McDonald's and its Affiliates may enter into agreements relating to global regional and other advertising, promotional and marketing alliances intended for the benefit of the System as determined by McDonald's and its Affiliates in their discretion and may establish programs to fund activities undertaken by such alliances. Brazilian Master Franchisee authorizes McDonald's and its designees to negotiate such agreements on its behalf and agrees to be bound by and comply with such agreements and to deliver the types and levels of promotional support in connection with such alliances as directed by McDonald's from time to time. Brazilian Master Franchisee shall pay to McDonald's in respect of the funding of such alliances an amount up to 0.2% of Gross Sales of all Franchised Restaurants in Brazil. Amounts contributed pursuant to this Section shall be credited against the Mandatory Marketing Commitment.

7. Intellectual Property

7.1 Rights. Brazilian Master Franchisee's right to use the Intellectual Property is derived solely from this Agreement. McDonald's owns or has the right to license the Intellectual Property and all goodwill associated with the Intellectual Property. Subject to the limitations set forth in this Agreement, including strict compliance with conditions set forth in this Section, McDonald's grants to Brazilian Master Franchisee the non-exclusive right to use, and to sublicense its Franchisees to use, the Intellectual Property solely in connection with the development, ownership, operation, promotion and management of the Franchised Restaurants in Brazil, and to engage in related advertising, promotional and marketing programs and activities. Without McDonald's specific prior written consent, Brazilian Master Franchisee shall not adopt or use any other trademarks (including product names, slogans and logos), service marks, domain names or other identifiers in connection with the Brazilian Franchise Business.

7.2 Intellectual Property Standards. Development, ownership, operation, promotion, management and sublicensing of the Franchised Restaurants and all uses of the Intellectual Property by Brazilian Master Franchisee and its Franchisees shall meet or exceed the applicable Standards and shall comply with Applicable Law. Brazilian Master Franchisee shall use, affix and otherwise display, and shall require its Franchisees to use, affix and otherwise display the Intellectual Property strictly in conformity with the Standards, together with applicable trademark, patent and / or copyright designations / markings (including any legends designating McDonald's or its licensor as owner of the Intellectual Property and proper patent markings on any applicable Patents and related materials and equipment), as it may be directed by McDonald's from time to time in its sole discretion, and with any other specifications as McDonald's may prescribe from time to time to promote and foster the goodwill represented by the Intellectual Property and the System or otherwise to protect or perfect McDonald's and / or its licensor's interests in the Intellectual Property. Brazilian Master Franchisee shall and shall cause its Franchisees to immediately cease or modify any use of the Intellectual Property that is not in compliance with Applicable Law or the Standards or as otherwise instructed by McDonald's, at Brazilian Master Franchisee's sole expense. Brazilian Master Franchisee shall

and shall cause its Franchisees to comply with all Standards applicable to advertising, promotions and creative review. Brazilian Master Franchisee shall permit and shal requires its Franchisees to permit inspection by McDonald's, at reasonable intervals during normal business hours, for the purpose of monitoring the use of the Intellectua Property by Brazilian Master Franchisee and its Franchisees and verifying the presence of appropriate control measures with respect to compliance with the Standards.

7.3 Specimens. At McDonald's request, Brazilian Master Franchisee shall submit specimens of all signage, uniforms, packaging, Materials, stationary, busines cards and other materials displaying, using or bearing the Intellectual Property or relating to the Franchised Restaurants to McDonald's, at Brazilian Master Franchisee' sole expense, for McDonald's review and approval prior to Brazilian Master Franchisee's or any Franchisee's manufacture, printing, production, use, display, broadcast, distribution or sale of any of the foregoing and in accordance with procedures established by McDonald's for such purposes from time to time. If McDonald's fails to grant any required approval within ten Business Days of such submission, the submission shall be deemed to be disapproved.

7.4 Ownership. Brazilian Master Franchisee acknowledges and agrees and shall require its Franchisees to acknowledge and agree that the Intellectual Propert and all rights therein and the goodwill pertaining thereto in Brazil belong to McDonald's (or its licensor) and that all uses of the Intellectual Property in Brazil shall inure to and be for the benefit of McDonald's (or its licensor). Brazilian Master Franchisee and its Franchisees shall not directly or indirectly, (a) attack or impair the title o McDonald's (or its licensor) to the Intellectual Property, the validity of this Agreement, or any of the registrations for or applications to register the Intellectual Property filed by or on behalf of McDonald's (or its licensor); or (b) file any application to register or record any of the Intellectual Property, in whole or in part, or any other name, trademark or service mark relating to the Franchised Restaurants or that is identical or otherwise confusingly similar to or that might be dilutive of the Intellectual Property including any trademark or service mark that uses "Mc" or "Mac", anywhere in the world, unless requested by McDonald's to do so and, in such event, subject to McDonald's specific direction and written request.

7.5 No Assignment. Nothing contained in this Agreement shall be construed as an assignment to Brazilian Master Franchisee or any other Person of any right title or interest in or to the Intellectual Property, it being understood and acknowledged by Brazilian Master Franchisee that all use thereof in Brazil shall inure exclusively to and be for the benefit of McDonald's (or its licensor), and Brazilian Master Franchisee shall cause its Franchisees to acknowledge and agree that all use of the Intellectua Property shall inure exclusively to and be for the benefit of McDonald's (or its licensor). Upon McDonald's request, Brazilian Master Franchisee shall execute and delive and shall require its Franchisees to execute and deliver such documents as McDonald's may deem necessary or desirable to use the Intellectual Property in conformity with Applicable Law or to protect the interests of McDonald's and / or its licensor with respect thereto, including documents to record Brazilian Master Franchisee and / or any Franchisee as users of the Intellectual Property or to protect the interests of McDonald's and / or its licensor in the Intellectual Property.

7.6 Defense of Rights. Brazilian Master Franchisee shall cooperate with McDonald's for purposes of securing, preserving, protecting and defending McDonald's (or its licensor's) rights in and to the Intellectual Property and for purposes of securing, preserving, protecting and defending the rights granted to Brazilian Master Franchisee hereunder as determined by McDonald's in its discretion and at Brazilian Master Franchisee's sole expense, unless otherwise expressly agreed in writing by McDonald's. Such cooperation shall include the filing, prosecuting and processing of any trademark, service mark or copyright application or registration, or other filings, and the recording of this Agreement and/or any Franchise Agreement with any appropriate Governmental Authority, all as may be requested by McDonald's. Brazilian Master Franchisee shall immediately notify McDonald's of any objection to the use by Brazilian Master Franchisee or any Franchisee of any Intellectual Property or of an suspected infringement or imitation by others of any Intellectual Property that may come to the attention of Brazilian Master Franchisee or any Franchisee. McDonald's shall have sole discretion to control all challenges to the Intellectual Property, including the right to determine whether or not any formal legal action shall be taken on account of any alleged infringement or imitation (though nothing in this Agreement shall be construed as imposing an obligation on McDonald's to take any such action) and Brazilian Master Franchisee shall render all assistance as McDonald's may request in connection therewith. McDonald's may in its discretion bring and prosecute any claim or cause of action in its own name and join Brazilian Master Franchisee or any applicable Franchisee as a party thereto, or require Brazilian Master Franchisee to file an action in its own name to protect the Intellectual Property, subject to McDonald's direction. Brazilian Master Franchisee and its Franchisees shall not institute any action for infringement of the Intellectual Property, except to the extent that McDonald's may so direct Brazilian Master Franchisee and then solely in accordance with such direction.

7.7 Registration. Brazilian Master Franchisee shall cooperate with McDonald's in (a) registering this Agreement or a summary version thereof with any applicable Governmental Authority within Brazil to the extent required or desirable to fully protect McDonald's rights in the Intellectual Property under Applicable Law; (b) maintaining or perfecting such registration; and (c) canceling such registration upon termination or expiration of this Agreement. McDonald's is authorized by Brazilian Master Franchisee to cancel the registration of this Agreement with any applicable Governmental Authority within Brazil upon termination or expiration of this Agreement for any reason, independent of any action executed by Brazilian Master Franchisee before such Governmental Authorities. Brazilian Master Franchisee shall execute on behalf of itself and its Franchisees and deliver such documentation as may be necessary or desirable in connection with the foregoing, including any power of attorney as may be required by Applicable Law. Brazilian Master Franchisee shall bear all costs that may be incurred by McDonald's or its representatives in registering, perfecting maintaining and canceling the registration of this Agreement as aforesaid.

7.8 Intellectual Property Created by Brazilian Master Franchisee and its Franchisees.

7.8.1 To the extent permitted by Applicable Law, all ideas, concepts, techniques and materials relating to the System, the Intellectual Property and / or the Franchised Restaurants, any enhancements, improvements and / or derivative works of any of the foregoing, and any trademarks or service marks that are created by Brazilian Master Franchisee, any of its Subsidiaries or Franchisees or any of their respective employees or agents (the "Developed IP") shall be immediately disclosed to McDonald's and shall be

deemed property of McDonald's as "works made for hire" and shall constitute Intellectual Property hereunder.

7.8.2 To the extent that such Developed IP is not "works for hire," Brazilian Master Franchisee shall, and shall cause such other Person to, immediately assign and does assign, all rights therein, including moral rights, to McDonald's. The assignors of the Developed IP shall execute and deliver any documents requested by McDonald's to confirm such assignment. If any such moral rights are not assignable under Applicable Law, Brazilian Master Franchisee agrees to waive and not to enforce any such moral rights, and to cause each other Persons to waive and not to enforce the same unless and until they have received the prior written consent of McDonald's. If and to the extent that any rights in the Developed IP do not vest in the relevant member of McDonald's Group, Brazilian Master Franchisee hereby grant to McDonald's (or its designee) an exclusive (other than with respect to Brazilian Master Franchisee), perpetual, royalty-free, worldwide license of such rights, with the right to further sublicense.

7.8.3 Brazilian Master Franchisee and McDonald's agree and acknowledge that the Initial Franchise Fees and Royalties payable by Brazilian Master Franchisee under this Agreement have been negotiated and determined with the understanding that all Developed IP will, pursuant to this Section 7.8, become the property of the relevant member of McDonald's Group, or will be licensed to McDonald's (or its designee) pursuant to an exclusive (other than with respect to Brazilian Master Franchisee), perpetual, royalty-free, worldwide license of such rights (with the right to further sublicense), without further compensation owed to Brazilian Master Franchisee by McDonald's Group for such Developed IP.

7.8.4 None of Brazilian Master Franchisee or any of its Subsidiaries or Franchisees is authorized to use, sell, distribute or license any products or materials incorporating the Intellectual Property outside of the operation of the Franchised Restaurants without McDonald's prior consent.None of Brazilian Master Franchisee or any of its Subsidiaries or Franchisees shall file, or suffer to be filed, any applications to register any Intellectual Property including, for the avoidance of doubt, any Developed IP, without McDonald's prior consent.

7.9 Trademarks.

7.9.1 None of Brazilian Master Franchisee or any of its Subsidiaries or Franchisees shall adopt or use any new "Mc" or "Mac" trademarks or service marks, or any other trademarks (including without limitation product names, slogans and logos), service marks or domain names in connection with the Franchised Restaurants, without McDonald's prior consent.

7.9.2 None of Brazilian Master Franchisee or any of its Subsidiaries or Franchisees shall use the Trademarks (or any component thereof):

(a) In conjunction with its corporate, business, trade or legal name or as a symbol, logo or other insignia;

(b) In conjunction with any prefix, suffix or other modifying terms, including any co-branding arrangements (which are subject to McDonald's approval in its sole judgment), other than in any case where McDonald's has expressly authorized or approved such use in writing;

(c) In relation to any unauthorized services or products;

(d) As part of any domain name, electronic address, electronic mail address, Internet home page, intranet, extranet or website (other than in any case where McDonald's has expressly authorized or approved such use in writing); or

(e) In any manner not expressly authorized by this Agreement.

7.9.3 If so requested by McDonald's in writing, Brazilian Master Franchisee shall identify itself as the independent owner of its business, give notices o trademark and service mark registrations in the manner McDonald's specifies, obtain such fictitious or assumed name registrations as may be required under Applicable Law to distinguish itself from McDonald's and its Affiliates, and provide evidence of Brazilian Master Franchisee's use of the Trademarks, both in form and content.

7.9.4 McDonald's shall have the right to modify or discontinue the use by McDonald's, Brazilian Master Franchisee or any of its Subsidiaries or any Franchisee of any Trademark or the specifications for use of any Trademark, or to require Brazilian Master Franchisee or any of its Subsidiaries or any Franchisee to commence use of new or substitute Trademarks. Brazilian Master Franchisee shall, and shall require each of its Subsidiaries and each Franchisee to, promptly comply with any such changes at Brazilian Master Franchisee's or Franchisee's sole expense. McDonald's shall not have any obligation to reimburse Brazilian Master Franchisee or any Franchisee for any expenditures made by Brazilian Master Franchisee or any Franchisee to modify or discontinue the use of any Trademark or to adopt additional or substitute trademarks, including any expenditures relating to any Franchised Restaurant or to advertising, promotional materials or signage.

7.9.5 None of Brazilian Master Franchisee or any of its Subsidiaries or Franchisees shall do anything that does or could reasonably be expected to: (a) bring any of the Trademarks into disrepute; (b) cause any detriment or harm to the goodwill, reputation or value associated with the Trademarks; (c) affect the validity or enforceability of the Trademarks, including by allowing any of the Trademarks to become generic, diluted or prejudiced, or lose their distinctiveness (including on the grounds of non-use thereof), or (d) otherwise prejudice any registration or application for registration of any of the Trademarks.

7.10 Copyrights.

7.10.1 To the extent permitted by Applicable Law, if Brazilian Master Franchisee or any Franchisee creates any adaptations or derivative works based upon or incorporating any of the Copyrights, Brazilian Master Franchisee shall, and shall cause each such other Person to, assign to McDonald's all right, title and interest that any of them may have or acquire in such adaptations and derivative work and waive any moral

rights that have or may accrue to them. Each such adaptation or derivative work shall constitute Copyrights hereunder.

7.10.2 McDonald's authorizes Brazilian Master Franchisee to translate the Copyrights into foreign languages necessary in order to use the Copyright pursuant to the Brazilian Master Franchisee Rights. Brazilian Master Franchisee represents and warrants that any such translation shall be accurate and complete Brazilian Master Franchisee acknowledges and agrees that any translation of the Copyrights shall be McDonald's sole and exclusive property, and Brazilian Maste Franchisee assigns to McDonald's all right, title and interest in each such translation. Any such translation shall constitute Copyrights hereunder. McDonald's is expressly authorized by Brazilian Master Franchisee to register such translation in its own name or in the name of any Affiliate of McDonald's, with any applicable Governmental Authority within Brazil. Brazilian Master Franchisee acknowledges that, in case of termination or expiration of this Agreement, McDonald's may authorize the use of such translation to any third party in its sole discretion. Brazilian Master Franchisee and Franchisees shall modify or discontinue use o Copyrights or adopt and use new, revised or additional Copyrights if instructed to do so by McDonald's, at Brazilian Master Franchisee's and Franchisees' sole expense.

7.11 Trade Secrets. Brazilian Master Franchisee acknowledges that the Trade Secrets constitute McDonald's valuable confidential and proprietary information Brazilian Master Franchisee shall and shall require its Franchisees to take all commercially reasonable steps to protect the confidentiality of the Trade Secrets and to prevent the unauthorized disclosure of the Trade Secrets, including employing the practices and procedures that it uses to protect its own trade secrets and other confidential or proprietary information. Brazilian Master Franchisee shall restrict disclosure of the Trade Secrets to its employees, agents, Franchisees and other authorized Persons on a need-to-know basis and only after such Persons have been informed of, and are subject to obligations in writing to maintain, the Trade Secrets' confidentiality. Brazilian Master Franchisee shall not use, disclose or reproduce, or authorize any other Person to use, disclose or reproduce, the Trade Secrets for any reason or purpose except in connection with the operation of the Franchised Restaurants.

7.12 Names. Notwithstanding anything to the contrary in this Agreement and its status as a non-Affiliate of McDonald's Corporation, Brazilian Maste Franchisee may continue to use any legal name or "operating as" name that includes any Intellectual Property that may imply ownership by an Affiliate or Subsidiary o McDonald's Corporation, including "Arcos Dourados."

7.13 Restrictions on Purchase of Data Without McDonald's specific prior written consent, Brazilian Master Franchisee shall not, and shall procure that its Subsidiaries and Franchisees shall not purchase any data from any third-party sellers (other than any data purchased from any reputable and internationally recognized third-party sellers (for example Meta, Google, Nielsen and Quantium), prioritizing, but not limited to, McDonald's existing third-party data suppliers, in the ordinary course o business consistent with past practice, where Brazilian Master Franchisee has conducted reasonable due diligence to validate that such third party has obtained the necessary consents in compliance with all Applicable Laws to permit Brazilian Master Franchisee's use of such data). To the extent any data is purchased from third-

party sellers, Brazilian Master Franchisee shall, and shall procure that its Subsidiaries and Franchisees shall, segregate or separately identify such purchased data as bought-in data, to ensure it is not co-mingled with data generated by the Brazilian Franchise Business.

8. Relationship of the Parties

8.1 Relationship of Parties. The Parties shall be independent contractors. This Agreement shall not create any fiduciary relationship between McDonald's, on the one hand, and Brazilian Master Franchisee, on the other hand. Nothing in this Agreement is intended to make Brazilian Master Franchisee a general or special agent, legal representative, subsidiary, joint venturer, partner, employee or servant of McDonald's. Brazilian Master Franchisee shall not represent that it has any relationship with McDonald's other than as expressly permitted by this Agreement. McDonald's shall not be obligated by or have any liability under any agreement, representation or warranty made by Brazilian Master Franchisee. McDonald's shall not be obligated for any damages to any Person or property directly or indirectly arising out of the Brazilian Franchise Business, whether or not caused by the negligent or willful action or failure to act of Brazilian Master Franchisee or any of its respective Affiliates. McDonald's shall have no liability for any sales, service, value-added, use, excise, gross receipts, property, workers' compensation, unemployment compensation, withholding or other taxes, whether levied upon Brazilian Master Franchisee or its respective Assets or income, or upon McDonald's in connection with services performed or business conducted by any of them. Withholding taxes when required by Applicable Law and payment of all such taxes shall be the sole responsibility of Brazilian Master Franchisee as required by Applicable Law.

8.2 No Implied Employment Relationship. This Agreement shall not create any employment relationship between McDonald's, on the one hand, and Brazilian Master Franchisee, on the other hand, or their personnel, employees or any independent contractor hired by any of them. Brazilian Master Franchisee assumes all obligations and responsibilities with respect to its employees under labor or social security laws in Brazil and all other Applicable Law.

9. Indemnification; No Liability

9.1 Brazilian Master Franchisee Indemnifies McDonald's. Brazilian Master Franchisee agrees to defend, indemnify and hold harmless McDonald's, its Affiliates and all of their respective stockholders, directors, officers, employees, agents, attorneys-in-fact and representatives, consultants, independent contractors, designees, successors and assigns, and each such Person's McDonald's Related Parties and representatives (the "McDonald's Indemnified Parties"), from and against any and all Losses and Expenses arising out of, in connection with, or relating to, any act or omission of Brazilian Master Franchisee or any Franchisee in connection with the Brazilian Franchise Business or any Franchised Restaurant, including:

9.1.1 Any Claim by any third party;

9.1.2 Any breach, violation or failure of any such Person to perform or comply with of any of their respective representations, warranties or obligations arising out of or relating to this Agreement or any Franchise Agreement (including the failure to comply with any applicable Standards);

9.1.3 Any negligence, recklessness, misconduct or criminal act by any such Person or any of its Related Parties or their respective employees o personnel;

9.1.4 The infringement or other violation of any patent, trademark, copyright or other proprietary rights of any third party, or the right of privacy or right of publicity, or the laws of unfair competition, in connection with this Agreement; provided that Brazilian Master Franchisee shall not be responsible for any such infringement or other violation to the extent that it involves the use of Intellectual Property as authorized by McDonald's;

9.1.5 The death of or injury to any person, damage to any property, or any other damage, loss or injury, by whomsoever suffered, resulting or claimed to result, in whole or in part, from any latent or patent defect in connection with the operation of the Brazilian Franchise Business or any Franchised Restaurant including improper construction and / or design, or any claim of strict liability (or like theory of law) tort relating the operation of the Brazilian Franchise Business o any Franchised Restaurant;

9.1.6 Any voluntary or mandatory recall of products that is due to a breach or violation by Brazilian Master Franchisee or any of its Affiliates of any o their obligations hereunder, any deviation from any applicable Standards or specifications by Brazilian Master Franchisee or any of its Affiliates, or any failure by Brazilian Master Franchisee or any of its Affiliates to perform services and / or provide products in accordance with the terms of this Agreement;

9.1.7 Any failure to warn or inadequate warnings and / or instructions relating to any products; and

9.1.8 Any and all Losses and Expenses arising out of or based upon (i) any untrue or alleged untrue statement of a material fact contained in any Offering Document; (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; or (iii) any actions or proceedings in respect of the foregoing that is pending or threatened against a McDonald's Indemnified Party or in which a McDonald's Indemnified Party participates, whether or not such McDonald's Indemnified Party's participation in such action or proceeding is as a party to such action or proceeding.

9.2 Rights and Responsibilities of Indemnitor and Indemnitee In the event of any Claim or allegation entitling any McDonald's Indemnified Party to indemnification by another Party hereunder, or in the event that any Party discovers facts that will likely give rise to a claim for indemnification hereunder, the McDonald's Indemnified Party entitled to indemnification hereunder (the "Indemnitee") shall promptly notify the Party obligated to provide such indemnification (the "Indemnitor") of same in writing giving reasonable detail of the Claim, allegation or discovered facts (provided that the Indemnitee's delay in furnishing notice of claims to Indemnitor shall not discharge the Indemnitor from its indemnification obligation hereunder, except to the extent such delay results in actual prejudice to Indemnitor or its inability to effectively defend the Claims or allegations).

9.3 McDonald's as Indemnitee. With respect to any Claims or allegations for which Brazilian Master Franchisee is obligated to indemnify McDonald's pursuan to the terms of this Agreement, McDonald's reserves the right to determine whether Brazilian Master Franchisee on the one hand, or McDonald's, on the other hand, sha assume the defense of such Claims or allegations, and in either case, to employ counsel selected by McDonald's in its discretion, and to control the defense and settlement of any such Claims or allegations, acting reasonably and in accordance with good faith business judgment with respect thereto, at Brazilian Master Franchisee's expense and without relieving Brazilian Master Franchisee of any of its obligations hereunder. The rights of McDonald's Indemnified Parties under this Agreement are in no way contingent upon or limited by McDonald's Indemnified Parties seeking to recover or recovering from third parties or otherwise mitigating their losses.

9.4 No Liability. Except as expressly provided in this Agreement, neither McDonald's nor any of its McDonald's Related Parties assumes any direct or indirec liability or obligation to any Brazilian Master Franchisee with respect to the Brazilian Franchise Business and neither McDonald's nor any such Related Party shall have an liability to Brazilian Master Franchisee for damages of any kind, whether direct, consequential or otherwise incident to the conduct of the Brazilian Franchise Business, an Franchisee or any Franchised Restaurant.

10. Transfer; Securities Offerings

10.1 Transfer of Rights by McDonald's. McDonald's may directly or indirectly Transfer all or any part of this Agreement, or all or any of its rights or obligations herein, to any Person as long as such Person expressly assumes and agrees to perform McDonald's obligations under this Agreement. No such Transfer shall release Brazilian Master Franchisee from its obligations under this Agreement, except to the extent expressly agreed by McDonald's.

10.2 Transfer of Rights by Brazilian Master Franchisee Neither this Agreement nor any of their rights and obligations under this Agreement may be Transferred by Brazilian Master Franchisee without McDonald's prior consent.

10.3 Securities Offerings. In connection with any public or private offering of Securities by Brazilian Master Franchisee (a "Securities Offering"):

10.3.1 McDonald's shall have the right to review all documentation (including any Offering Document) relating to such Securities Offering reasonably in advance of such Securities Offering, at Brazilian Master Franchisee's sole expense, and Brazilian Master Franchisee shall use its best efforts to incorporate any comments McDonald's may have with respect to any of such documentation.

10.3.2 Brazilian Master Franchisee shall cause the issue of such Securities Offering to include a disclaimer substantially similar to the following in an Offering Document relating to such Securities Offering:

"This is an offering by [insert name of issuer] and not by McDonald's Corporation or any of its affiliates. McDonald's Corporation and its affiliates make no representation or warranty, express or implied, for or in respect of the information contained herein."

10.3.3 Brazilian Master Franchisee shall not use (i) the McDonald's "golden arches" design or any design incorporating the McDonald's "golden arches" design; (ii) the phrase "I'm lovin' it"; or (iii) the McDonald's name, in each case on any Securities issued in any Securities Offering or any Offering Document, other than any use of the McDonald's name in connection with a description of the rights obtained under this Agreement.

11. Material Breaches and Remedies

11.1 Material Breaches by Brazilian Master Franchisee Brazilian Master Franchisee shall be considered to be in default of its obligations under this Agreement upon the occurrence and during the continuance of any Material Breach.

11.2 Material Breaches. Each of the following events is a "Material Breach" hereunder:

11.2.1 The material breach by Brazilian Master Franchisee of any of its obligations under this Agreement, including but not limited to compliance with the System and the Standards; provided, that Brazilian Master Franchisee has failed to cure such material breach within 30 days after receipt of notice thereof from McDonald's;

11.2.2 To the fullest extent permitted by Applicable Law, the insolvency or making of a general assignment for the benefit of creditors of Brazilian Master Franchisee; the voluntary filing by Brazilian Master Franchisee of a petition in commercial insolvency (including a *concurso mercantil*); the filing by any other Person of such a petition against Brazilian Master Franchisee, which is not dismissed within 60 Business Days after the filing date; the adjudication of Brazilian Master Franchisee as bankrupt or insolvent; the filing by or with the consent of Brazilian Master Franchisee of any other proceeding for the appointment of a receiver, a conciliator or an auditor of Brazilian Master Franchisee or other custodian or similar official for the business or Assets of Brazilian Master Franchisee or any part thereof; the appointment by any court of competent jurisdiction of a receiver, a conciliator or an auditor or other custodian (permanent or temporary) of Assets of Brazilian Master Franchisee, or any part thereof; or the institution of proceedings for a composition with creditors under Applicable Law of Brazil by or against Brazilian Master Franchisee;

11.2.3 The indictment on charges or conviction of Brazilian Master Franchisee or any of its agents or employees by a court or other body of competent jurisdiction, or pleading no contest by such Person to, (a) a crime or offense that is punishable by incarceration for more than (1) one year or a felony; or (b) a crime or offense that involves terrorist financing, financial crimes, bribery or corruption; (c) a fraudulent or dishonest activity, including the concealment of revenues or the provision of false or misleading financial information relating to the Brazilian Franchise Business; (d) understatement in an intentional, reckless or grossly negligent manner of the Gross Sales of any Brazilian Master Franchisee Restaurant; or (e) a crime or offense or the indictment on charges thereof that, in the determination of McDonald's, is likely to adversely affect the reputation of such Person, any Franchised Restaurant, McDonald's or any of its Affiliates or the Trademarks, or otherwise adversely affect the System, McDonald's Restaurants or the goodwill associated with the Trademarks;

11.2.4 The participation by Brazilian Master Franchisee or any of its Subsidiaries in any fraudulent or dishonest activity that is material to the Brazilia Franchise Business in Brazil or the failure by Brazilian Master Franchisee to report to McDonald's any such fraudulent or dishonest activity by any of the employee or agents of Brazilian Master Franchisee or any of its Subsidiaries, including the concealment of revenues or the provision of false or misleading financial information.

11.2.5 The entry of any judgment against Brazilian Master Franchisee in excess of $5,000,000, or the failure to pay any creditor, any Distributor o Governmental Authority, any amount as and when due and payable, that is not duly paid or otherwise discharged within 30 days, unless such judgment is being contested on appeal in good faith by Brazilian Master Franchisee;

11.2.6 The default by Brazilian Master Franchisee under any Financing Agreement which continues beyond any applicable cure period set forth in any such Financing Agreement, which default shall be deemed to materially and adversely affect the Brazilian Franchise Business if it was caused by Brazilian Maste Franchisee and shall have resulted in or formed the basis of the acceleration of all amounts then due and payable under any such Financing Agreement;

11.2.7 The engagement by Brazilian Master Franchisee or any of its Affiliates in Brazil in public conduct that reflects materially and unfavorably upon th operation of McDonald's Restaurants, the System or the goodwill associated with the Intellectual Property, and the failure of Brazilian Master Franchisee to ceas such conduct within five days after receipt of notice thereof from McDonald's; provided, that engagement in legitimate political activity (including testifying, lobbying, or otherwise attempting to influence legislation to the extent not in violation of the U.S. Foreign Corrupt Practices Act or similar anti-corruption or money launderin law applicable in Brazil) shall not be grounds for termination;

11.2.8 The engagement by Brazilian Master Franchisee or any of its Affiliates in Brazil in an act constituting gross negligence, recklessness or intentional o willful misconduct relating to the conduct of the Brazilian Franchise Business that, in the determination of McDonald's, is likely to materially adversely affect th reputation of McDonald's or any of its Affiliates or the Trademarks, or otherwise materially adversely affect the System, McDonald's Restaurants or the goodwi associated with the Trademarks; provided that engagement in legitimate political activity (including testifying, lobbying, or otherwise attempting to influence legislation to the extent not in violation of the U.S. Foreign Corrupt Practices Act or similar anti-corruption or money laundering law applicable in Brazil) shall not be ground for termination;

11.2.9 The failure by Brazilian Master Franchisee to comply with any provision of this Agreement other than those defined as a Material Breach more tha once in any period of 12 consecutive months, regardless of whether (a) any such breach is a Material Breach or not; (b) any such breach was cured or not; or (c) such breaches were of the same nature or not; provided, that (i) promptly following any such breach by Brazilian Master Franchisee, McDonald's shall notif Brazilian Master Franchisee in writing that the first breach (as contemplated by this Section) has occurred, and (ii) thereafter, a

Material Breach shall have occurred only to the extent that Brazilian Master Franchisee (x) commits a subsequent breach within the 12-month period following the date of such initial notice and (y) fails to cure such breach within 30 days after McDonald's delivers to Brazilian Master Franchisee a notice referencing this Section;

11.2.10 The failure by Brazilian Master Franchisee to achieve:

(a) at least 80% of the aggregate Targeted Openings during any one calendar year of any Restaurant Opening Plan applicable to both Brazil and Mexico;

(b) during the first ten (10) years of the Terms, at least 90% of the aggregate Targeted Openings during any Two-Year Compliance Period of the Restaurant Opening Plans applicable to both Brazil and Mexico; or

(c) at least 90% of the aggregate Targeted Openings during any Three-Year Compliance Period of any Restaurant Opening Plan applicable to both Brazil and Mexico;

11.2.11 The failure by Brazilian Master Franchisee to comply with at least 80% of the (i) U.S. Dollar funding requirements or (ii) Reimaging and Modernization requirements of any Reinvestment Plan with respect to Brazil as and when such Reinvestment Plan is required to be implemented for a period of one year after notice thereof has been given to Brazilian Master Franchisee;

11.2.12 The failure by Brazilian Master Franchisee to pay any amount required to be paid to McDonald's under this Agreement (including overdue interest thereon as provided in Section 14.2.3) that in the aggregate exceeds $80,000,000;

11.2.13 The entry into any agreement (including any unsecured or secured debt facility, indenture or other instrument or agreement) Brazilian Master Franchisee or any of its Subsidiaries that is materially adverse to any of McDonald's rights in respect of the Intellectual Property;

11.2.14 Brazilian Master Franchisee or its Franchisees' failure to use the Intellectual Property in compliance with this Agreement and the Standards, and fail to cure such breach within thirty (30) days of receipt of notice thereof from McDonald's;

11.2.15 Brazilian Master Franchisee or its Franchisees sells food or beverage products other than the Menu Items, sells Menu Items that fail to conform to the Standards in their composition or preparation, or fails to sell all of the core Menu Items approved by McDonald's, and failure to cure any such breach within thirty (30) days of receipt of notice thereof from McDonald's;

11.2.16 Brazilian Master Franchisee or its Franchisees fails to comply with any Applicable Law or the Standards pertaining to food safety or prevention of food or beverage adulteration and, to the extent curable, fails to cure any such breach within ten (10) days of receipt of notice thereof from McDonald's; or

11.2.17 Brazilian Master Franchisee commits a Transfer in violation of this Agreement.

12. Remedies

12.1 Discretionary Termination of this Agreement. Upon the occurrence and during the continuance of a Material Breach (other than any Material Breach specified in Section 11.2.10(a), McDonald's, at its sole discretion, may terminate this Agreement.

12.2 Discretionary Termination of Exclusive Right. Solely in the case of any Material Breach specified in Section 11.2.10(a), McDonald's, at its option, may terminate the exclusive right of Brazilian Master Franchisee to exploit the Brazilian Master Franchisee Rights granted in Section 3.

12.3 Mandatory Closure of Franchised Restaurants In addition to McDonald's right to terminate this Agreement under Section 12.1, and other rights and remedies under this Agreement and Applicable Law, McDonald's has the right to terminate Brazilian Master Franchisee's right to operate any Franchised Restaurant effective upon notice to Brazilian Master Franchisee without any opportunity to cure, upon the occurrence of one (1) or more events described below:

12.3.1 The failure to maintain possession or occupation of the Real Estate on which the relevant Franchised Restaurant is located;

12.3.2 The suspension, revocation or non-renewal of licenses or permits necessary for the proper operation of the relevant Franchised Restaurant; or

12.3.3 The material breach by Brazilian Master Franchisee of any of its other obligations under this Agreement with respect to the relevant Franchised Restaurant, including the obligation to maintain and operate the relevant Franchised Restaurant in a clean and wholesome manner in compliance with the Standards and Brazilian Master Franchisee fails to cure such breach within ninety (90) days of receipt of notice thereof from McDonald's.

12.4 Restrictions on Distributions. In addition to McDonald's right to terminate this Agreement under Section 12.1 for a Material Breach and other rights and remedies under this Agreement and Applicable Law, McDonald's shall have the right in its sole judgment to restrict Brazilian Master Franchisee from making any Restricted Payments during the Restricted Payments Period, in the event that Brazilian Master Franchisee fails to pay any amounts due under this Agreement, including due to an understatement of Gross Sales, and fails to cure such breach within thirty (30) days of receipt of notice thereof from McDonald's (the "Restricted Payment Trigger Event").

12.5 Mitigation. McDonald's shall have the right, but not the obligation, to take such action as it may deem necessary or appropriate to cure or remediate any Material Breach, but no such action, cure or remediation shall constitute a waiver of any of McDonald's rights or remedies hereunder or under Applicable Law with respect to such Material Breach. Any such actions taken by McDonald's shall be at the sole expense of Brazilian Master Franchisee.

12.6 Automatic Termination. Upon (i) the occurrence of a Material Breach specified in Section 11.2.2 or (ii) termination of the LatAM MFA, this Agreemen shall terminate without the need for any Party to take any further action.

13. Rights and Obligations Upon Termination or Expiration of the Master Franchise According to its Terms

13.1 Termination or Expiration of this Agreement. If this Agreement expires or terminates according to its terms, then:

13.1.1 McDonald's shall have the right, but not the obligation, to acquire all, but not less than all, of the Equity Interests in Brazilian Master Franchisee a fair market value, as determined in accordance with terms to be agreed upon between the Parties.

13.1.2 Brazilian Master Franchisee shall pay to McDonald's and its Affiliates, within ten Business Days following the effective date of the termination o expiration of this Agreement, or such later date that the amounts due are determined as provided in this Agreement any amounts owed to McDonald's or any of its Affiliates which are then unpaid and any late charges with respect thereto.

13.1.3 In the event McDonald's does not exercise its right to acquire all of the Equity Interests in Brazilian Master Franchisee pursuant to Section 13.1.1, then McDonald's shall execute and deliver all necessary documents and instruments and perform any additional acts that McDonald's determines to be necessary or appropriate to confirm the continuing rights to the Intellectual Property and otherwise of any Franchisee under a Franchise Agreement the term of which extend beyond the applicable Term.

13.1.4 McDonald's shall have the option to purchase the furniture, fixtures, signs, equipment, leasehold improvements and other similar fixed property (but excluding, for the avoidance of doubt, Real Estate or rights therein) or any portion thereof held by the Franchised Restaurant(s) designated by McDonald's, for a sum equal to the fair market value of such property, by delivering a written notice to Master Franchisee within sixty (60) days following any such termination or expiration. If McDonald's and Brazilian Master Franchisee fail to agree on the fair market value within sixty (60) days after McDonald's notice, the fair marke value of such property shall be determined by a reputable international accounting firm designated by McDonald's.

13.2 Responsibilities of Brazilian Master Franchisee upon Termination or Expiration. Upon termination or expiration of this Agreement, the Brazilian Maste Franchisee shall:

13.2.1 Not directly or indirectly at any time or in any manner identify itself or any business as a current Brazilian Master Franchisee or licensee of, or as otherwise associated with McDonald's or any of its Affiliates, or use any Intellectual Property or any colorable imitation thereof in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with McDonald's or any of its Affiliates.

13.2.2 Unless McDonald's is entitled to and does exercise its right to acquire the Equity Interests in Brazilian Master Franchisee, within five Business Day remove all signs, structures, elements or designs incorporating or containing any Intellectual Property, and return to McDonald's or destroy all items, forms and materials containing any Intellectual Property or otherwise identifying or relating to a Franchised Restaurant and to comply fully with all Standards applicable to the closing or transfer of a McDonald's Restaurant;

13.2.3 Within five Business Days, take such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to Brazilian Master Franchisee's use of any Intellectual Property;

13.2.4 Not sell any McDonald's branded product or service identified as part of the System;

13.2.5 If applicable, notify all relevant Persons with regard to Electronic Properties within Brazil of the termination or expiration of this Agreement and Transfer (or cause to be Transferred) any such Electronic Property within Brazil to McDonald's or any other Person designated by McDonald's;

13.2.6 Not sell any equipment covered by Patents to any third party unless authorized in writing by McDonald's and to comply with McDonald's directions regarding the disposition of such equipment at Brazilian Master Franchisee's sole expense;

13.2.7 Furnish to McDonald's, within 30 Business Days after the effective date of termination or expiration, evidence satisfactory to McDonald's of Brazilian Master Franchisee's compliance with the foregoing obligations;

13.2.8 Immediately cease to use any of the Confidential Information which has been disclosed to, or otherwise learned or acquired by Brazilian Master Franchisee and, no later than three Business Days after termination or expiration, return to McDonald's all copies of all Operations Manuals and all material containing Confidential Information which have been loaned or made available hereunder; and

13.2.9 Within thirty (30) days of notice from McDonald's, at Brazilian Master Franchisee's sole cost, Transfer Information and other data specified by McDonald's to McDonald's (or its designee) in compliance with McDonald's directions. For the avoidance of doubt, any and all analytics data, metrics, findings, insights, results, reports and such other information derived (entirely or partially) from Information, data in respect of any and all targeted Persons as potential customers of McDonald's, and/or data related to the Brazilian Franchise Business and Franchised Restaurants, shall be included in Brazilian Master Franchisee's obligation to transfer under this Section 13.2.9.

13.3 Right to Hire Former Employees. McDonald's shall be entitled to interview, solicit and / or hire any former employee of any Franchised Restaurant that are no longer being operated by Brazilian Master Franchisee or a Franchisee.

13.4 Accrued Rights and Liabilities. For the avoidance of doubt, each Party acknowledges and agrees that the termination or expiration of this Agreement will not amount to any release or waiver of any right, claim or remedy which any Party may have which has accrued (or, in the case of a contingent liability, may accrue) under, in relation to or otherwise in connection with this Agreement prior to its termination or expiry.

14. General Provisions

14.1 Effective Date. This Agreement shall become effective on the later of (i) the first date on which each of Brazilian Master Franchisee and McDonald's shall have received all other consents and approvals required to be obtained in order for this Agreement to be the valid, binding and enforceable instrument of such Party, and (ii) January 1, 2025 (such date, the "Effective Date"), except for Section 1 (*Definitions and Interpretation*), Section 14 (*General Provisions*), Section 15 (*Governing Law and Arbitration*) and Exhibit 1 (*Definitions*), which shall come into effect and be binding on the Parties from the Execution Date. The Second A&R MFA continues to govern the rights and obligations of the Parties from the Execution Date until the Effective Date.

14.2 Payments.

14.2.1 Brazilian Master Franchisee's obligation to pay any fee or make any payment to McDonald's at the times and in the manner required under this Agreement shall in no event be conditioned upon receipt by Brazilian Master Franchisee of any amount from any Franchisee.

14.2.2 Brazilian Master Franchisee shall at all times participate in an automatic debit/credit transfer program as specified by McDonald's from time to time for the payment of all amounts due to McDonald's hereunder. Brazilian Master Franchisee shall execute and deliver to McDonald's such documents and instruments as may be necessary to establish and maintain such an automatic debit/credit transfer program.

14.2.3 Amounts payable by Brazilian Master Franchisee hereunder shall be paid in U.S. Dollars and shall be due and payable on the dates specified herein. If any payment required hereunder is not made when due, Brazilian Master Franchisee shall, to the fullest extent permitted by Applicable Law, pay to McDonald's interest on the past due amount from and including the due date for such payment to, but excluding, the date of actual payment thereof at a *per annum* rate equal to the highest rate allowed by Applicable Law or, if there is no maximum rate permitted by Applicable Law, then 15%. Such interest will be calculated on the basis of monthly compounding and the actual number of days elapsed, *divided by* 365. This late charge shall be in addition to any other remedy available to McDonald's hereunder or under Applicable Law. Brazilian Master Franchisee acknowledges that nothing contained in this Section shall constitute an agreement by McDonald's to accept any overdue payment or a commitment by McDonald's to extend credit to, or otherwise finance, Brazilian Master Franchisee's operation of the Brazilian Master Business.

14.2.4 Except for Royalties, the calculation of U.S. Dollar equivalents for any amount payable hereunder on any day shall be made using (a) on the spo rate of exchange for settlement on such date as reported in *The Wall Street Journal*, Eastern Edition, as the New York foreign exchange selling rate applying to trading among banks in amounts of $1,000,000 or more, or, if not so reported; or (b) the arithmetic average of the day's spread for settlement on such date as reported in the *Financial Times*, London Edition. In the case of Royalties, the calculation of the amounts payable shall be based on the arithmetic average of the exchange rates determined in accordance with the preceding sentence of each day on which such exchange rates are published in the respective calendar month for which such Royalties are owed.

14.2.5 The U.S. Dollar is the sole currency of account and payment for all amounts payable by any Brazilian Master Franchisee to McDonald's hereunde including damages. Any amount received or recovered in currency other than U.S. Dollars (whether as a result of, or of the enforcement of, a judgment or order o a court of any jurisdiction or otherwise) shall only constitute a discharge of Brazilian Master Franchisee to the extent of the U.S. Dollars that McDonald's is able t purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that U.S. Dollar amount is less than the amount expressed to be due to McDonald's, Brazilia Master Franchisee shall indemnify and hold harmless McDonald's against any loss or cost sustained by it in making any such purchase. For the purposes of this Section, it shall be sufficient for McDonald's to certify that it would have suffered a loss had an actual purchase of U.S. Dollars been made with the amount s received in that other currency on the date of receipt or recovery (or, if a purchase of U.S. Dollars on such date had not been practicable, on the first date on which it would have been practicable). If Brazilian Master Franchisee is unable to pay Royalties in U.S. Dollars as result of the imposition of any exchange controls by an Governmental Authority, then Brazilian Master Franchisee shall cause any of its Affiliates to make such payments on its behalf, or use any lawful alternative available to it to pay such Royalties in U.S. Dollars, as and when such payment is due and payable.

14.2.6 Except to the extent provided in this Section, amounts payable by Brazilian Master Franchisee to McDonald's hereunder shall be made withou withholding or deduction for or on account of any present or future taxes, duties, assessments, fees or other governmental charges imposed or levied by or on behalf of any jurisdiction within Brazil or any political subdivision or taxing authority thereof or therein ("Local Taxes"), except that Brazilian Master Franchisee shal withhold and pay by their due date all Local Taxes, if any, which are required to be withheld and paid by the Brazilian Master Franchisee under the Applicable Law of Brazil by the Brazilian Master Franchisee to McDonald's under this Agreement. If any Local Taxes withheld by Brazilian Master Franchisee or otherwise imposed on McDonald's in respect of such a payment are not creditable by McDonald's for U.S. federal income tax purposes (including as a result of McDonald's not being treated as the recipient and beneficial owner of the related income for Local Tax purposes, or otherwise not being treated as the taxpayer with respect to such Local Taxes for U.S. foreign tax credit purposes), Brazilian Master Franchisee will pay to McDonald's such additional amounts as may be necessary to ensur that any net payment received by McDonald's after such withholding or other payment of Local

Taxes is equal to the amount that McDonald's would have received had no such withholding or other payment been required. Brazilian Master Franchisee shal indemnify and hold McDonald's and its Affiliates harmless against any penalties, interest or expenses incurred by or assessed against McDonald's or its Affiliates as a result of the failure by any Brazilian Master Franchisee to withhold Local Taxes or to pay the Local Taxes by their due date to the appropriate taxing authority.

14.3 Set-Off Rights. Brazilian Master Franchisee shall not have any right to any set-off, counterclaim, recoupment, defense or other claim, right or actior whatsoever against McDonald's or any of its Affiliates.

14.4 Severability. If any provision of this Agreement is invalid, inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering such provision invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision hereof invalid, inoperative, or unenforceable to any extent whatsoever. If any provision of this Agreement is held to be invalid, inoperative or unenforceable for any reason, Brazilian Master Franchisee and McDonald's shall negotiate in good faith to agree to replacement provisions that to the greatest extent possible achieve the intended objectives of the original severed provisions on terms that are valid, operative and enforceable.

14.5 Approvals and Consents of McDonald's. Unless a different standard is expressly required in this Agreement, whenever in this Agreement any action is subject to McDonald's prior approval or consent, such approval or consent may be granted or denied by McDonald's in the exercise of its discretion or business judgment based on its assessment of the overall best interest of the System and / or franchise program. Brazilian Master Franchisee shall make a timely written request for any such approval or consent, and each such approval or consent shall be evidenced by a writing signed by an officer of McDonald's. Any approval or consent may be subject to such conditions as McDonald's deems appropriate or be granted on a "test" or temporary basis.

14.6 Delegation. Any Affiliate, designee, employee, regional office, branch, contractor, service provider or agent of McDonald's Group may perform any obligation imposed on McDonald's, or exercise any right granted to McDonald's, by this Agreement, as McDonald's may in its sole judgment designate from time to time provided, however, that McDonald's shall remain fully responsible to Brazilian Master Franchisee for all of such delegated obligations.

14.7 Waiver. No Party to this Agreement may (a) extend the time for the performance of any of the obligations or other acts of any other Party; or (b) waive compliance with any of the agreements of the other Party or conditions to such Party's obligations contained herein, except to the extent such extension or waiver is set forth in an instrument in writing signed by the Party to be bound thereby. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition of this Agreement. The failure of any Party hereto to assert any of its rights hereunder shall not constitute a waiver of any of such rights. All rights and remedies existing under this Agreement are cumulative with, and not exclusive of, any rights or remedies otherwise available under this Agreement or under Applicable Law. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

14.8 Benefits of this Agreement. This Agreement is binding upon the Parties hereto and their respective executors, administrators, heirs, permitted Transferees and successors in interest. This Agreement shall inure to the benefit of any permitted Transferee, to McDonald's, its Affiliate and licensors as provided in Sections 7 and 10 and to the McDonald's Indemnified Parties. McDonald's Corporation shall be an intended third party beneficiary of each obligation owed to McDonald's by Brazilian Master Franchisee under this Agreement.

14.9 Counterparts and E-Signature. This Agreement may be executed and delivered in one or more counterparts, and by the different Parties hereto in separate counterparts, each of which when executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. The execution by one Party of any counterpart shall be sufficient execution by that Party whether or not the same counterpart has been executed by any other Party. The exchange of executed counterparts of this Agreement or of signature pages by electronic transmission (including email) will constitute effective execution and delivery of this Agreement, and may be used in lieu of the original for all purposes. This Agreement shall become effective when each Party has signed at least one (1) counterpart. This Agreement may be executed through the use of electronic signature, which each Party acknowledges is a lawful means of obtaining signatures. Each Party agrees that its electronic signature on this Agreement is the legal equivalent of its handwritten signature on this Agreement. Each Party further agrees that its use of a key pad, mouse, mobile phone or other device to select an item, button, icon or similar act/action to electronically sign this Agreement constitutes its signature of this Agreement as if actually signed by such Party in writing. Each Party also agrees that no certification authority or other third-party verification is necessary to validate its e-signature and that the lack of such certification or third-party verification will not in any way affect the enforceability of its e-signature on this Agreement.

14.10 Specific Performance. Brazilian Master Franchisee acknowledges and agrees that any violation ofSection 7 or Section 10 would cause McDonald's irreparable injury for which damages may not be adequate, and that McDonald's shall be entitled to injunctive relief, preventive measures or any remedy as may be available, whether judicially or extra-judicially, and including specifically such relief as may be provided by a court of competent jurisdiction or any other Governmental Authority in the exercise of its powers, in order to enforce the obligations established therein and / or to restrain any actual or threatened conduct of any Party in violation of any such Section.

14.11 Notices. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent via an internationally recognized overnight delivery service, or sent by electronic transmission to the following respective addresses or e-mail address unless and until a different address or e-mail address has been designated by written notice to each other Party:

If to McDonald's:

McDonald's Latin America, LLC
110 North Carpenter Street
Chicago, Illinois 60607 U.S.A.
Attention: General Counsel of Latin America
Email: dl.notices@us.mcd.com

With a copy to:

McDonald's Corporation
110 North Carpenter Street
Chicago, Illinois 60607 U.S.A.
Attention: General Counsel
Email: dl.notices@us.mcd.com

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, New York 10006
Attention: Chantal E. Kordula; Nallini Puri
Email: ckordula@cgsh.com;
npuri@cgsh.com

Arcos Dourados Comercio de Alimentos S.A.
Alameda Amazonas, 253
Barueri, São Paulo
Brazil 06454-070

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attention: Maurice Blanco;
Frank J. Azzopardi
Email: maurice.blanco@davispolk.com;
frank.azzopardi@davispolk.com

Notices shall be addressed to the Party to be notified at its most current business address or telecopy number or e-mail address of which the notifying Party has been notified. Any notice shall be deemed to have been given at the earlier of receipt, or the next Business Day after sending by facsimile, electronic transmission or overnight delivery service. "Business Day", for purposes of this Section, shall mean a day other than a Saturday, Sunday or other day on which commercial banking institutions are authorized or required by law to close in Brazil or, in the case of McDonald's, the State of Illinois, United States of America.

14.12 Survival. The obligations of Brazilian Master Franchisee to pay any amount due to McDonald's hereunder and the obligations contained in Sections 5, 7, 9, 11, 12, 14 and 15 shall survive expiration or termination of this Agreement.

14.13 No Third Party Beneficiaries Except as otherwise expressly provided herein, nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any Person not a party hereto. McDonald's does not warrant that such obligations have been imposed on or implemented by or on any other McDonald's franchisee or any McDonald's Restaurant.

14.14 Language. This Agreement is entered into in the English language. If a translation of this Agreement into any other language be required or desired for any reason, it is understood that in all matters involving interpretations of this Agreement, the English text shall control.

14.15 Criminal or Civil Penalties No Party shall engage in any activity that would expose any other Party to a risk of criminal or civil penalties under Applicable Law.

14.16 Force Majeure. Except as otherwise expressly provided herein, no Party shall be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from any Force Majeure, but only to the extent such duties or obligations are so affected. Any delay resulting from any such causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that no such cause other than a governmental or judicial order shall excuse payment of amounts owed or due to McDonald's Group. The Party whose non-performance is caused by any Force Majeure shall give notice to the other Parties within ten (10) days of the occurrence of the Force Majeure, stating the full details of the Force Majeure in question and the period of time the occurrence is expected to continue. The impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure are minimized. The impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. Promptly upon the Force Majeure ceasing to exist, the impacted Party shall give written notice to the other Parties of this fact, and the timeframe for the performance of any applicable obligation under this Agreement shall be extended for a period equal to the duration of such Force Majeure; provided, however, that the applicable Term shall not be extended on account of any Force Majeure. Notwithstanding the foregoing, if any Force Majeure continues for more than one hundred and twenty (120) days, McDonald's shall have the right to terminate this Agreement in its sole discretion upon written notice to Brazilian Master Franchisee.

14.17 Public Announcements. Brazilian Master Franchisee shall not issue any press release or other public statement relating to any of the terms, to the negotiation or to the execution of this Agreement or any renewal or amendment thereof, without McDonald's approval, except for any press release or other public statement required under Applicable Law or the rules of any stock exchange on which any securities of Brazilian Master Franchisee or any of its Affiliates are traded, in which case Brazilian Master Franchisee shall provide McDonald's with a reasonable opportunity to review and comment upon any such statement prior to its issuance; provided that, in each case, in the event that Brazilian Master Franchisee is required to issue any press release or other public statement which contains a mention of the terms of this Agreement by a particular time and has notified McDonald's thereof as far in advance of such time as reasonably practicable and provided McDonald's with the deadline of when the press release or other public statement must be issued by, and McDonald's fails to provide advance written comments ahead of such deadline, such Brazilian Master Franchisee may issue the press

release or other public statement and shall be deemed to not have breached this provision by doing so.

14.18 Government Approval. This Agreement (or a summary version thereof) shall only be approved by, or registered or recorded by any Governmental Authority, as determined by McDonald's in its sole judgment. The Parties agree (a) to cooperate with each other in connection with any dealings with any Governmental Authority relating to this Agreement, (b) that no Party shall submit any information to any Governmental Authority with respect to this Agreement (other than in response to a valid order or request of a court or other Governmental Authority, or as otherwise required under Applicable Law or the rules of any stock exchange) without the others' approval, which approval shall not be unreasonably withheld, and (c) the Parties shall share equally the expenses of obtaining approval of, or registering or recording this Agreement (or a summary version thereof) and any amendment hereto or thereto, including all legal and other professional expenses (including translation expenses and disbursements), with the appropriate Governmental Authority.

14.19 Further Assurance. The Parties shall do and cause to be done all such acts, matters and things and shall execute and deliver all such documents and instruments as shall be reasonably required to enable the Parties to perform their respective obligations under this Agreement, to exercise their respective rights granted or reserved under this Agreement, and to give effect to the transactions contemplated by this Agreement. Without limiting the foregoing, with respect to any power of attorney granted by this Agreement, which would be required to be in a specific form, translated into another language, or executed in a particular manner for it to be binding and enforceable in Brazil or any other jurisdiction, each Party agrees to execute, or to cause its Affiliates to execute, in the required form and manner, a separate power of attorney meeting all such legal requirements to ensure enforceability. Whenever in this Agreement Brazilian Master Franchisee has authorized McDonald's to represent or act on behalf of Brazilian Master Franchisee, such authorization shall be irrevocable and shall not terminate for any reason whatsoever. Upon McDonald's reasonable request, Brazilian Master Franchisee shall grant one or more specific irrevocable powers of attorney with respect to any one or more actions that Brazilian Master Franchisee has authorized McDonald's to take. Such power(s) of attorney shall be in such form as McDonald's may determine in its reasonable judgment.

15. Governing Law and Arbitration

15.1 Governing Law. This Agreement shall be governed by the laws of the State of Illinois (U.S.A.), excluding (1)its conflict of laws rules, (2) the provisions of the Illinois Franchise Disclosure Act, and (3) the United Nations Convention on Contracts for the International Sale of Goods. Further, nothing in this Section 15.1 is intended to subject this Agreement to any business opportunity, franchise or similar law, rule or regulation of the State of Illinois or any other jurisdiction to which it otherwise would not be subject.

15.2 International Arbitration.

15.2.1 In the event of any dispute, controversy or claim arising out of, relating to or in connection with this Agreement, including, without limitation, any dispute regarding its validity or termination, or the performance or breach thereof (each a "Dispute") the Parties shall use their best efforts to settle the Dispute by consulting and negotiating with each other in good faith to attempt to reach a satisfactory solution. If the

Parties do not reach a solution within thirty (30) days of the written notice of the existence of a Dispute, then, upon written notice by a Party to the other, any such Disputes shall be finally settled by binding international arbitration in Chicago, Illinois, before a tribunal of three arbitrators (the "Tribunal"). The arbitration shall be administered by the International Court of Arbitration of the International Chamber of Commerce (the "ICC") in accordance with the ICC Rules of Arbitration (the "ICC Rules") as in effect at the time of the arbitration, except as they may be modified herein or by agreement of the Parties. The place of arbitration shall be Chicago, Illinois. Notwithstanding anything to the contrary in this Agreement, the arbitration provisions set forth in this Agreement, and any arbitration conducted thereunder, shall be governed exclusively by the Federal Arbitration Act, Title 9 United States Code to the exclusion of any state or municipal law of arbitration.

15.2.2 The arbitration shall be conducted in the English language. Notwithstanding the foregoing, any Arbitrating Party may submit testimony or documentary evidence in any other language; provided that the Arbitrating Party submitting such evidence, at its own cost, also furnishes to the other Arbitrating Party or Arbitrating Parties, as applicable, a translation of such testimony or evidence into the English language.

15.2.3 In the event that there are two Parties to the Dispute, each Party to the arbitration (each an "Arbitrating Party") shall nominate one arbitrator, obtain its nominee's acceptance of such nomination, and deliver written notification of such nomination and acceptance to the other Arbitrating Party and the ICC within 30 days after delivery of the request for arbitration. In the event an Arbitrating Party fails to nominate an arbitrator or deliver notification of such nomination to the other Arbitrating Party and the ICC within this time period, upon request of either Arbitrating Party, such arbitrator shall instead be appointed by the ICC within 30 days of receiving such request. The Arbitrating Parties shall use reasonable best efforts to agree upon a third arbitrator within 40 days after delivery of the request for arbitration. If the Arbitrating Parties are unable to agree upon a third arbitrator within this time period, then the two arbitrators appointed in accordance with the above provisions shall nominate the third arbitrator and notify the Arbitrating Parties and the ICC in writing of such nomination within 15 days of their appointment. If the first two appointed arbitrators fail to nominate a third arbitrator or notify the Arbitrating Parties and the ICC of that nomination within this time period, then upon request of either Arbitrating Party, the third arbitrator shall be appointed by the ICC within 15 days of receiving such request. The third arbitrator shall serve as chairman of the Tribunal.

15.2.4 In the event that there are more than two Arbitrating Parties:

(a) The Arbitrating Parties shall in good faith attempt to group themselves into a "Petitioning Party" and a "Defending Party" for purposes of selecting arbitrators, it being understood that Arbitrating Parties that are Affiliates shall always be in the same group.

(b) Each of the Petitioning Party and the Defending Party shall nominate one arbitrator, obtain its nominee's acceptance of such nomination, and

deliver written notification of such nomination and acceptance to the Arbitrating Parties and the ICC within 30 days after delivery of the request for arbitration.

(c) The Arbitrating Parties shall use reasonable best efforts to agree upon a third arbitrator within 40 days after delivery of the request for arbitration. In the event that the Arbitrating Parties are unable to agree upon a third arbitrator within this time period, then the two arbitrators appointed in accordance with clause (b) above shall nominate the third arbitrator and notify the Arbitrating Parties and the ICC in writing of such nomination within 15 days of their appointment. If the first two appointed arbitrators fail to nominate a third arbitrator or notify the Arbitrating Parties and the ICC of that nomination within this time period, then, upon request of any Arbitrating Party, the third arbitrator shall be appointed by the ICC within 15 days of receiving such request. The third arbitrator shall serve as chairman of the Tribunal.

(d) If it shall not be possible to form a Petitioning Party or a Defending Party, as the case may be, or if the Petitioning Party or the Defending Party, as the case may be, fails to select an arbitrator in accordance with clause (b), then, in accordance with Article 10(2) of the ICC Rules, the ICC may appoint each member of the Tribunal and shall designate one of them to act as chairman.

15.2.5 Each member of the Tribunal shall be a lawyer licensed to practice in a state of the United States of America and shall be fluent in the English language.

15.2.6 Each Party agrees that it will provide discovery consistent with the United States Federal Rules of Civil Procedure, including but not limited to depositions upon oral examination and responses to written interrogatories.

15.2.7 The Parties agree to submit to (i) the exclusive personal jurisdiction of the state and federal courts sitting in Chicago, Illinois for the purposes of (A) enforcing this agreement to arbitrate; and (B) applying to a judicial authority for interim or conservatory measures in accordance with Article 23(2) of the ICC Rules; and to (ii) the non-exclusive jurisdiction of such courts for purposes of obtaining judgment upon the award rendered by the Tribunal.

15.2.8 The Parties consent to the service of process for the purposes of clause (i) of Section 15.2.7 by appointing Cogency Global Inc., which maintains an office at 122 E. 42nd St., 18th Fl, New York, New York 10168, as its agent to receive service of process or other legal summons. Each of the Parties further consents to the service of process irrevocably for the purposes of clause (i) of Section 15.2.7 by the mailing of copies thereof by registered or certified mail, postage prepaid, return receipt requested, to each such party at its address as provided in Section 14.10. Nothing in this Section shall affect the right of any Party to serve legal process in any other manner permitted by Applicable Law.

15.2.9 In accordance with Article 23(2) of the ICC Rules, the Parties may apply to the competent judicial authority specified in Section 15.2.7 for interim or conservatory measures. The application of a Party to such judicial authority for such interim or conservatory measures shall not be deemed a waiver of this agreement to arbitrate.

15.2.10 The award of the Tribunal shall be promptly performed or paid (as the case may be), free and clear of any tax and deduction, and any costs, fees and taxes incident to enforcing the award shall, to the fullest extent permitted by law, be charged against the Arbitrating Party resisting such enforcement. McDonald's may request that an award be paid in Equity Interests of Brazilian Master Franchisee, in which case the Party against which the award is entered sha cause the transfer of such Equity Interests to which McDonald's is entitled based on the fair market value of the Equity Interests as determined by the Tribunal and Brazilian Master Franchisee shall register such transfer in its books; provided, that McDonald's shall first provide written notice of such election to Brazilian Master Franchisee and permit Brazilian Master Franchisee a period of not less than 30 days in which to elect to pay the award in cash rather than issue Equity Interests t McDonald's. Any award shall include interest from the date of any damages incurred, and from the date of the award until paid in full, at a rate to be fixed by the Tribunal.

15.2.11 The Parties waive to the fullest extent permitted by law any rights to appeal to, or to seek review of the award of the Tribunal by, any court.

15.2.12 Except as may be required by Applicable Law or court order, the Parties agree to maintain confidentiality as to all aspects of any arbitration, including its existence and results, except that nothing herein shall prevent any Party from disclosing information regarding such arbitration for purposes of the proceedings described in clause (i) of Section 15.2.7. The Parties further agree to obtain the arbitrators' agreement to preserve the confidentiality of any arbitration.

15.2.13 The Parties expressly declare that they have jointly decided to enter into this arbitration covenant freely and voluntarily in order to have the benefi of an alternative dispute resolution method.

15.3 Limitations. Except for claims arising from Brazilian Master Franchisee's non-payment or underpayment of amounts due to McDonald's or any of its Affiliates, any Dispute arising out of or relating to this Agreement or the relationship of the Parties hereto shall be barred unless an arbitration proceeding is commenced within two years from the date the complaining Party knew or should have known of the facts giving rise to such Claim.

15.4 SPECIAL DAMAGES. EXCEPT WITH RESPECT TO BRAZILIAN MASTER FRANCHISEE'S OBLIGATION TO INDEMNI INDEMNIFIED PARTIES PURSUANT TO SECTION 9 AND CLAIMS MCDONALD'S BRINGS AGAINST ANY OTHER PARTY FOR UNAUTHORIZED USE OF THE TRADEMARKS OR ANY OTHER INTELLECTUAL PROPERTY OR ANY UNAUTHORIZED USE OR DISCL ANY CONFIDENTIAL INFORMATION, MCDONALD'S AND EACH OTHER PARTY WAIVE TO THE FULLEST EXTENT PERMITTED BY L RIGHT TO OR CLAIM FOR ANY PUNITIVE, MORAL, EXEMPLARY OR ANY SIMILAR DAMAGES AGAINST THE OTHER AND AGREE THA EVENT OF A DISPUTE BETWEEN OR AMONG THE PARTIES, ANY PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

16. Acknowledgements

16.1 Evaluation and Advice. Brazilian Master Franchisee acknowledges that it has read this Agreement, that it has had the opportunity to evaluate this Agreement and be advised by its counsel and financial, tax and business advisors with respect to its rights and obligations hereunder and the scope, cost and risk of the undertaking contemplated by this Agreement. Brazilian Master Franchisee understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain McDonald's high standards of quality and service and the uniformity of those standards at all Franchised Restaurants in order to protect and preserve the goodwill or reputation of the System and the Trademarks.

16.2 Independent Investigation. Brazilian Master Franchisee acknowledges that it has conducted an independent investigation of the business venture contemplated by this Agreement. Brazilian Master Franchisee recognizes that this venture involves business risks and that the success of the venture is largely dependent upon their respective business abilities. McDonald's expressly disclaims the making of, and Brazilian Master Franchisee acknowledges that it has not received or relied upon, any guaranty, express or implied, as to the revenues, profits or success of the business venture. Brazilian Master Franchisee acknowledges that it has not received or relied on any representations by McDonald's, any of its Affiliates or their respective officers, directors, employees or agents, except as expressly set forth herein. Each Party acknowledges that in all dealings with respect to this Agreement, such Party's officers, directors, employees and agents act only in a representative capacity and not in an individual capacity.

16.3 No Broker. Brazilian Master Franchisee acknowledges it did not use a broker to acquire the Brazilian Master Franchisee Rights or the Brazilian Franchise Business.

17. Amendments

17.1 Amendments. No change, modification, amendment or waiver of any of the provisions of this Agreement shall be effective and binding upon any Party, including by custom, usage of trade, or course of dealing or performance, unless it is in writing, specifically identified as an amendment hereto and signed by authorized representatives of each of the Parties.

* * *

IN WITNESS WHEREOF, the Parties hereto have duly executed and delivered this Agreement.

São Paulo and Chicago, December 30, 2024

Brazilian Master Franchisee:

Arcos Dourados Comércio de Alimentos S.A.

By /s/ Woods W. Staton
Name: Woods W. Staton
Title: Executive Chairman

Witness
/s/ Juan David Bastidas
Name: Juan David Bastidas

Witness
/s/ Maria Victoria Bellocq
Name: Maria Victoria Bellocq

McDonald's:

McDonald's Latin America, LLC

By /s/ Gianfranco Cuneo
Name: Gianfranco Cuneo
Title: President McD Latin America

EXHIBIT 1

DEFINITIONS

The following terms, when used in this Agreement, shall have the meanings set forth in this Exhibit 1. Capitalized terms used in this Agreement but not defined in this Exhibi 1 or elsewhere in this Agreement shall have the respective meanings for such terms set forth in the LatAm MFA.

"5% First Royalties" has the meaning set forth in Section 5.2.2.

"6% First Royalties" has the meaning set forth in Section 5.2.3.

"Affiliate" means, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under Common Control with, such specified Person. For the avoidance of doubt, in no event shall Axionlog be deemed or construed to be an Affiliate or Subsidiary o Brazilian Master Franchisee for the purposes of this Agreement.

"Agreement" has the meaning set forth in the preamble.

"Applicable Law" means all existing and future laws, including Anti-Terrorism Laws, rules, regulations, statutes, treaties, codes, ordinances, permits, certificates, Orders, decrees, licenses and concessions of, or any interpretation of any of the foregoing by, any Governmental Authority, including OFAC.

"Approved Closing" means any proposed closing of a Franchised Restaurant or closings of multiple Franchised Restaurants that (a) has been approved by McDonald's such approval not to be unreasonably withheld, it being understood that (i) whether a closing is reasonable shall be determined by McDonald's in light of the use of the related Real Estate in the operation of a McDonald's Restaurant, without regard to any other potential use of such Real Estate; and (ii) a failure by McDonald's to approv any closing shall not be deemed to be unreasonable if McDonald's reasonably believes that such closing is proposed in contemplation of or in connection with the Transfer or use of the related Real Estate (or any related Site Agreement) to or in connection with a Competitive Business; (b) is the result of a condemnation of the related premise by a Governmental Authority; or (c) is the result of the opening within the same trading area of a Franchised Restaurant having comparable Gross Sales and menu scope.

"Arbitrating Party" has the meaning set forth in Section 15.2.3.

"Assets" means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including Capital Stock.

"Axionlog" means any and all of Axionlog S.A. or any of its Subsidiaries.

"BMFR Term" has the meaning set forth in Section 5.1.1.

"Base First Royalties" has the meaning set forth in Section 5.2.1.

"Brazilian Franchise Business" means the business operated, directly or indirectly, by Brazilian Master Franchisee hereunder, including pursuant to the Brazilian Master Franchisee Rights, including all Assets used therein, and owning and granting leases of Real Estate for Franchised Restaurants.

"Brazilian Master Franchisee" has the meaning set forth in the preamble.

"Brazilian Master Franchisee Restaurant" means a Franchised Restaurant owned and operated by Brazilian Master Franchisee.

"Brazilian Master Franchisee Rights" has the meaning set forth in Section 3.1.

"Business Day" means a day other than a Saturday, Sunday or other day on which commercial banking institutions are authorized or required by law to close in the State of Illinois.

"Business Facilities Lease" means a lease agreement related to the business and equipment of a McDonald's Restaurant entered into between Brazilian Master Franchisee on the one hand, and a Franchisee, on the other hand.

"Capital Stock" means, with respect to any Person as of any date of determination, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of capital stock, partnership interests (whether general or limited), membership interests or equivalent ownership interests in or issued by such Person.

"Claim" means any allegation or demand from any Person.

"Confidential Information" means certain confidential and proprietary information and trade secrets, consisting of (a) methods, procedures and techniques for locating, designing, developing, constructing, decorating and equipping Franchised Restaurants; (b) techniques for advertising, marketing, pricing and soliciting the products of the Franchised Restaurants; (c) marketing and advertising programs, calendars and plans; (d) methods, standards, specifications and procedures for operation of a Franchised Restaurant, including the Standards; (e) sales management techniques, information management techniques, business technology and information management technology; (f) the Intellectual Property to the extent not in the public domain; (g) knowledge of operating results and financial performance of McDonald's Restaurants other than the Franchised Restaurants; (h) customer communication and retention programs; (i) recipes, specifications, formulae and food/beverage preparation processes; (j) information generated by, or used or developed in, the Brazilian Franchise Business' operation (other than Corporate Entity Information); and (k) all other information relating to the business and operation of the System, including the Operations Manuals.

"Control" means, with respect to the relationship between or among two or more Persons, the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting

securities, as trustee or executor, by contract or otherwise, including the ownership, directly or indirectly, of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person, and the terms "Controlled by" and "under Common Control with" have correlative meanings.

"Copyrights" means, collectively, the copyrights, copyrighted works and copyrighted materials owned, directly or indirectly, or hereafter acquired or licensed by McDonald's relating to the development, ownership, operation, promotion and management of the Franchised Restaurants, including advertising materials, marketing materials, promotional materials, software, manuals and training materials.

"Corporate Entity Information" means corporate entity information of the Brazilian Master Franchisee (such as administrative corporate, tax or financial statements information) that (cumulatively) (a) is not Intellectual Property, (b) is generated solely by or relates solely to the Brazilian Master Franchisee and (c) does not otherwise relate to the System or to McDonald's or its Affiliates.

"Customer Service Program" means a program for measuring customer satisfaction implemented through the use of one or more of the following (or similar) means: (a) a customer satisfaction hotline; (b) customer surveys; and (c) "mystery shop" visits.

"Defending Party" has the meaning set forth in Section 15.2.4(a).

"Dessert Kiosk" means any dessert kiosk or dessert counter or dessert counter point of distribution operated under the System and the Trademarks.

"Developed IP" has the meaning set forth in Section 7.8.1.

"Dispute" has the meaning set forth in Section 15.2.1.

"Distributor" means any Person that distributes products and services to Franchised Restaurants or that arranges for such distribution.

"Effective Date" has the meaning set forth in Section 14.1.

"Equity Interest" means, with respect to any Person, (a) all of the shares of Capital Stock of such Person; (b) all warrants, options or other rights for the purchase or acquisition from such Person of shares of Capital Stock of such Person; (c) all securities convertible into or exchangeable for shares of Capital Stock of such Person or warrants, rights or options for the purchase or acquisition of such securities; and (d) all other ownership or profit interests in such Person (including partnership, member or trust interests), whether voting or non-voting.

"Execution Date" has the meaning set forth in the preamble.

"Existing Franchisee" means a Person that operates one or more McDonald's Restaurants under an Existing Franchise Agreement.

"Existing Franchise Agreement" means a franchise agreement in effect on and as of the Execution Date, exclusive of any renewal or amendment thereof.

"Financing Agreements" means the agreements set forth in Exhibit 3, as may be amended from time to time, and any ancillary agreements relating thereto or entered into in connection therewith.

"First A&R M&A" has the meaning set forth in the preamble.

"First Royalties" has the meaning set forth in Section 5.2.3.

"Force Majeure" means natural disasters (including epidemics, pandemics, floods, hurricanes, typhoons, landslides, earthquakes, forest and other fires caused as a result of spontaneous combustion, windstorms and lightning), man-made events (including wars or acts of war, the outbreak of hostilities (regardless of whether war is declared), terrorist acts, embargoes, sanctions, blockades, revolutions, riots, civil commotions, boycotts, sabotage, strikes and acts of any Governmental Authority), and other events or causes beyond the reasonable control of the Party affected, but excluding: (a) the imposition by any Governmental Authority of exchange controls or similar limitations, restrictions or prohibitions; (b) a Party's inability to obtain funds or other resources, materials, equipment, labor or supplies due to circumstances that are unique to such Party; (c) any fluctuation of the exchange rate between U.S. Dollars and any other currency; (d) the state of the economy of the Territories; (e) a Party's inability to obtain permits necessary for the performance of its obligations under this Agreement; (f) any act of Governmental Authority specific to or caused by the affected Party; or (g) other events or causes unique to the affected Party.

"Franchise Agreements" has the meaning set forth in Section 6.4.1.

"Franchisees" has the meaning set forth in Section 6.3.1.

"Franchised Restaurant" means a McDonald's Restaurant, including any related Incorporated McCafe and each Initial Freestanding McCafe, each Dessert Kiosk and each Satellite, to be developed, owned, operated or managed by Brazilian Master Franchisee and / or its Franchisees in accordance with and subject to the terms of this Agreement and any applicable Franchise Agreement.

"Franchisor" has the meaning set forth in the preamble.

"Freestanding McCafé" means any McCafe other than an Incorporated McCafe. For purpose of clarification, a McCafe within a Dessert Kiosk located outside the premises of a Franchised Restaurant shall be deemed a Freestanding McCafe.

"Governmental Authority" means any federal, provincial, state, territorial or local government, any governmental, regulatory or administrative authority, agency or commission or any court or tribunal or arbitral body in Brazil.

"Gross Sales" means, with respect to any or all of the Franchised Restaurants as the context may require, all revenues of Brazilian Master Franchisee or any Franchisee, a applicable, attributable to sales by such Franchised Restaurants, whether such sales be evidenced by check, cash, credit, charge account, debit card, exchange, gift cards and certificates or otherwise, and shall include the amounts received from the sale of goods, wares, and merchandise, food, beverages and tangible property of every kind and nature, promotional or otherwise, and for services performed from or at such Franchised Restaurants, together with the amount of all orders taken or received at the Franchised Restaurants, whether such orders be filled from the Franchised Restaurants or elsewhere. Gross Sales with respect to any Franchised Restaurant shall no include sales of merchandise for which cash has been refunded, provided that such sales shall have previously been included in such Gross Sales. Revenues of Brazilian Master Franchisee attributable to sales at Dessert Kiosks shall be included within Gross Sales. There shall be deducted from Gross Sales with respect to any Franchised Restaurant the price of merchandise returned by customers for exchange, provided that such returned merchandise shall have been previously included in Gross Sales, and provided further that the sales price of merchandise delivered to the customer in exchange shall be included in such Gross Sales. Gross Sales with respect to any Franchised Restaurant shall not include the amount of any sales, service, value-added or other similar taxes imposed by any local, foreign, federal, state, municipal, or other Governmental Authority that are actually collected from customers and paid by Brazilian Master Franchisee or the applicable Franchisee to such Governmental Authority. Each charge or sale upon credit shall be treated as a sale for the full price in the month during which such charge or sale shall be made, irrespective of the time when Brazilian Master Franchisee or the applicable Franchisee shall receive payment (whether full or partial) therefor.

"ICC" has the meaning set forth in Section 15.2.1.

"ICC Rules" has the meaning set forth in Section 15.2.1.

"Incorporated McCafe" means a McCafe that is fully incorporated within the premises of a McDonald's Restaurant.

"Indemnitee" has the meaning set forth in Section 9.2.

"Indemnitor" has the meaning set forth in Section 9.2.

"Initial BMFR Fee" has the meaning set forth in Section 5.1.1.

"Initial Franchise Fees" has the meaning set forth in Section 5.1.4.

"Initial MFA Fee" has the meaning set forth in Section 5.1.4.

"Initial Freestanding McCafes" means each Freestanding McCafe owned by Brazilian Master Franchisee on the Execution Date.

"Initial SFR Fee" has the meaning set forth in Section 5.1.2.

"Intellectual Property" means, collectively, the Copyrights, Patents, Trademarks, Trade Secrets and any Developed IP.

"LatAM MFA" has the meaning set forth in Section 1.2.7.

"Local Taxes" has the meaning set forth in Section 14.2.6.

"Losses and Expenses" means, without limitation, all damages, losses, fines, charges, costs, expenses, lost profits, attorneys' or experts' fees, court costs, settlement amounts, judgments and other reasonable costs and expenses of investigating, defending or countering any third-party claim; compensation for damages to McDonald's reputation or goodwill; costs of or resulting from delays, financing, costs of advertising materials and media time and / or space, and costs of changing, substituting or replacing the same; and any and all expenses of recalls, refunds, compensation, public notices and such other amounts incurred.

"Mandatory Marketing Commitment" has the meaning set forth in Section 6.6.

"Material Breach" has the meaning set forth in Section 11.2.

"Materials" means advertising, marketing and promotional materials, including without limitation television, radio, newspaper and print advertising, packaging, premiums, brochures, outdoor advertising, direct mail, coupons and point of sale materials, merchandise, apparel and accessories.

"McCafe" means a McCafe-branded point of distribution offering a limited menu of pastries, coffee, tea and other beverages and operated under the System and the Trademarks.

"McDonald's" has the meaning set forth in the preamble.

"McDonald's Indemnified Parties" has the meaning set forth in Section 9.1.

"McDonald's Related Party" means:

(a) with respect to any natural Person,

(i) any of such Person's Relatives;

(ii) any other Person with respect to which such Person or any of his Relatives serves as a director, officer, partner, member or in a similar function;

(iii) any entity in which such Person or any of his Relatives, individually or collectively, owns or controls, directly or indirectly, 5% or more of the Equity Interests; and

(iv) any trust or estate in which such Person or any of his Relatives has a substantial interest or serves as a trustee or in a similar capacity; and

(b) with respect to any other Person,

(i) any Person that directly or indirectly owns or controls 5% or more of the Equity Interests of such Person and the McDonald's Related Parties o such Person;

(ii) any other Person in which such Person owns 5% or more of the Equity Interests;

(iii) any director, officer, partner, member or similar representative of such Person or any of its McDonald's Related Parties; and

(iv) any Affiliate of such Person.

"McDonald's Restaurant" means any McDonald's-branded restaurant operated under the System.

"New Franchise Agreement" has the meaning set forth in Section 6.4.1.

"Operations Manuals" means the various operations and procedures manuals and business manuals (as such manuals may be amended and supplemented by McDonald's from time to time) owned by McDonald's and provided to Brazilian Master Franchisee and its Franchisees, regardless of the form or medium in which they may be provided and including all translations made or obtained by Brazilian Master Franchisee, which contain suggested and mandatory standards, specifications and procedures and information relative to the System, certain obligations of Brazilian Master Franchisee and its Franchisees, and the operation of each Franchised Restaurant.

"Order" means the entry in any judicial or administrative proceeding brought under Applicable Law by any Person of any permanent or preliminary injunction or other judgment, order or decree.

"Parties" has the meaning set forth in the preamble.

"Patents" means, collectively, any and all patents now or hereafter owned, used, acquired or registered by McDonald's or licensed to McDonald's by one of its Affiliates.

"Person" means any individual, partnership, firm, limited liability company, corporation, association, joint venture, trust, unincorporated organization or other entity, in each case whether or not having separate legal personality.

"Petitioning Party" has the meaning set forth in Section 15.2.4(a).

"Principal" has the meaning set forth in Section 2.2.

"QSC Standards" means the standards for quality, service and cleanliness established by McDonald's from time to time and memorialized in the Standards, as amended by McDonald's from time to time.

"Real Estate" means any leasehold, free-hold or other property interest in real estate or any part thereof, including improvements thereon.

"Related Party" has the meaning set forth in the Related Party Transactions Policy. For the avoidance of doubt, in no event shall Axionlog be deemed or construed to be a Related Party of Brazilian Master Franchisee for the purposes of this Agreement.

"Related Party Transactions Policy" means the related party transactions policy separately agreed between Master Franchisee and McDonald's.

"Relatives" means, with respect to any natural Person, any of such Person's parents, siblings, children and spouse, the parents, siblings and children of such Person's spouse, and the spouses of such Person's children.

"Relocation" means the process whereby a Franchised Restaurant is closed pursuant to an Approved Closing and is reconstructed in the same trading area to serve the same customer base, it being understood that the Relocated Franchised Restaurant may or may not be adjacent to the original site but, if adjacent, shall not use any portion of the original premises. "Relocate" and "Relocated" have correlative meanings.

"Restaurant Manager" means the individual having primary day-to-day responsibility for the operations of any Franchised Restaurant.

"Restricted Payment" means (a) any declaration or payment of any dividend or making of any other distribution by Brazilian Master Franchisee in respect of any of its shares; (b) repayment or prepayment by Brazilian Master Franchisee of any principal amount (or capitalized interest) outstanding under any loans owing to any of Los Laureles, Ltd., Woods W. Staton, or any of their respective Related Parties (other than Brazilian Master Franchisee's Subsidiaries); (c) payment by Brazilian Master Franchisee of any interest or any other amounts payable in connection with any loans owing to any of Los Laureles, Ltd., Woods W. Staton or any of their respective Related Parties (other than Brazilian Master Franchisee's Subsidiaries); and (d) payment by Brazilian Master Franchisee of any management, service, consulting or similar fee to any of Los Laureles, Ltd., Woods W. Staton, or any of their respective Related Parties (other than Brazilian Master Franchisee's Subsidiaries) (other than any management compensation or director fees, in each case, payable in the ordinary course of business); provided that, for the avoidance of doubt, each case of the foregoing clauses (a) through (d) shall exclude any payment of any dividend or other distribution by Brazilian Master Franchisee if the dividend or distribution would have been permitted under Section 12.4 on the date of declaration thereof.

"Restricted Payments Period" means the period from the date on which a Restricted Payment Trigger Event has occurred until such time that such Restricted Payment Trigger Event has been fully remedied to McDonald's satisfaction.

"Restricted Payment Trigger Event" has the meaning set forth in Section 12.4.

"Royalties" has the meaning set forth in Section 5.2.5.

"Satellite" means a McDonald's-branded point of distribution operated under the System and the Trademarks that (a) has one or more of the following characteristics: (i) such point of distribution's operations are contingent upon the provision of services by another Franchised Restaurant in the same trading area; (ii) such point of distribution offers a limited menu of products; (iii) such point of distribution is operated from a location that is approximately 30% of the size (in terms of square feet) of the average size of a Franchised Restaurant that is not a Satellite or a McCafe in Brazil; (iv) such point of distribution generates Gross Sales that are approximately 50% of the Gross Sale of a Franchised Restaurant that is not a Satellite or a McCafe in Brazil; or (v) such point of distribution is located within a Wal-Mart-branded retail location; and (b) ha been expressly designated as a "Satellite" by McDonald's.

"Second A&R M&A" has the meaning set forth in the preamble.

"Second Royalties" has the meaning set forth in Section 5.2.4.

"Securities Offering" has the meaning set forth in Section 10.3.

"Standards" means all standards, policies, guidelines and codes of conduct of whatever type used in the operation of the System, and ensuring quality control, including with respect to the Operations Manuals, QSC Standards, specifications with respect to customer service, product content and delivery, supplier standards, equipment, building layout and design standards, hours of operation, marketing and advertising policies, strategies and standards, protocols for conducting games, sweepstakes or contests, Golden Arches Code, Golden Arches Code Policies and Standards, packaging and creative standards and frameworks, trademark clearance procedures, McDonald' Corporation Standards of Business Conduct, McDonald's Code of Conduct for Suppliers, McDonald's Corporation Worldwide Restaurant Development: Restaura Reinvestment Guide, GROIP, McDonald's safety standards and procedures, safety testing standards, the Global Training Standards and the Branded Merchandis Apparel and Accessories Safety Process, in each case as such standards, policies, strategies, protocols or codes may be amended from time to time by McDonald's in its sole discretion.

"Subsidiary" means, as to any Person, any other Person (a) of which such Person directly or indirectly owns, securities or other equity interests representing 50% or more of the aggregate voting power; or (b) of which such Person possesses the right to elect 50% or more of the directors or Persons holding similar positions.

"System" has the meaning set forth in Section 2.1.

"Term" has the meaning set forth in Section 4.1.

"Third Royalties" has the meaning set forth in Section 5.2.5.

"Trade Secrets" means, collectively, the trade secrets and proprietary know-how owned or acquired by McDonald's or licensed to McDonald's by one of its Affiliates relating to the development, ownership, operation, promotion and management of McDonald's Restaurants (including the Franchised Restaurants), including all processes systems, marketing calendars,

operations manuals and procedures (including the Operations Manual), other manuals containing applicable policies and procedures, supplier lists, data, studies, analyses, technology, inventions, recipes, standards and specifications.

"Trademarks" means, collectively, the "McDonald's" brand, and such other trademarks, service marks, logos, designs, trade dress, domain names, emblems, external and internal building designs, architectural features, and any combination of the foregoing, used to identify the McDonald's Restaurants and the products or services offered by the McDonald's Restaurants, as may be designated by McDonald's from time to time in its sole judgment, including those trademarks, service marks, logos, designs, trade dress and domain names set forth in Exhibit 2.

"Transfer" means the voluntary, involuntary, direct or indirect sale, assignment, transfer, issuance, donation or other disposition or Encumbrance (whether in one or more transactions). "Transferred" and "Transferee" have correlative meanings.

"Transfer Fee" has the meaning set forth in Section 5.3.

"Tribunal" has the meaning set forth in Section 15.2.1.

"U.S. Dollar" or "$" means the lawful currency of the United States of America.

"Woods W. Staton" means Mr. Woods White Staton Welten.

EXHIBIT 2

TRADEMARKS

[Exhibit omitted in accordance with Regulation S-K Item 601(a)(5).]

EXHIBIT 3

FINANCING AGREEMENTS

[Exhibit omitted in accordance with Regulation S-K Item 601(a)(5).]

Exhibit 4.23

U.S.$25,000,000.00

CREDIT AGREEMENT

dated as of October 31, 2024

among

ARCOS DORADOS HOLDINGS INC.
and

ARCOS DORADOS B.V.,
as Borrowers

ARCOS DOURADOS COMÉRCIO DE ALIMENTOS S.A.,
as Guarantor

and

BANCO SANTANDER (BRASIL) S.A., GRAND CAYMAN BRANCH,
as Lender

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CREDIT AGREEMENT, dated as of October 31, 2024 (the "Agreement"), among **ARCOS DORADOS HOLDINGS INC.**, a company incorporated under the laws of the British Virgin Islands with company number 1619553 (the "Arcos BVI"), and **ARCOS DORADOS B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its registered office in Amsterdam, the Netherlands, with its address at Barbara Strozzilaan 101, 1083HN Amsterdam, the Netherlands, registered with the trade register of the Dutch Chamber of Commerce under file numbe 34115939 ("Arcos Netherlands" and together with Arcos BVI, the "Borrowers"), as borrowers, **ARCOS DOURADOS COMÉRCIO DE ALIMENTOS** (formerly known as Arcos Dourados Comercio de Alimentos Ltda.), a corporation (*sociedade por ações*) organized under the laws of Brazil, having its registered office in Alameda Amazonas, No. 253, Alphaville Industrial, Zip Code 06.454-070, Barueri, São Paulo, Brazil, registered with the Brazilian Taxpayer Registry (CNPJ) under N 42.591.651/0001-43 (the "Guarantor"), as guarantor, and **BANCO SANTANDER (BRASIL) S.A., GRAND CAYMAN BRANCH** (the "Lender"), as lender.

W I T N E S S E T H:

WHEREAS, the Lender has agreed to make available to the Borrowers a revolving credit facility on the terms and subject to the conditions contained in th Agreement; and

WHEREAS, the Guarantor will benefit from the extension of credit to the Borrowers by the Lender;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows.

ARTICLE I

DEFINITIONS

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

"Affiliate" of any Person, means any Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise.

"Aggregate Commitment Amount" means U.S.$25,000,000.

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Borrowers or any of their Subsidiaries from time to time concerning or relating to bribery or corruption.

"Appleby" is defined in Section 4.1(c)

"Applicable Law" means, as to any Person, all applicable constitutions, treaties, laws, statutes, codes, ordinances, orders, decrees, rules and regulations of any Governmental Authority binding upon such Person or to which such a Person is subject.

"Applicable Margin" means a rate *per annum* equal to 3.20%.

"Availability Period" the period commencing on and including the Closing Date and ending on the Commitment Termination Date.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to Section 2.17(e).

"Benchmark" means, initially, Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.17(a).

"Benchmark Replacement" means, for any Available Tenor, with respect to any Benchmark Transition Event for any then-current Benchmark, the sum of: (a) the alternate benchmark rate that has been selected by the Lender and the Borrowers giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment; provided that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Lenders and the Borrowers giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities.

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, if such Benchmark is a term rate, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of

such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication o information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Start Date" means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) i such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

"Benchmark Unavailability Period" means, the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance withSection 2.17 and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.17.

"Blocking Regulation" is defined in Section 3.15.

"Borrowing" means a borrowing of Loans made by the Lender pursuant to Section 2.1.

"Borrowing Date" means a Business Day within the Availability Period specified in a Borrowing Notice as the date on which the Borrowers shall make a Borrowing hereunder.

"Borrowing Notice" is defined in Section 2.2(a).

"Brazilian Master Franchisee" means Arcos Dourados Comercio de Alimentos S.A. (formerly known as Arcos Dourados Comercio de Alimentos Ltda.), or an successor to its rights and obligations under the Second Amended and Restated Master Franchise Agreement, dated as of November 10, 2008 (as the same may be amended, restated, supplemented or otherwise modified from time to time), among McDonald's Latin America and the Guarantor.

"Breakage Costs" means an amount determined by the Lender in good faith to be sufficient to compensate the Lender for (i) any failure by the Borrowers to borrow a Loan on the date specified in the relevant Borrowing Notice or (ii) any payment of a Loan prior to its stated maturity (by reason of acceleration or otherwise) or the relevant Interest Payment Date therefor. A certificate of the Lender setting forth any amount or amounts that the Lender is entitled to receive for any loss, cost or expense attributable to any such event shall be delivered to the Borrowers and shall be conclusive absent manifest error.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close in New York City, United States, Cayman Islands or São Paulo, Brazil.

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

"Capital Stock" means, with respect to any Person, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated and whether or not voting) of equity of such Person, including each class of Common Stock, Preferred Stock, limited liability interests or partnership interests, but excluding any debt securities convertible into such equity.

"Change of Control" means the occurrence of one or more of the following events:

(a) the Permitted Holders cease to be the "beneficial owners" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of 30.0% of the voting power of the Voting Stock of any of the Borrowers, the Brazilian Master Franchisee or the Master Franchisee;

(b) individuals appointed by the Permitted Holders cease for any reason to constitute a majority of the members of the Board of Directors of any of the Borrowers, the Brazilian Master Franchisee or the Master Franchisee;

(c) the sale, conveyance, assignment, transfer, lease or other disposition of all or substantially all of the assets of any of the Borrowers, the Brazilian Master Franchisee or the Master Franchisee, determined on a Consolidated basis, to any "person" (as defined in Sections 13d and 14d under the Exchange Act), whether or not otherwise in compliance with this Agreement, other than a Permitted Holder; or

(d) the approval by the holders of Capital Stock of any of the Borrowers, the Brazilian Master Franchisee or the Master Franchisee of any plan or proposal for the liquidation or dissolution of any such Person, whether or not otherwise in compliance with this Agreement.

"Change in Law" means, with respect to the Lender, the adoption of, or change in, any law, rule, regulation, policy, guideline or directive (whether or not having the force of law) or any change in the interpretation or application thereof by any Governmental Authority having jurisdiction over the Lender, in each case after the date hereof; provided, that notwithstanding

anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law" regardless of the date enacted, adopted or issued.

"CIT" means Dutch corporate income tax (*vennootschapsbelasting*).

"CITA" means the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

"CIT Fiscal Unity" means a fiscal unity (*fiscale eenheid*) for CIT purposes as referred to in Article 15 of the CITA.

"Closing Date" means the date on which each of the conditions precedent set forth in Section 4.1 (*Conditions to Closing*) of this Agreement are satisfied or waived in accordance with the terms of this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commitment" means the Lender's obligation to make Loans to the Borrowers in an aggregate principal amount not to exceed, at any time, the Aggregate Commitment Amount as in effect at such time.

"Commitment Fee" is defined in Section 2.7(a).

"Commitment Fee Payment Date" means each day occurring after the Closing Date as follows: (i) the last day of the relevant Commitment Fee Period, or if such relevant Commitment Fee Period is longer than three (3) months, at three (3)-month intervals; (ii) for any amount accruing interest upon an Event of Default as set forth in Section 2.6(b), on demand; and (iii) for any accrued and unpaid amount (other than the amount described in clause (ii)), upon the Commitment Termination Date; or (z) any repayment.

"Commitment Fee Period" means (a) the period commencing on and including the Closing Date and ending on (but excluding) the date which is three months thereafter, then (b) each succeeding three-month period starting on the last day of the preceding Commitment Fee Period and ending on (but not including) the date which is three months thereafter; provided, that (i) if any Commitment Fee Period would end on a day other than a Business Day, such Commitment Fee Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Commitment Fee Period shall end on the next preceding Business Day; (ii) any Commitment Fee Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Commitment Fee Period) shall end on the last Business Day of the last calendar month of such Commitment Fee Period; and (iii) no Commitment Fee Period shall extend beyond the Commitment Termination Date (but excluding it).

"Commitment Termination Date" shall mean the earliest of (a) the date which is one Business Day prior to the Maturity Date and (b) the date on which the Commitments are terminated pursuant to the last paragraph of Section 7.1.

"Common Stock" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common equity interests, whether outstanding on the Closing Date or issued after the Closing Date, and includes, without limitation all series and classes of such common equity interests.

"Conforming Changes" means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Interest Period" or any similar or analogous definition (or the addition of a concept of "interest period"), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 2.13 and other technical, administrative or operational matters) that the Lender decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Lender in a manner substantially consistent with market practice (or, if the Lender decides that adoption of any portion of such market practice is not administratively feasible or if the Lender determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Lender decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Consolidated" refers to the consolidation of accounts of a Person and its Subsidiaries in accordance with GAAP.

"Consolidated EBITDA" means, with respect to any Person for any period, Consolidated Net Income for such Person for such period, plus the following (without duplication) to the extent deducted or added in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense for such Person for such period;

(2) Consolidated Income Tax Expense for such Person for such period;

(3) Consolidated Non-cash Charges for such Person for such period;

(4) any non-operating and/or non-recurring charges, expenses or losses of such Person and its Subsidiaries for such period; and

(5) the amount of loss on any sale of accounts receivables and related assets to a Securitization Subsidiary in connection with a Permitted Receivables Financing;

less (x) all non-cash credits and gains increasing Consolidated Net Income for such Person for such period, (y) all cash payments made by such Person and its Subsidiaries during such period relating to non-cash charges that were added back in determining Consolidated EBITDA in any prior period and (z) non-operating and/or non-recurring income or gains (less all fees and expenses related thereto) increasing Consolidated Net Income of such Person and its Subsidiaries for such period.

Notwithstanding the foregoing, the items specified in clauses (1) and (3) above for any Subsidiary will be added to Consolidated Net Income in calculating Consolidated EBITDA for any period:

(a) in proportion to the percentage of the total Capital Stock of such Subsidiary held directly or indirectly by such Person at the date of determination; and

(b) to the extent that a corresponding amount would be permitted at the date of determination to be distributed to such Person by such Subsidiary pursuant to its charter and bylaws (*estatutos sociales*) and each law, regulation, agreement or judgment applicable to such distribution.

"Consolidated Income Tax Expense" means, with respect to any Person for any period, the provision for federal, state, local and any other income taxes payable by such Person and its Subsidiaries for such period as determined on a Consolidated basis in accordance with GAAP.

"Consolidated Indebtedness" means, as of any date of determination, all Indebtedness (including the Loans) of a Person and its Subsidiaries determined on a Consolidated basis.

"Consolidated Interest Expense" means, with respect to any Person for any period, the sum (without duplication) determined on a Consolidated basis in accordance with GAAP of:

(1) the aggregate of cash and non-cash interest expense of such Person and its Subsidiaries for such period determined on a Consolidated basis in accordance with GAAP, including, without limitation, the following (whether or not interest expense in accordance with GAAP):

(a) any amortization or accretion of debt discount or any interest paid on Indebtedness of such Person and its Subsidiaries in the form of additional Indebtedness;

(b) any amortization of deferred financing costs;

(c) the net costs under Hedging Obligations (including amortization of fees) in respect of Indebtedness or that are otherwise treated as interest expense or equivalent under GAAP; provided that if Hedging Obligations result in net benefits rather than costs, such benefits will be credited to reduce Consolidated Interest Expense unless, pursuant to GAAP, such net benefits are otherwise reflected in Consolidated Net Income;

(d) all capitalized interest;

(e) the interest portion of any deferred payment obligation;

(f) any premiums, fees, discounts, expenses and losses on the sale of accounts receivable (and any amortization thereof) payable by any of the Borrowers or any Subsidiary in connection with a Permitted Receivables Financing;

(g) commissions, discounts and other fees and charges Incurred in respect of letters of credit or bankers' acceptances; and

(h) any interest expense on Indebtedness of another Person that is guaranteed by such Person or one of its Subsidiaries or secured by a Lien on the asset of such Person or one of its Subsidiaries, whether or not such Guarantee or Lien is called upon; and

(2) the interest component of Capital Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such Person and its Subsidiaries during such period.

"Consolidated Net Income" means, with respect to any Person for any period, the aggregate net income (or loss) of such Person and its Subsidiaries (after deducting (or adding) the portion of such net income (or loss) attributable to minority interests in Subsidiaries of such Person) for such period on a Consolidated basis determined in accordance with GAAP; provided that there will be excluded therefrom to the extent reflected in such aggregate net income (loss):

(1) net after-tax gains or losses from asset sale transactions or abandonments or reserves relating thereto;

(2) net after-tax items classified as extraordinary, special (reflected as a separate line item on a consolidated income statement prepared in accordance with GAAP) gains or losses or income or expense or charge including, without limitation, any severance expense, and fees, expenses or charges related to any offering of Capital Stock of such Person, any Investment, asset acquisition or Indebtedness;

(3) the net income (or loss) of any other Person (other than such Person and any Subsidiary of such Person); except that such Person's equity in the net income of any such other Person will be included up to the aggregate amount of cash actually distributed by such other Person during such period to such Person or a Subsidiary of such Person as a dividend or other distribution; and except further that such Person's equity in the net loss of any other Person will be included to the extent such loss has been funded with cash from such Person or a Subsidiary of such Person;

(4) any restoration to income of any contingency reserve, except to the extent that provision for such reserve was made out of Consolidated Net Income accrued at any time following the Closing Date;

(5) any gain (or loss) from foreign exchange translation or change in net monetary position;

(6) any net gain or loss (after any offset) resulting in such period from Hedging Obligations entered into for bona fide hedging purposes and not for speculative purposes; provided that the net effect on income or loss (including in any prior periods) will be included upon any termination or early extinguishment of such Hedging Obligations, other than any Hedging Obligations with respect to Indebtedness (that is not itself a Hedging Obligation) and that are extinguished concurrently with the termination or other prepayment of such Indebtedness; and

(7) the cumulative effect of changes in accounting principles.

"Consolidated Net Indebtedness" means, with respect to any Person as of any date of determination, an amount equal to Consolidated Indebtedness minus cash and cash equivalents and consolidated marketable securities recorded as current assets (except for any Capital Stock in any Person) in all cases determined in accordance with GAAP and as set forth in the most recent consolidated balance sheet of such Person and its Subsidiaries.

"Consolidated Net Indebtedness to EBITDA Ratio" means, at any date of determination, the ratio (expressed as a decimal) of: (a) Consolidated Net Indebtedness of the Borrowers as at such date divided by (b) Consolidated EBITDA of the Borrowers for the four (4) most recent fiscal quarters ending on or before such date.

"Consolidated Non-cash Charges" means, with respect to any Person for any period, the aggregate depreciation, amortization and other non-cash expenses or losses of such Person and its Subsidiaries for such period, determined on a Consolidated basis in accordance with GAAP (excluding any such charge which constitutes an accrual of or a reserve for cash charges for any future period or the amortization of a prepaid cash expense paid in a prior period).

"Consolidated Total Assets" means, as of any date of determination, the total assets shown on the Consolidated balance sheet of the Borrowers and their Subsidiaries as of the most recent date for which such a balance sheet is available, determined on a Consolidated basis in accordance with GAAP, calculated on a *pro forma* basis to give effect to any acquisition or disposition of companies, divisions, lines of business or operations by the Borrowers and their Subsidiaries subsequent to such date and on or prior to the date of determination.

"Consolidated Net Worth" means, for any period, for the Borrowers or the Guarantor, the total shareholder's equity (or total assets minus total liabilities) which would appear as such on the balance sheet of the Borrowers or the Guarantor, as determined in accordance with GAAP.

"Contingent Obligation" means, as to any Person, (without duplication): (a) a guarantee, an indemnity obligation in respect of a guarantee or performance bond (including a *fianza*), an endorsement or an *aval*, (b) a contingent agreement to purchase or to furnish funds for the payment or maintenance of, or otherwise to be or become contingently liable under or with respect to, any Indebtedness, other obligations, net worth, working capital or earnings of any Person, (c) an agreement to purchase, sell or lease (as lessee or lessor) Property or services, primarily in each case for the purpose of enabling a debtor to make payment of its obligations, or (d) an agreement to assure a creditor against loss; *in each case* including causing a bank or other Person to issue a letter of credit or other similar instrument for the benefit of any Person, but excluding endorsement

for collection or deposit in the ordinary course of business. The amount of any Contingent Obligation of any Person shall be deemed to be an amount equal to the stated o determinable amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined in good faith.

"CRR" means the Council Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for cred institutions and investment firms and amending Regulation (EU) No 648/2012.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, *recuperação judicial*, *regime de administração especial temporária*, *concurso mercantil*, *quiebra* or similar debtor relief laws of the United States of America, the British Virgin Islands, the Netherlands, Brazil, and/or any other jurisdictions applicabl to any of the Borrowers or the Guarantor from time to time in effect affecting the rights of creditors generally.

"Default" means any event or condition that, with the giving of any notice, the passage of time, or both, would result in an Event of Default.

"Default Rate" means an interest rate (before as well as after judgment) equal to with respect to overdue principal, the applicable interest rate plus 2.00% per annum.

"Disqualified Capital Stock" means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof.

"Dollars" and "U.S.$" means the lawful currency of the United States.

"Dutch Non-Public Lender" means: (i) until the publication of an interpretation of "public" as referred to in the CRR by the competent authority/ies: an entity which (x) assumes existing rights and/or obligations vis-à-vis Arcos Netherlands or another Loan Party incorporated in the Netherlands, the value of which is at least EUR 100,000 (or its equivalent in another currency), (y) provides repayable funds for an initial amount of at least EUR 100,000 (or its equivalent in another currency) or (z) otherwise qualifies as not forming part of the public; and (ii) as soon as the interpretation of the term "public" as referred to in the CRR has been published by the relevant authority/ies: an entity which is not considered to form part of the public on the basis of such interpretation.

"Environmental Laws" means any and all Brazilian, U.S., state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any Hazardous Materials into the environment.

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

"Event of Default" means any of the events specified in ARTICLE VII; provided that any requirement set forth therein for the giving of notice, the lapse of time, or both, has been satisfied.

"Exchange Act" means the Securities Exchange Act of 1934.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to the Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrowers hereunder, or required to be withheld or deducted from any such payment: (a) Taxes imposed on or measured by its overall net income (however denominated), and branch profits and franchise taxes, in each case, (i) imposed by the jurisdiction (or any political subdivision thereof) under the Applicable Law of which such recipient is organized, is doing business, is considered a resident for tax purposes, or in which its principal office is located or, in which its applicable lending office is located; or (ii) imposed as the result of any other present or former connection between the Lender and the jurisdiction imposing such Tax (other than connections arising from such Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document) (b) Taxes imposed by the Netherlands as a result of (i) the Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrowers hereunder owning directly or indirectly, a substantial interest (*aanmerkelijk belang*) as defined in the Dutch Income Tax Act (*Wet inkomstenbelasting 2001*) in Arcos Netherlands or (ii) the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*), as in effect on the date of this Agreement (c) withholding Taxes to the extent attributable to the Lender's failure to provide to the Borrowers, at the time or times required by Applicable Law such properly completed and executed documentation reasonably requested by the Borrowers as the Lender is legally entitled to provide and will permit such payments to be made without withholding or at a reduced rate of withholding, as applicable; and (d) any U.S. federal withholding Taxes imposed under FATCA.

"Fair Market Value" means, with respect to any asset, the price (after taking into account any liabilities relating to such assets) which could be negotiated in an arm's-length free market transaction, for cash, between a willing seller and a willing and able buyer, neither of which is under any compulsion to complete the transaction; *provided* that the Fair Market Value of any such asset or assets will be determined conclusively by the Board of Directors of the Borrowers acting in good faith, and will be evidenced by a board resolution.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System of the United States.

"Fee Letter" means that certain Structuring Fee Letter dated as of October 31, 2024 and, individually and collectively, as the context may require, each other "Structuring Fee Letter" between the Lender and the Borrowers executed and delivered subsequent to such date.

"Financial Officer" of any Person means the chief financial officer, principal accounting officer, treasurer, assistant treasurer or controller of such Person.

"Floor" means a rate of interest *per annum* equal to 0%.

"Franchise Documents" means the Master Franchise Agreements and any other documents pursuant to which the Borrowers or any of their Subsidiaries has acquired the right to operate any franchised restaurant in Argentina, Aruba, Brazil, Chile, Colombia, Costa Rica, Curacao, Ecuador, French Guiana, Guadeloupe, Martinique, Mexico, Panama, Peru, Puerto Rico, Trinidad and Tobago, Uruguay, Venezuela and the U.S. Virgin Islands of St. Thomas and St. Croix, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"GAAP" means the generally accepted accounting principles in the United States of America, as in effect from time to time, consistently applied throughout the periods involved.

"Governmental Authority" means, as applicable, the government of Brazil, the Netherlands, the British Virgin Islands, the United States, any other nation, or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guaranty" means the guarantee by the Guarantor pursuant to ARTICLE VIII.

"Hague Convention" is defined in Section 3.4.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Hedging Obligations" means the obligations of any Person pursuant to (i) any interest rate protection agreement, including, without limitation, interest rate swaps, caps, floors, collars, derivative instruments and similar agreements and/or other types of hedging agreements designed to hedge interest rate risk of such Person, (ii) any foreign exchange contract, currency swap agreement or other similar agreement as to which such Person is a party designed to hedge foreign currency risk of such Person, or (iii) any commodity swap agreement, commodity cap agreement, commodity collar agreement, commodity or raw material futures contract or any other agreement as to which such Person is a party designed to manage commodity risk of such Person.

"Indebtedness" means, for any Person (without duplication):

(a) the principal amount (or, if less, the accreted value) of all obligations for borrowed money;

(b) obligations evidenced by bonds, debentures, notes or similar instruments (other than rental obligations under operating leases, whether or not evidenced by notes);

(c) obligations of such Person issued or assumed as the deferred purchase price of Property or services and obligations under any title retention agreement (excluding trade accounts payable in the ordinary course of business);

(d) reimbursement obligations in respect of letters of credit, banker's acceptances or similar credit transactions (except to the extent they relate to trade payables in the ordinary course of business and such obligation is satisfied within twenty (20) Business Days of incurrence);

(e) indebtedness (excluding prepaid interest thereon) secured by any Lien on any Property of such Person, whether or not such liabilities have been assumed by such Person (the amount of such Indebtedness being deemed to be the lesser of the Fair Market Value of such Property and the amount of the indebtedness so secured);

(f) Capital Lease Obligations;

(g) net obligations under Hedging Obligations of such Person (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time);

(h) all liabilities recorded on the balance sheet of such Person in connection with a sale or other disposition of accounts receivable and related assets;

(i) all Disqualified Capital Stock issued by such Person with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any; *provided* that:

(A) if the Disqualified Capital Stock does not have a fixed repurchase price, such maximum fixed repurchase price will be calculated in accordance with the terms of the Disqualified Capital Stock as if the Disqualified Capital Stock were purchased on any date on which Indebtedness will be required to be determined hereunder; and

(B) if the maximum fixed repurchase price is based upon, or measured by, the fair market value of the Disqualified Capital Stock, the fair market value wil be the Fair Market Value thereof;

(j) the amount of all Permitted Receivables Financings of such Person; and

(k) Contingent Obligations relating to any of the foregoing Indebtedness.

The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingency obligations at such date.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Interest Payment Date" means for any Loan, each day occurring after such Loan is made as follows: (i) the last day of the relevant Interest Period, or if such relevant Interest Period is longer than three (3) months, at three (3)-month intervals; (ii) for any amount accruing interest upon an Event of Default as set forth in Section 2.6(b), on demand; and (iii) for any accrued and unpaid amount (other than the amount described in clause (ii)), upon maturity and any repayment.

"Interest Period" means, with respect to any Loan, (a) the period commencing on the date of such Loan and ending on (but not including) the date which is three months thereafter (in each case, subject to the availability thereof) then (b) each succeeding three-month period starting on the last day of the preceding Interest Period and ending on (but not including) the date which is three months thereafter; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day; (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) no Interest Period shall extend beyond the maturity date of the Loan (but excluding it) specified in the respective Notice of Borrowing.

"Investment" means, with respect to any Person, any: (1) direct or indirect loan, advance or other extension of credit (including, without limitation, a Contingent Obligation) to any other Person (other than advances or extensions of credit to customers in the ordinary course of business); (2) capital contribution (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others) to any other Person; or (3) any purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by, any other Person.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing); provided that in no event shall an operating lease be deemed to constitute a Lien.

"Loan" is defined in Section 2.1.

"Loan Documents" means, collectively, this Agreement, the Note and the Fee Letter.

"Loan Parties" means the Borrowers and the Guarantor.

"Master Franchise Agreements" means the Amended and Restated Master Franchise Agreement, dated as of November 10, 2008 (as the same may be amended restated, supplemented or otherwise modified from time to time), among McDonald's Latin America, the Borrowers and the other parties thereto, and the Second Amended and Restated Master Franchise Agreement, dated as of November 10, 2008 (as the same may be amended, restated, supplemented or otherwise modified from time to time), among McDonald's Latin America and the Guarantor.

"Master Franchisee" means LatAm, LLC, or any successor to its rights and obligations under the Amended and Restated Master Franchise Agreement, dated as of November 10, 2008 (as the same may be amended, restated, supplemented or otherwise modified from time to time), among McDonald's Latin America, the Borrowers and the other parties thereto.

"Material Adverse Effect" means a material adverse effect on (a) the business, properties, operations or financial condition of the Borrowers and their Subsidiaries, taken as a whole, (b) the ability of the Loan Parties, taken as a whole, to pay or perform their respective obligations, liabilities and indebtedness under the Loan Documents as such payment or performance becomes due in accordance with the terms thereof, (c) the rights and remedies of the Lender under any Loan Document or the validity, legality, binding effect or enforceability thereof.

"Material Subsidiary" means, at any time, the Guarantor and any other Subsidiary of any of the Borrowers that (a) represents 10% or more of Consolidated EBITDA of any of the Borrowers for the four fiscal quarters most recently ended at the time of determination, or (b) holds assets representing 10% or more of Consolidated Total Assets. As of the Closing Date (determined based on the financial condition and results of operations as of and for the period of four (4) fiscal quarters ended on June 30, 2024).

"Maturity Date" means October 31, 2026.

"McDonald's Mortgage" means any mortgages granted in favor of McDonald's Latin America on Secured Restricted Real Estate, in each case securing obligations owing to McDonald's Latin America under the Master Franchise Agreement in an aggregate amount not to exceed the undrawn portion of the Letter of Credit on the date of termination thereof.

"McDonald's Security Documents" means the McDonald's U.S. Stock Pledge Agreement, dated as of August 3, 2008, made by the Borrowers and the othe parties thereto in favor of McDonald's Latin America, the McDonald's Foreign Pledge Agreements and the McDonald's Deposit Pledge Agreement and any othe agreement, instrument or document under which any Lien is granted to secure obligations under the Franchise Documents, as the same may be amended, restated supplemented or otherwise modified from time to time.

"Note" means each promissory note executed by the Borrowers in favor of the Lender, substantially in the form of Exhibit B.

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, the Borrowers and the Guarantor arising under any Loan Documen or otherwise with respect to any Loan, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any of the Borrowers, the Guarantor or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed or allowable claims in such proceeding.

"Organizational Documents" means (a) as to any corporation, the charter or certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive/constitutional documents with respect to any non-U.S. jurisdiction), (b) as to any limited liability company, the certificate or articles, and/or memorandum of association, formation or organization (as applicable) and operating or limited liability agreement, (c) as to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity and (d) as to any Loan Party incorporated in the Netherlands, the deed of incorporation (*akte van oprichting*), articles of association (*statuten*), and an up-to-date extract of the Trade Register of the Dutch Chamber of Commerce.

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or any other similar Taxes, charges or levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery, registration or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Permitted Holders" means (a) any Person that is an Affiliate of the Borrowers prior to an event giving rise to a Change of Control (and not established as an Affiliate in order to effect what would otherwise be a Change of Control), (b) Woods W. Staton and any Related Party of Woods W. Staton and (c) any Person both the Capital Stock and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are owned directly or indirectly 51% or more by Persons specified in clause (b).

"Permitted Receivables Financing" means any receivables financing facility or arrangement pursuant to which a Securitization Subsidiary purchases or otherwise acquires accounts receivable of the Borrowers or any Subsidiary and enters into a third-party financing thereof on terms that the Board of Directors of the Borrowers o such Subsidiary has concluded are customary and market terms fair to such Person.

"Person" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Preferred Stock" means, with respect to any Person, any Capital Stock of such Person that has preferential rights over any other Capital Stock of such Person with respect to dividends, distributions or redemptions or upon liquidation.

"Property" shall mean any right or interest in or to property, assets, rights or revenues of any kind whatsoever, whether real, personal or mixed, whether existing or future and whether tangible or intangible, including intellectual property.

"Regulation U" means Regulation U (12 C.F.R. Part 221) of the Federal Reserve Board, as the same may be modified and supplemented and in effect from time t time.

"Regulation X" means Regulation X (12 C.F.R. Part 224) of the Federal Reserve Board, as the same may be modified and supplemented and in effect from time t time.

"Related Party" means, with respect to any Person, (1) any Subsidiary, spouse, descendant or other immediate family member (which includes any child, stepchild, parent, stepparent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law) (in the case of an individual), of such Person, (2) any estate, trust, corporation, partnership or other entity, the beneficiaries and stockholders, partners or owners of which consist solely of one or more Permitted Holders referred to in clause (1) of the definition thereof and/or such other Persons referred to in the immediately preceding clause (1), or (3) any executor, administrator, trustee, manager, director or other similar fiduciary of any Person referred to in the immediately preceding clause (2), acting solely in such capacity.

"Relevant Governmental Body" means the Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto.

"Sanctioned Country" means, at any time, a country, region or territory which is itself the subject to or target of any Sanctions.

"Sanctioned Person" means, at any time, any individuals or entities (a) listed in any Sanctions-related list of designated individuals or entities maintained by Sanctions Authority, (b) operating, organized or resident in a Sanctioned Country, or (c) owned or controlled by one or more of any such individuals or entities as described in the foregoing clauses (a) and (b), or (d) otherwise the subject of any Sanctions.

"Sanctions" means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, or the United Nations Security Council, the European Union, any European Union member state, or His Majesty's Treasury of the United Kingdom or other relevant sanctio authority (collectively, "Sanctions Authorities").

"Securitization Subsidiary" means (a) a Subsidiary that is designated a "Securitization Subsidiary" by the Board of Directors of any Borrower, (b) that does no engage in, and whose charter prohibits it from engaging in, any activities other than Permitted Receivables Financings and any activity necessary, incidental or related thereto, (c) no portion of the Indebtedness or any other obligation, contingent or otherwise, of which is guaranteed by any Borrower or any Material Subsidiary, is recourse to or obligates any Borrower or any Material Subsidiary of any Borrower in any way, subjects any property or asset of any Borrower or any Material Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof and (d) with respect to which neither any Borrower nor any Material Subsidiary has any obligation to maintain or preserve its financial condition or cause it to achieve certain levels of operating results other than, in respect of clauses (c) and (d), pursuant to customary representations, warranties, covenants and indemnities entered into in connection with a Permitted Receivables Financing.

"SOFR" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"Subsidiary" means, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock of each class or other interests having ordinary voting power (other than stock or other interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are, at the time owned, or the management of which is otherwise controlled by, such Person or by one or more Subsidiaries of such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiarie of the Borrowers.

"Taxes" means any and all present or future taxes, duties, levies, imposts, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, whether computed on a separate, consolidated, unitary, combined or other basis and any and all liabilities (including interest, fines, penalties or additions to tax) with respect to the foregoing.

"Term SOFR" means, for any Interest Period, the Term SOFR Reference Rate for a tenor comparable to such Interest Period on the day (such day, the "Periodic Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by th Term SOFR Administrator; provided, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate fo the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Transition Event with respect to the Term SOFR Reference Rate has not

occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Governme Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U. Government Securities Business Day is not more than five (5) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, a *provided, further*, that if Term SOFR determined as provided above shall ever be less than the Floor, then Term SOFR shall be deemed to be equal to the Floor.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Ra selected by the Lender).

"Term SOFR Reference Rate" means the forward-looking term rate based on SOFR.

"Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"United States" means the United States of America.

"U.S. Government Securities Business Day" means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financia Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States governmen securities.

"Utilization Fee" is defined in Section 2.7(b).

"Utilization Fee Period" means, with respect to each Loan, (a) the period commencing on and including the Closing Date and ending on (but excluding) the nex Interest Payment Date for such Loan, and (b) thereafter, a period commencing on and including the last day of the preceding Utilization Fee Period and ending on bu excluding the next succeeding Interest Payment Date for such Loan; provided, that (i) if any Utilization Fee Period would end on a day other than a Business Day, suc Utilization Fee Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which cas such Utilization Fee Period shall end on the next preceding Business Day; (ii) any Utilization Fee Period that commences on the last Business Day of a calendar month (on a day for which there is no numerically corresponding day in the last calendar month of such Utilization Fee Period) shall end on the last Business Day of the last calenda month of such Utilization Fee Period; and (iii) no Utilization Fee Period shall extend beyond the Maturity Date (but excluding it).

"Utilization Fee Rate" means, at any time of determination, the rate *per annum* set forth opposite the Utilization Percentage in the pricing grid below:

Utilization Percentage	Utilization Fee Rate
≤ 33%	n/a
> 33% to ≤ 67%	0.20%
> 67%	0.40%

"Utilization Percentage" means, at any time of determination, the percentage obtained by dividing (i) all outstanding Loans hereunder at such time by (ii) the aggregate amount of all Commitments of the Lender at such time.

"Voting Stock" means Capital Stock in any Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or individuals performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

Section 1.2. Rules of Construction.

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and Properties, including cash, securities, accounts and contract rights.

(b) In this Agreement and each other Loan Document, unless the context clearly requires otherwise (or such other Loan Document clearly provides otherwise), (i) "amend" shall mean "amend, restate, amend and restate, supplement or modify;" and "amended," "amending" and "amendment" shall have meanings correlative to the foregoing; (ii) in the computation of periods of time from a specified date to a later specified date, "from" shall mean "from and including," "to" and "until" shall mean "to but excluding," and "through" shall mean "to and including;" (iii) "hereof," "herein" and "hereunder" (and similar terms) in this Agreement or any other Loan Document refer to this Agreement or such other Loan Document, as the case may be, as a whole and not to any particular provision of this Agreement or such other Loan Document; and (iv) references to "the date hereof" shall mean the date first set forth above.

(c) In this Agreement unless the context clearly requires otherwise, any reference to (i) an Exhibit or Schedule is to an Exhibit or Schedule, as the case may be, attached to this Agreement and constituting a part hereof, and (ii) a Section or other subsection is to a Section or such other subsection of this Agreement.

(d) Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP; *provided* that, if the Borrowers notifies the Lender that the Borrowers requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision, regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

(e) For purposes of Section 6.5, the definitions of Consolidated Net Indebtedness, Consolidated EBITDA and Consolidated Net Indebtedness to EBITDA Ratio will be calculated after giving effect on a pro forma basis in good faith for the period of such calculation for the following:

(i) the incurrence, repayment or redemption of any Indebtedness (including acquired Indebtedness) of such Person or any of its Subsidiaries, and the application of the proceeds thereof, including the incurrence of any Indebtedness (including acquired Indebtedness), and the application of the proceeds thereof, giving rise to the need to make such determination, occurring during such four-quarter period or at any time subsequent to the last day of such four-quarter period and prior to or on such date of determination, to the extent, in the case of an incurrence, such Indebtedness is outstanding on the date of determination, as if such incurrence, and the application of the proceeds thereof, repayment or redemption occurred on the first day of such four-quarter period; and

(ii) any asset sale transaction or asset acquisition by such Person or any of its Subsidiaries, including any asset sale or asset acquisition giving rise to the need to make such determination, occurring during the four-quarter period or at any time subsequent to the last day of the four-quarter period and prior to or on such date of determination, as if such asset sale transaction or asset acquisition occurred on the first day of the four-quarter period.

For purposes of making such pro forma computation, the amount of Indebtedness under any revolving credit facility will be computed based on:

(A) the average daily balance of such Indebtedness during such four-quarter period; or

(B) if such facility was created after the end of such four-quarter period, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation, in each case giving pro forma effect to any borrowings related to any transaction referred to in clause (ii) of this Section 1.2(e).

Section 1.3. Dutch terms.

(a) Without prejudice to the generality of any provision of this Agreement, in this Agreement where it relates to a Loan Party incorporated in the Netherlands, a reference to:

an "administrator" includes a *bewindvoerder* or a *beoogd bewindvoerder*;

"any proceeding" includes Arcos Netherlands having filed a notice under Section 36 of the Tax Collection Act of the Netherlands (*Invorderingswet 1990*) or Section 60 of the Social Insurance Financing Act of the Netherlands (*Wet Financiering Sociale Verzekeringen*) in conjunction with Section 36 of the Tax Collection Act of the Netherlands but (for the avoidance of doubt) not where such notice is (deemed) filed by reason of a request by Arcos Netherlands for the postponement of its tax liability payments made – and the authorities' consent to and actual postponement of such payments – in accordance with the Decree on Temporary Measures Coronacrisis (*Besluit noodmaatregelen coronacrisis*) of the Dutch State Secretary for Finance (as amended or replaced from time to time);

an "arrangement" includes an *onderhands akkoord* within the meaning of the *Wet homologatie onderhands akkoord (WHOA)* and a (*voorlopig*) *surseance van betaling*;

an "attachment" includes a *conservatoir beslag* or *executoriaal beslag*;

the "constitutional documents" means the deed of incorporation (*akte van oprichting*), articles of association (*statuten*), and an up-to-date extract of the Trade Register of the Dutch Chamber of Commerce;

a "director" means a managing director (*bestuurder*) and "board of directors" means its managing board (*bestuur*);

"indemnify" means *vrijwaren*;

"intentional or gross fault" means *opzet*;

"negligence" means *schuld*;

the "Netherlands" means the European part of the Kingdom of the Netherlands and Dutch means in or of the Netherlands;

a "receiver" or an "administrative receiver" includes a *herstructureringsdeskundige*, *beoogd curator*, *curator* or *bewindvoerder*;

a "security interest" or "security" includes any mortgage (*hypotheek*), pledge (*pandrecht*), retention of title arrangement (*eigendomsvoorbehoud*), privilege (*voorrecht*), right of retention (*recht van retentie*), right to reclaim goods (*recht van reclame*), and in general any right in rem (*beperkt recht*), created for the purpose of granting security (*goederenrechtelijkzekerheidsrecht*); and

a "winding-up", "administration" or "dissolution" includes a bankruptcy (*faillissement*) or dissolution (*ontbinding*).

ARTICLE II

LOANS

Section 2.1. Loans. Subject to the terms and conditions set forth herein, the Lender agrees to make loans (each such loan, a "Loan") to the Borrowers from time to time, on any Business Day during the Availability Period, subject to Section 2.2, in an aggregate amount not to exceed, at any time outstanding, the Aggregate Commitment Amount, provided that no Lender shall make available Loans to any Dutch Loan Party unless it qualifies as Dutch Non-Public Lende Within the limits of the Commitment, and subject to the other terms and conditions hereof, the Borrowers may borrow under this Section 2.1, repay and reborrow under this Section 2.1.

Section 2.2. Borrowing.

(a) To request a Borrowing, the Borrowers shall give the Lender an irrevocable notice substantially in the form of Exhibit A (the "Borrowing Notice") signed by the applicable Borrower and appropriately completed, no later than 11:00 a.m. New York City time at least three (3) U.S. Government Securities Business Day prior to the funding date of such Loan. The initial borrowing shall be in a principal amount of at least U.S.$100,000.00.

(b) Upon satisfaction of the applicable conditions set forth in Section 4.2, the Lender shall make the amount of the requested Loan available to the Borrowers in immediately available funds on the Borrowing Date specified in the Borrowing Notice.

Section 2.3. Termination of Commitment. The Commitment shall automatically terminate at 5:00 p.m. (New York City time) on the Commitmen Termination Date.

Section 2.4. Repayment of the Loans. The Borrowers hereby unconditionally promise to pay to the Lender the principal amount of each Loan on its respective maturity date, as specified in the Notice of Borrowing, which shall not extend beyond the Maturity Date.

Section 2.5. Optional Prepayment; Mandatory Prepayment.

(a) The Borrowers shall have the right to prepay, without premium or penalty, all or any portion of the Loans by giving the Lender irrevocable notice by 11:00 a.m. New York City time, at least three (3) U.S. Government Securities Business Days prior to the prepayment of such Loan. Each prepayment notice shall specif (x) the prepayment date and (y) the principal amount of each Loan or portion thereof to be prepaid. Each prepayment notice shall be irrevocable.

(b) If on any Business Day for any reason the total outstanding principal amount of the Loans at any time exceeds the Aggregate Commitment Amoun then in effect, the Borrowers shall immediately prepay Loans in an aggregate amount equal to such excess.

(c) Each payment pursuant to this Section 2.5 shall be accompanied by accrued interest to such date on the amount prepaid and any additional amounts required to be paid pursuant to this Agreements, including but not limited to Section 2.13.

(d) No prepayment of a Loan hereunder shall be made on any day that is not a U.S. Government Securities Business Day, and if any prepayment to b made by any Borrower shall fall due on a day that is not a U.S. Government Securities Business Day, payment shall be made on the next succeeding U.S. Governmer Securities Business Day and such extension of time shall be reflected in computing interest or fees, as the case may be.

Section 2.6. Interest.

(a) Interest Rates. Except as otherwise provided in Clause (b) below, each Loan shall bear interest at a rate per annum equal to Term SOFR plus th Applicable Margin.

(b) Default Interest. If any amount payable by any Borrower under this Agreement or any other Loan Document (including principal of any Loan, interest fees and other amount) is not paid when due, whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a rate per annum equal to the applicable Default Rate. Upon the request of the Lenders, while any Event of Default exists, the Borrowers shall pay interest on the principal amount of all Loar outstanding hereunder at a rate per annum equal to the applicable Default Rate.

(c) Interest Computation. All interest hereunder shall be computed on the basis of a year of 360 days, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). All interest hereunder on any Loan shall be computed on a daily basis based upon the outstanding principal amount of such Loan as of the applicable date of determination. The Term SOFR shall be determined by the Lender and such determination shall be conclusiv absent manifest error.

(d) Conforming Changes. In connection with the use or administration of Term SOFR, the Lender will have the right to make Conforming Changes fror time to time and, in order to implement such Conforming Changes, the Lender and the Borrowers shall endeavor to establish an alternate rate of interest to the Term SOFI or SOFR, as applicable that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated and/or bilateral loans in th United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable (but for the avoidance of doubt, such related changes shall not include a reduction of the Applicable Margin); provided that, if such alternate rate of interest as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

Section 2.7. Fees.

(a) Commitment Fee. The Borrowers agree to pay to the Lender a commitment fee (the "Commitment Fee") for each Commitment Fee Period, payable in arrears on each Commitment Fee Payment Date and on the Commitment Termination Date. The Commitment Fee shall be calculated at a rate of 0.75% *per annum* on the average daily amount of the unutilized

portion of the Commitment during the applicable period. The phrase "unutilized portion of the Commitment" as used in the preceding sentence means, as of any day, the positive difference between (a) the amount of the Commitment, and (b) the outstanding principal amount of the Loans. The Commitment Fee shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

(b) Utilization Fee. The Borrowers agree to pay to the Lender an utilization fee (the "Utilization Fee") for each Utilization Fee Period, payable in arrears on each Interest Payment Date and on the Maturity Date. The Utilization Fee shall be computed as the product of the applicable Utilization Fee Rate and the actual amount of the outstanding principal amount of the Lender's Loans (if any) on each day during such Utilization Fee Period on the basis of a year of 360 days, it being understood that the calculation of the Utilization Fee will be made on a daily basis based on the actual outstanding principal amount of the Loans on such date taking into account any repayment, prepayment or disbursement of Loans made on such date.

Section 2.8. Note.

(a) The obligation of the Borrowers to repay the aggregate principal balance of all Loans hereunder outstanding at any one time shall, if requested by the Lender, be evidenced by one or more Notes, as such Note(s) may be modified or amended from time to time. Promptly upon such request, the Borrowers shall execute and deliver such Note(s) to the Lender.

(b) The payment of any part of the principal of the Note shall discharge the obligation of the Borrowers under this Agreement to pay principal of the Loans evidenced by the Note *pro tanto*, and the payment of any principal of a Loan in accordance with the terms hereof shall discharge the obligations of the Borrowers under the Note *pro tanto*.

(c) In the event of any inconsistency between this Agreement and the Note with respect to the calculation of interest or any other amount due hereunder, this Agreement shall prevail.

Section 2.9. Payments Generally.

(a) Payments by Borrowers. Except as otherwise expressly provided herein, all payments by the Borrowers hereunder shall be made to the Lender, at the Lender's office in Dollars and in immediately available funds not later than 4:00 p.m. (New York time) on the date specified herein. If any payment to be made by the Borrowers shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, except that if such payment is due on the Maturity Date and such date is not a Business Day, payment shall be made on the next preceding Business Day, and such extension or reduction of time shall be reflected on computing interest or fees, as the case may be.

(b) Application of Insufficient Payments. If at any time insufficient funds are received by and available to the Lender to pay fully all amounts of principal, interest, fees and other amounts then due hereunder, such funds shall be applied (i) first, to pay interest, fees and other amounts then due hereunder, and (ii) second, to pay principal then due hereunder.

Section 2.10. Taxes.

(a) Any and all payments by or on account of any obligation of any of the Borrowers or the Guarantor hereunder or under any other Loan Documen shall, to the extent permitted by Applicable Law, be made free and clear of and without deduction or withholding for any Taxes. If, however, Applicable Law requires any Borrower or the Guarantor to withhold or deduct any Tax, such Tax shall be withheld or deducted in accordance with such Applicable Law as determined by such Borrower or the Guarantor.

(b) If any Borrower or the Guarantor shall be required by Applicable Law to withhold or deduct any Taxes from any payment, then (i) such Borrower o the Guarantor shall withhold or make such deductions as are determined by such Borrower or the Guarantor to be required, (ii) such Borrower or the Guarantor shall timel pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with Applicable Law, and (iii) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by such Borrower or the Guarantor shall be increased by such additional amounts as necessary so that after any such required withholding or the making of all such required deductions (including withholding or deductions applicable to additional sums payable under this Section 2.10) the Lender receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(c) Without limiting the provisions of clause (a) above, the Borrowers shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(d) Without limiting the provisions of clause (a), (b) or (c) above, the Borrowers shall, and do hereby indemnify the Lender, and shall make payment in respect thereof, within ten days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributed to amounts payable under this Section 2.10) withheld or deducted by any Borrower or the Guarantor or paid by the Lender, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of any such payment or liability delivered to the Borrowers by the Lender shall be conclusive absent manifest error.

(e) Within 30 calendar days, upon request by the Lender, after any payment of Taxes by the Borrowers to a Governmental Authority as provided in this Section 2.10, the Borrowers shall deliver to the Lender the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment or any other evidence available that is reasonably satisfactory to the Lender.

(f) If the Lender is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document, it shall deliver to the Borrowers, at the time or times reasonably requested by the Borrowers, such properly completed and executed documentation reasonably requested by the Borrowers as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, the Lender, if reasonably requested by the Borrowers, shall deliver such other documentation or information reasonably

requested by the Borrowers as will enable the Borrowers to determine whether or not the Lender is subject to any withholding Taxes (including backup withholding or the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*) or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(g) If the Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.10 (including the payment of additional amounts pursuant to this Section 2.10), it shall pay to the Borrowers an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.10 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of the Lender and without interest (other than any interest paid by the relevant taxation authority with respect to such refund). Upon the request of the Lender, the Borrowers shall repay to the Lender the amount paid over pursuant to this Section 2.10(g) (plus any penalties, interest or other charges imposed by the relevant taxation authority) in the event that the Lender is required to repay such refund to such taxation authority. Notwithstanding anything to the contrary in this Section 2.10(g), in no event will the Lender be required to pay any amount to the Borrowers pursuant to this Section 2.10(g) the payment of which would place the Lender in a less favorable net after-Tax position than the Lender would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require the Lender to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the Borrowers.]

Section 2.11. Requirements of Law.

(a) In the event that any Change in Law or compliance by the Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority occurring after the date hereof:

(i) does or shall impose, modify or hold applicable any reserve, special deposit or similar requirement against assets held by, or deposits or other liabilities in or for the account of, advances or loans by, or other credit extended by, any office of the Lender which are not otherwise included in the determination of any applicable interest rate hereunder; or

(ii) does or shall impose on the Lender any other condition affecting this Agreement or the Loans;

and the result of any of the foregoing is to increase the cost to the Lender or its lending office of making or maintaining advances or extensions of credit or to reduce any amount received or receivable hereunder, whether of principal, interest or otherwise (other than an increase in cost or reduction in amount attributable to Taxes, as to which Section 2.10 shall govern), in each case, in respect of the Loans, then, in any such case, the Borrowers shall pay the Lender, within 30 days from demand, such additional amount or amounts as will compensate it for such additional cost incurred or reduction suffered.

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

(c) A certificate of the Lender setting forth in reasonable detail the basis for the calculation of the amount or amounts necessary to compensate the Lender or its holding company, as the case may be, as specified in clauses (a) or (b) of this Section and delivered to the Borrowers shall be conclusive absent manifest error. The Borrowers shall pay the Lender the amount shown as due on any such certificate within 30 days after receipt thereof. Failure or delay on the part of the Lender to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of the Lender's right to demand such compensation; provided, however, that the Borrowers shall not be required to compensate the Lender pursuant to this Section 2.11 for any increased cost incurred more than 180 days before it notifies the Borrowers of the Change in Law giving rise to such increased cost and of its intention to claim compensation therefore. However, if the Change in Law giving rise to such increased cost or reduction is retroactive, then the 180-day period referred to above will be extended to include the period of retroactive effect thereof.

Section 2.12. Mitigation Obligations. If the Lender requests compensation under Section 2.11, or requires any Borrower or the Guarantor to pay any Indemnified Taxes or additional amounts to the Lender or any Governmental Authority for the account of the Lender pursuant to Section 2.10, then the Lender shall (at the request of the Borrowers or the Guarantor) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of the Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.10 or Section 2.11, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to the Lender. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by the Lender in connection with any such designation or assignment.

Section 2.13. Breakage Costs. The Borrowers agree to reimburse the Lender for any Breakage Costs. The Borrowers shall pay the Lender the amount shown as due on any certificate delivered by the Lender to the Borrowers setting forth in reasonable detail Breakage Costs incurred within 30 days after receipt thereof.

Section 2.14. Survival. The provisions under this Section shall survive termination of the Commitment and the repayment of all Obligations hereunder.

Section 2.15. Inability to Determine Rates. Subject to Section 2.17, if, as of any date, the Lender determines (which determination shall be conclusive and binding absent manifest error) that "Term SOFR" cannot be determined pursuant to the definition thereof, the Lender will promptly so notify the Borrowers. Upo notice thereof by the Lender to the Borrowers, any obligation of the Lenders to make Loans shall be suspended (to the extent of the affected Loans) until th Lender revokes such notice. Upon receipt of such notice;

(i) the Lender's obligation to make Loans will be suspended for the affected Loans until the Lender revokes the notice;

(ii) the Borrowers will be deemed to have revoked any pending request for a borrowing of Loans (to the extent of the affected Loans);

(iii) the Lender and the Borrowers shall endeavor to establish an alternate rate of interest to the Term SOFR or SOFR, as applicable, that give due consideration to the then prevailing market convention for determining a rate of interest for syndicated and/or bilateral loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable (but for the avoidance of doubt, such related changes shall not include a reduction of the Applicable Margin); provided that, if such alternate rate of interest as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement;

(iv) following the establishment of the alternative rate, all revoked or future requests for borrowing will be reconsidered by the Lender using the new interest rate established in accordance with item (iii) above; and

(v) if (a) the Lenders and Borrowers fail to agree on an alternate rate of interest to the Term SOFR or SOFR, as applicable, as described in ite (iii), or (b) the established alternative rate cannot, for any reason, be applied to withdrawn Loans, each Borrower shall immediately prepay any outstanding Loans made to it, in accordance with Section 2.5 above.

Section 2.16. Illegality. If the Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, fo the Lender or its applicable lending office to make, maintain or fund Loans whose interest is determined by reference to SOFR or Term SOFR, or to determine charge interest based upon SOFR or Term SOFR, then, upon notice thereof by the Lender to the Borrowers (an "Illegality Notice"), any obligation of the Lender to make Loans shall be suspended until the Lender notifies the Borrowers that the circumstances giving rise to such determination no longer exist. Upon receipt of a Illegality Notice, each Borrower shall, if necessary to avoid such illegality, upon demand from the Lender, prepay all Loans made to it on the last day of the Interes Period therefor, if the Lender may lawfully continue to maintain Loans to such day, or immediately, if the Lender may not lawfully continue to maintain Loans to such day, in each case until the Borrowers are advised in writing by the Lender that it is no

longer illegal for the Lender to determine or charge interest rates based upon SOFR or Term SOFR. Upon any such prepayment or conversion, the applicab Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 2.13.

Section 2.17. Benchmark Replacement Setting.

(a) Benchmark Replacement.

(i) Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event, th Lender and the Borrowers may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respec to a Benchmark Transition Event will become effective at 5:00 p.m. (New York City time) on the fifth Business Day after the Lender has posted such propose amendment to the Borrowers. No replacement of a Benchmark with a Benchmark Replacement pursuant to thisSection 2.17(a)(i) will occur prior to the applicable Benchmark Transition Start Date.

(ii) No swap agreement shall be deemed to be a "Loan Document" for purposes of this Section 2.17).

(b) Benchmark Replacement Conforming Changes In connection with the use, administration, adoption or implementation of a Benchmark Replacement the Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, an amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document, provided, however that the Lender shall inform the parties to this Agreement of any proposed Conforming Changes at least five (5) Business Days in advance o the effectiveness of such changes.

(c) Notices; Standards for Decisions and Determinations The Lender will promptly notify the Borrowers of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Lender will notify the Borrowers of (x) the removal or reinstatement of any tenor of a Benchmark pursuant toSection 2.17(d) and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Lender pursuant to thisSection 2.17, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.17.

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate and either (A) any tenor for such Benchmark is no displayed on a screen or other information service that publishes such rate from time to time as selected by the Lender or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Lenders may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Lender may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Each Borrower and the Guarantor hereby represent and warrant to the Lender, as of the Closing Date, the following, whereas (1) with respect to the Guarantor, the representations and warranties are limited to matters of the laws of Brazil and (i) to the extent that the laws of any other jurisdiction may be relevant, the Guarantor has not conducted any independent investigation thereof; and (ii) without prejudice to the conditions set forth in Section 4.2(c) below, which must be fulfilled by each Borrower in relation to all Loan Parties on each Borrowing Date, the Guarantor assumes no obligation to notify the Lender of any future changes in the law that may affect the representations and warranties expressed in this document, or otherwise to update these representations:

Section 3.1. Financial Condition; No Material Adverse Effect (a) The audited Consolidated balance sheets of each of the Borrowers and their Subsidiaries as at December 31, 2023, including the related schedules and notes thereto, and the unaudited Consolidated balance sheets of each of the Borrowers and their Subsidiaries as at June 30, 2024, including the related schedules and notes thereto, in each case, present fairly the financial condition of each of the Borrowers and their Subsidiaries as of the end of such fiscal year and fiscal quarter, respectively, and results of their operations and the changes in their undistributed net assets for the fiscal year and fiscal quarter, respectively, then ended.

(b) Since June 30, 2024, there has been no event or circumstance that has had or would reasonably be expected to have a Material Adverse Effect.

Section 3.2. Existence and Qualification; Power. Each Borrower and each Material Subsidiary (a) is duly organized or formed, validly existing and, as applicable, in good standing under the laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and, as applicable, in good standing under the laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (a) but only with respect to any Material Subsidiary that is not the Guarantor, (b)(i) or (c), to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect.

Section 3.3. Authorization; Enforceable Obligations; No Contravention. The execution, delivery and performance of this Agreement and the other Loan Documents by the Loan Parties have been duly authorized by all necessary action, and this Agreement is and the other Loan Documents, when executed, will be legal, valid and binding obligations of the Loan Parties party thereto, enforceable in accordance with their respective terms, except as enforceability may be limited by applicable Debtor Relief Laws. The execution, delivery and performance of this Agreement and the other Loan Documents (i) are not in contravention of law or of the terms of any Loan Party's organizational documents, and (ii) will not result in the breach of or constitute a default under, or result in the creation of a Lien or require a payment to be made under any indenture, agreement or undertaking to which any Borrower or the Guarantor is a party or by which it or its property may be bound or affected, except in the case referred to in this clause (ii), to the extent that such breach, default, Lien or payment would not reasonably be expected to have a Material Adverse Effect.

Section 3.4. Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority, including the Central Bank of Brazil, or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Borrower or the Guarantor of this Agreement or any other Loan Document, which has not been duly obtained, *except for*, with respect to an enforcement of the Guarantor in Brazil, as the case may be, (i) the notarization of the signature of the parties to the Loan Documents signing them outside of Brazil and consularization of the Loan Documents (or, if the place of signing is a contracting state to the Convention Abolishing the Requirement of legalization for Foreign Public Documents dated October 5, 1961 ("Hague Convention"), the Loan Documents must be apostilled), (ii) the translation of the documents mentioned in item (i) into Portuguese by a certified public translator; and (iii) the filing of such translated and notarized and consularized (or apostilled, as applicable) documents with the relevant Registry of Titles and Documents in Brazil, which can be performed by any party at any time before enforcement of the Loan Documents in Brazil.

Section 3.5. No Material Litigation Except as set forth on Schedule 3.5, there is no action, suit, investigation or proceeding at law or in equity or by or before any governmental instrumentality or agency or arbitral body pending, or, to the knowledge of any Borrower or the Guarantor, threatened by or against any Borrower or any of its Material Subsidiaries or affecting any Borrower or any of its Material Subsidiaries or any Properties or rights of any Borrower or any of it Material Subsidiaries, which, if adversely determined, would reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

Section 3.6. Taxes. Each Borrower and each of its Material Subsidiaries has filed or caused to be filed all federal and state and local tax returns which are required to be filed by it, except where the failure to file such tax returns would not reasonably be expected to result in a Material Adverse Effect, and, except for (i) taxes and assessments being contested in good faith by appropriate proceedings diligently conducted and against which adequate reserves have been established in accordance with GAAP or (ii) taxes the payment of which would not reasonably be expected to result in a Material Adverse Effect, have paid or caused to be paid all taxes as shown on said returns or on any assessment received by it, to the extent that such taxes have become due.

Section 3.7. CIT Fiscal Unity As per the date of this Agreement, the CIT Fiscal Unity consists of the Arcos Netherlands and Arcos Dorado Development B.V. only.

Section 3.8. Compliance with Laws. Each Borrower and each of its Material Subsidiaries are in compliance in all material respects with the requirements of all laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except (i) in such instances in which such requirement of law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (ii) where the failure to be in compliance would not reasonably be expected to result in a Material Adverse Effect.

Section 3.9. Intellectual Property; Licenses, Etc Each Borrower and each of its Material Subsidiaries own, or possess the right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights that are reasonably necessary for the operation of their respective businesses, without conflict in any material respects with the rights of any other Person. To the best knowledge of each Borrower and the Guarantor, no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by any Borrower or any of its Material Subsidiaries infringes upon any rights held by any other Person, except for any such infringement which, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. No claim or litigation regarding any of the foregoing is pending or, to the best knowledge of any Borrower or the Guarantor, threatened, which, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

Section 3.10. Ranking. The payment obligations in respect of the Loans will constitute unsecured, direct and unconditional obligations of the Borrowers and the Guarantor, and shall rank at least *pari passu* with all other existing and future unsecured, unsubordinated indebtedness of the Borrowers and the Guarantor, except for any obligations that have priority under applicable laws.

Section 3.11. Full Disclosure. The reports, financial statements, certificates and other information furnished by or on behalf of the Loan Parties to the Lender in connection with the negotiation of this Agreement or delivered hereunder, taken as a whole, do not contain any untrue statement of a material fact or omits a material fact necessary to make the statement made not misleading; provided that, with respect to projected financial information, each Borrower and the Guarantor represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

Section 3.12. Form of Documents. Each of the Loan Documents to which any Loan Party is a party is in proper legal form under the laws of the jurisdiction in which such Loan Party is organized for the enforcement thereof against such Loan Party under such laws;*provided* that, in the event of enforcement of any of the Loan Documents, including this Agreement, against the Guarantor in Brazil, it is necessary to, as the case may be, (i) notarize the signature of the parties to the Loan Documents who signed them outside of Brazil and consularize the Loan Documents (or, if the place of signing is a contracting state to the Hague Convention, have the Loan Documents apostilled); (ii) translate the documents mentioned in item (i) into Portuguese by a certified public translator; and (iii) file such translated and notarized and consularized (or apostilled, as applicable) documents with the relevant Registry of Titles and Documents in Brazil, which can be performed by any party at any time before enforcement of the Loan Documents in Brazil.

Section 3.13. Environmental Matters. Except for matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect: (a) the properties presently owned, leased or operated by the Loan Parties and their Subsidiaries are in compliance with all Environmental Laws; (b) none of the Loan Parties nor any of their Subsidiaries has received any written complaint or notice of violation or liability under Environmental Laws with regard to any Loan Party or any Subsidiary thereof; (c) there are no administrative actions or judicial proceedings pending under any Environmental Law against any Loan Party or any Subsidiary thereof; and (d) none of the Loan Parties nor any of their Subsidiaries is subject to any Environmental Liability applicable to it.

Section 3.14. Use of Proceeds. Each Borrower will use the proceeds of the Loans for general corporate purposes. No proceeds of the Loans will be used for any purpose which violates or is inconsistent with the provisions of Regulation U or Regulation X.

Section 3.15. Investment Company Act. No Loan Party is required to register as an "investment company" as defined in the Investment Company Act o 1940, as amended.

Section 3.16. Anti-Corruption Law and Sanctions Each Borrower has implemented and maintains in effect policies and procedures reasonably designed to promote compliance by the Borrowers, their Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and none of (i) the Borrowers, any Subsidiary thereof or, any of their respective directors, officers or employees, or (ii) to the knowledge of the Borrowers, any agent of the Borrowers or any Subsidiary of the Borrowers that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. The foregoing representations in this Section 3.15 will not apply to any party hereto to which Council Regulation (EC 2271/96 (the "Blocking Regulation") applies, if and to the extent that such representations are or would be unenforceable by or in respect of that party pursuant to, or would otherwise result in a breach and/or violation of, (i) any provision of the Blocking Regulation (or any law or regulation implementing the Blocking Regulation in any member state of the European Union) or (ii) any similar blocking or anti-boycott law in the United Kingdom.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.1. Conditions to Closing. This Agreement and the obligations of the Lender to make Loans hereunder shall become effective as of the date that the Lender shall have received each of the following documents and the following conditions shall have been satisfied on or prior to such date (such date, the "Closing Date"), each of which shall be reasonably satisfactory to the Lender in form and substance (or such condition shall have been waived in writing by the Lender):

(a) the Lender shall have received each Loan Document (other than any Note) duly executed and delivered on behalf of each Borrower and the Guarantor, as applicable;

(b) incumbency certificates evidencing the identity, authority and capacity of each officer of each Borrower and the Guarantor authorized to act on behalf of such Person in connection with this Agreement and the other Loan Documents to which such Person is a party;

(c) favorable opinions of (i) Mayer Brown LLP, New York counsel to the Lender, (ii) Tauil & Chequer Advogados, Brazilian counsel to the Lender (iii) Appleby (BVI) Limited, British Virgin Islands counsel to the Lender ("Appleby") and (iv) AKD N.V., Dutch counsel to the Lender, in each case substantially in the form attached hereto as Exhibits D-1, D-2, D-3, and D-4 respectively;

(d) a certificate signed by the chief financial or accounting officer of each Borrower (A) confirming (1) that no Default or Event of Default shall have occurred and be continuing, (2) there has been no event or circumstance that has had or would reasonably be

expected to have a Material Adverse Effect; (3) that the representations and warranties of the Loan Parties set out in the Loan Documents shall be (x) if any such representation and warranty is qualified as to materiality or by reference to the existence of a Material Adverse Effect, true and correct (as so qualified) on and as of the Closing Date, or (y) if any such representation and warranty is not so qualified, true and correct in all material respects on and as of the Closing Date and (B) accompanied by true and correct copies of organizational documents, resolutions and powers of attorney of each Loan Party and its legal representatives;

(e) each Borrower and the Guarantor shall have delivered evidence that a process agent shall have accepted appointment to receive service of process on such Borrower and the Guarantor, in form and substance reasonably satisfactory to the Lender;

(f) each Borrower shall have paid all fees and other amounts due and payable on or before the Closing Date by the Borrowers to the Lender (including fees and expenses of counsel to the Lender) to the extent invoiced to the Borrowers prior to the Closing Date;

(g) the Lender shall have received copies of all approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority, including the Central Bank of Brazil, or any other Person necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Borrower or the Guarantor of this Agreement or any other Loan Document, which has not been duly obtained,*except for*, with respect to an enforcement of the Guarantor in Brazil, as the case may be (i) the notarization of the signature of the parties to the Loan Documents signing them outside of Brazil and consularization of the Loan Documents (or, if the place of signing is a contracting state to the Hague Convention, the Loan Documents must be apostilled); (ii) the translation of the documents mentioned in item (i) into Portuguese by a certified public translator; and (iii) the filing of such translated and notarized and consularized (or apostilled, as applicable) documents with the relevant Registry of Titles and Documents in Brazil, which can be performed by any party at any time before enforcement of the Loan Documents in Brazil;

(h) the Lender shall have received certified copies of the Organizational Documents of each Loan Party and of documents (including, if necessary, appropriate resolutions of the board of directors or similar body of each Loan Party and, if necessary, shareholder or similar approval) evidencing the due authorization by it of the performance of the Loan Documents to which it is a party and the good standing of such Loan Party in its jurisdiction of incorporation (to the extent such concept is applicable in the relevant jurisdiction);

(i) in relation to Arcos BVI, the Lender shall have received (i) a registered agent's certificate attaching registers of directors, members and charges, to be certified by the registered agent of Arcos BVI; and (ii) a certificate of good standing to be issued by the BVI Registry of Corporate Affairs, each to be issued and/or certified (as applicable) within fifteen (15) days of the issuance by Appleby of its BVI legal opinion; and

(j) completion of legal due diligence on the Loan Parties, satisfactory to the Lender's reasonable satisfaction.

The Lender shall notify the Borrowers of the Closing Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lender t make Loans hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived in writing by the Lender) at or prior to 2:00 p.m., New York time, on the date that is five (5) days after the date hereof (and, in the event such conditions are not so satisfied or waived, the Commitment shall terminate at such time).

Section 4.2. Conditions to each Borrowing. The obligation of the Lender to make a Loan is subject to the satisfaction, unless waived in writing by the Lender, of the further conditions precedent that:

(a) the Closing Date shall have occurred;

(b) the Lender shall have received a Borrowing Notice in accordance withSection 2.2 and the relevant Note duly executed and delivered on behalf of the applicable Borrower;

(c) the representations and warranties of the Loan Parties set out in the Loan Documents shall be (A) if any such representation and warranty is qualifiec as to materiality or by reference to the existence of a Material Adverse Effect, true and correct (as so qualified) on and as of the Borrowing Date, or (B) if any such representation and warranty is not so qualified, true and correct in all material respects on and as of the Borrowing Date; provided, that for purposes of this Section 4.2(c), the representation and warranty of the Borrowers contemplated in Section 3.1(a) shall be deemed to refer to the last day of the period covered by the most recent financial statements furnished to the Lender hereunder;

(d) the sum of the outstanding principal amount of the Loans plus the amount of the requested Loan shall be equal to or less than the Aggregate Commitment Amount; and

(e) immediately prior and after the borrowing of the Loan on the Borrowing Date, no Default or Event of Default shall have occurred and be continuing.

ARTICLE V

AFFIRMATIVE COVENANTS

Until the Commitments have been terminated and all Obligations of the Borrowers under the Loan Documents have been paid in full:

Section 5.1. Financial Statements and Other Information. The Borrowers shall furnish to the Lender:

(a) as soon as available and in any event within 120 days after the end of each fiscal year of each Borrower, a Consolidated balance sheet of each Borrower and its Subsidiaries as of the end of such fiscal year and the related Consolidated statements of income, changes in shareholders' equity, and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all prepared in accordance with GAAP applied on a consistent basis and certified by independent public accountants of nationally recognized standing;

(b) as soon as available and in any event within 90 days after the end of each of the first three quarters of each fiscal year of each Borrower, a Consolidated balance sheet of each Borrower and its Subsidiaries as of the end of such quarter and the related Consolidated statement of income for such quarter and for the portion of each Borrower's fiscal year then ended, and the related Consolidated statements of cash flows and changes in shareholders' equity for the portion of the fiscal year then ended, in each case setting forth in comparative form, as applicable, the figures for the corresponding quarter and the corresponding portion of each Borrower's previous fiscal year, all in reasonable detail and duly certified (subject to normal year-end adjustments and the absence of footnotes) by the chief financial officer of each Borrower as having been prepared in accordance with GAAP applied on a consistent basis;

(c) concurrently with the delivery of the financial information pursuant to clauses (a) and (b) above, a compliance certificate substantially in form of Exhibit C hereto, executed by the chief financial or accounting officer of each Borrower, (i) certifying to the best of his knowledge, that no Default or Event of Default has occurred and is continuing or, if a Default or Event of Default has occurred and is continuing, specifying the details thereof and any action taken or proposed to be taken with respect thereto and (ii) showing compliance with Section 6.5;

(d) promptly upon any Borrower's or the Guarantor's obtaining knowledge of any Default or Event of Default, a certificate of the chief financial officer of the Borrowers setting forth the details thereof;

(e) promptly upon any Loan Party entering into any Indebtedness in excess of the equivalent of U.S.$40,000,000.00, copies of the transaction documents related to such Indebtedness, as long as the main transaction details are not public;

(f) from time to time such additional information regarding the financial condition or business of each Borrower and the Material Subsidiaries as the Lender may reasonably request; provided that each Borrower shall not be required to provide pursuant to this Section 5.1(f) any information that (x) is subject to attorney-client or similar privilege or constitutes attorney work product, (y) is a confidential or proprietary trade secret or (z) is commercially strategic information (as determined in good faith by each Borrower); and

(g) within five Business Days from any Loan Party's obtaining knowledge thereof, notice of (i) any breach or non-performance of, or any default under, a contractual obligation of any Borrower or any Material Subsidiary thereof; (ii) the commencement of, or any material development in, any dispute, litigation, investigation, proceeding or suspension between any Borrower or any Material Subsidiary thereof and any Governmental Authority, including relating to tax events and liabilities; or (iii) the commencement of, or any material development in,

any litigation or proceeding affecting any Borrower or any Material Subsidiary thereof, including pursuant to any applicable Environmental Laws, in each case, only if such event or development has resulted or would reasonably be expected to result in a Material Adverse Effect.

Each notice pursuant to Section 5.1(d) or (g) shall be accompanied by a statement of the chief financial officer of each Borrower setting forth details of the occurrence referred to therein and stating what action each Borrower and/or the applicable Subsidiary has taken and proposes to take with respect thereto and, if applicable, shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

Documents required to be delivered pursuant to Section 5.1(a) or (b) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which each Borrower posts such documents, or provides a link thereto, on each Borrower's Web site on the Internet at the website address provided to the Lender pursuant to Section 9.4, or (ii) on which such documents are posted on the Guarantor's behalf on an Internet or intranet website, if any, to which the Lender has access (whether a commercial, third-party website or whether sponsored by the Lender); provided that each Borrower shall notify the Lender (by telecopier or electronic mail) of the posting of any such documents.

Section 5.2. Other Affirmative Covenants. Each Loan Party shall (and each Borrower shall cause each Material Subsidiary to):

(a) (i) preserve, renew and maintain in full force and effect its legal existence and good standing under the laws of the jurisdiction of its organization, (ii) take all reasonable action to maintain all material rights, privileges, permits and licenses and necessary or desirable in the ordinary course of its business, and (iii) preserve or renew those registered patents, trademarks, trade names and service marks reasonably necessary in the ordinary course of its business, in each case, except in the case of any Loan Party, unless such failure to preserve, renew or maintain would not reasonably be expected to result in a Material Adverse Effect;

(b) comply with the requirements of all applicable laws, rules, regulations, and orders of Governmental Authorities unless such failure to comply would not reasonably be expected to result in a Material Adverse Effect;

(c) pay and discharge when due all obligations including taxes, assessments, and governmental charges or levies imposed on it or on its income or profits or any of its property, except for any such tax, assessment, charge, or levy the payment of which is being contested in good faith and by proper proceedings and against which adequate reserves are being maintained and unless any such failure to pay or discharge would not reasonably be expected to result in a Material Adverse Effect;

(d) maintain all of its material properties owned or used in its business in good working order and condition ordinary wear and tear excepted, except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect;

(e) maintain insurance in such amounts, with such deductibles, and against such risks as is customary for similarly situated businesses, except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect;

(f) maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP shall be made of all material financia transactions and material matters involving its assets and business and the assets and businesses of its respective Subsidiaries;

(g) following the occurrence and during the continuance of any Event of Default, permit representatives of the Lender, during normal business hours, to examine, copy, and make extracts from its books and records, to inspect its properties, and to discuss its business and affairs and the business and affairs of its Subsidiaries with its officers and directors; provided that each Borrower shall not be required to provide pursuant to this Section 5.2(g) any information that (x) is subject to attorney-client or similar privilege or constitutes attorney work product, (y) is a confidential or proprietary trade secret or (z) is commercially strategic information (as determined in good faith by each Borrower).

Section 5.3. Use of Proceeds. Each Borrower shall use proceeds of the Loansolely for general corporate purposes and not use such Loan proceeds for any purpose which violates or is inconsistent with the provisions of Regulation U or Regulation X.

Section 5.4. Rank of Obligations. Each Loan Party shall cause the payment obligations in respect of outstanding amounts under this Agreement and the other Loan Documents to rank at least *pari passu* with all other existing and future unsecured indebtedness of each Loan Party and to constitute direct, unconditional and unsubordinated obligations of each Loan Party, except for any obligations that have priority under applicable laws.

Section 5.5. Anti-Corruption and Sanctions.

(a) Each Borrower shall maintain in effect and enforce policies and procedures designed to ensure compliance by each Borrower, its Subsidiaries and its and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

(b) Each Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use the proceeds of any Loan: (i) in any manner that would result in violation of any Anti-Corruption Laws, or (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, except to the extent permitted for an individual or entity required to comply with Sanctions.

(c) The foregoing of this Section 5.5 will not apply to any party hereto to which the Blocking Regulation applies, if and to the extent that such undertaking is or would be unenforceable by or in respect of that party pursuant to, or would otherwise result in a breach and/or violation of, (A) any provision of the Blocking Regulation (or any law or regulation implementing the Blocking Regulation in any member state of the European Union) or (B) any similar blocking or anti-boycott law in the United Kingdom.

ARTICLE VI

NEGATIVE COVENANTS

So long as the Lender shall have any Commitment hereunder, or any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, no Loan Party shall (and each Borrower will not permit any Material Subsidiary to):

Section 6.1. Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, or assign any accounts or other right to receive income, other than:

(a) Liens pursuant to any Loan Document;

(b) Liens for Taxes not yet due or which are being contested in good faith and by appropriate proceedings, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP and any Liens arising automatically by operation of law in respect of Tax;

(c) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 90 days or which are being contested in good faith and by appropriate proceedings, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(d) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, including any Lien securing letters of credit issued in the ordinary course of business consistent with past practice in connection therewith;

(e) Liens incurred or deposits made to secure the performance of tenders, bids, leases, trade contracts and leases (other than indebtedness), statutory obligations, surety and appeal bonds, customs duties, performance bonds, government performance and return-of-money bonds and other obligations of a like nature incurred in the ordinary course of business;

(f) encumbrances, ground leases, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or liens incidental to the conduct of the business of the applicable Person or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(g) Liens securing any judgments for the payment of money not constituting an Event of Default so long as any such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceeding may be initiated has not expired;

(h) (i) licenses, sublicenses, leases or subleases granted by any Borrower, the Guarantor or any Material Subsidiary to other Persons not materially interfering with the conduct of the business of such Borrower, Guarantor or Material Subsidiary and (ii) any interest or title of a lessor, sublessor or licensor under any lease or license agreement permitted by the Agreement to which the applicable Person is a party;

(i) Liens upon specific items of inventory or other goods and proceeds of the applicable Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(j) Liens on patents, trademarks, service marks, trade names, copyrights, technology, know-how and processes to the extent such Liens arise from the granting of license to use such patents, trademarks, service marks, trade names, copyrights, technology, know-how and processes to the applicable Person in the ordinary course of business of such Person or its Subsidiaries;

(k) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof;

(l) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of the applicable person, including rights of offset and set-off;

(m) deposits in the ordinary course of business securing liability for reimbursement obligations of insurance carriers providing insurance to the applicable Person and any Liens thereon;

(n) Liens arising solely by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary institution;

(o) Liens securing the obligations of the applicable Person pursuant to Hedging Obligations;

(p) Liens securing any Indebtedness which is incurred to refinance any Indebtedness which has been secured by a Lien permitted under this Section 6.1 not incurred pursuant to clause (s) or (u) hereof; provided that such new Liens:

(i) are no less favorable to the Lender and are not more favorable to the lienholders with respect to such Liens than the Liens in respect of the Indebtedness being refinanced; and

(ii) do not extend to any property or assets other than the property or assets securing the Indebtedness refinanced by such refinancing Indebtedness;

(q) Liens securing Indebtedness or other obligations of a Material Subsidiary owing to any Borrower, the Guarantor or another Material Subsidiary an permitted to be incurred under this Agreement;

(r) Liens securing acquired Indebtedness not incurred in connection with, or in anticipation or contemplation of, the relevant merger, consolidation or amalgamation; provided that (i) such Liens secured such acquired Indebtedness at the time of and prior to the incurrence of such acquired Indebtedness by the applicable Person and were not granted in connection with, or in anticipation of the incurrence of such acquired Indebtedness by such Person, and (ii) such Liens do not extend to or cover any property of the applicable Person other than the property that secured the acquired Indebtedness prior to the time such Indebtedness became acquired Indebtedness of such Person and are no more favorable to the lienholders than the Liens securing the acquired Indebtedness prior to the incurrence of such acquired Indebtedness by such Person;

(s) purchase money Liens securing purchase money Indebtedness or Capital Lease Obligations incurred to finance the acquisition or leasing of property of the applicable Person used in the business of any Borrower and its Subsidiaries;provided that (i) the related purchase money Indebtedness does not exceed the cost of such property and will not be secured by any property of the applicable Person other than the property so acquired and (ii) the Lien securing such Indebtedness will be created within 365 days of such acquisition;

(t) Liens arising under any Permitted Receivables Financing;

(u) Liens securing an amount of Indebtedness outstanding at any one time not to exceed the greater of (i) U.S.$50,000,000.00 (or the equivalent thereof in other currencies) or (ii) 7.5% of Consolidated Total Assets;

(v) Liens on the Capital Stock of any Subsidiary (other than any Material Subsidiary);

(w) Liens in favor of McDonald's Latin America created pursuant to the McDonald's Security Documents and the McDonald's Mortgages;

(x) the interest of McDonald's Latin America, as franchisor under the Franchise Documents;

(y) Liens under any Section 403-Declaration in relation to a Subsidiary or any residual liability under such declaration arising pursuant to section 2:404(2) of the Dutch Civil Code;

(z) Liens, including any netting or set-off, as a result of the CIT Fiscal Unity; or

(aa) Liens existing on the Closing Date and any extension, renewal or replacement thereof, other than Liens pursuant to any Loan Document.

Section 6.2. Fundamental Changes.

(a) Enter into any merger, consolidation or amalgamation in which (i) a Borrower or the Guarantor is not the surviving entity, or (ii) if the Guarantor merges with any Borrower, any Borrower is not the surviving entity, or (iii) any Person merges, consolidates or amalgamates with and into the Guarantor and (except as set forth in the preceding clause (a)(ii)) the surviving entity is not the Guarantor.

(b) Enter into any merger, consolidation or amalgamation of any Borrower whereby such Borrower's Consolidated Net Worth less its tangible assets immediately after giving effect to any such transaction would be less than such Borrower's Consolidated Net Worth less its tangible assets immediately prior to any such transaction.

(c) Sell, assign, lease, transfer or otherwise dispose of all or substantially all of any Borrower's or the Guarantor's business or Property, other than any sale, assignment, lease, transfer or other disposition of Property (i) by any Borrower to (A) any other Borrower; or (B) the Guarantor or (ii) by the Guarantor of its business or Property to any Borrower.

Section 6.3. Affiliate Transactions. Enter into any transaction with (i) any of its Affiliates or (ii) any other Person holding more than 20% or more of any Borrower's Capital Stock, unless:

(a) the terms of such transaction are no less favorable than those that could reasonably be expected to be obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate of any Borrower;

(b) in the event that such transaction involves aggregate payments, or transfers of property or services with a Fair Market Value, in excess of U.S.$15,000,000.00 (or the equivalent in other currencies), the terms of such transaction will be set forth in an officers' certificate delivered to the Lender stating that such transaction complies with clause (a) above; and

(c) in the event that such transaction involves aggregate payments, or transfers of property or services with a Fair Market Value, in excess of U.S.$20,000,000.00 (or the equivalent in other currencies), the terms of such transaction will be approved by a majority of the members of such Borrower's Board of Directors (including a majority of the disinterested members thereof), the approval to be evidenced by a board resolution stating that the Board of Directors of such Borrower has determined that such transaction complies with clause (a) above;

provided that the provisions of this Section 6.3 shall not apply to:

(i) transactions with or among any Borrower and any Subsidiary or between or among Subsidiaries;

(ii) reasonable fees and compensation paid to, and any indemnity provided on behalf of, officers, directors and employees of any Borrower or any Subsidiary;

(iii) transactions undertaken pursuant to the terms of any agreement or arrangement to which any Borrower or any of its Subsidiaries is a party as of or on the Closing Date, as these agreements or arrangements may be amended, modified, supplemented, extended, renewed or replaced from time to time; provided that any future amendment, modification, supplement, extension, renewal or replacement entered into after the Closing Date will be permitted to the extent that its terms are not more materially disadvantageous to the Lender than the terms of the agreements or arrangements in effect on the Closing Date;

(iv) transactions or payments, including grants of securities, stock options and similar rights, pursuant to any employee, officer or director compensation or benefit plans or arrangements entered into in the ordinary course of business or approved by any Borrower's Board of Directors in good faith;

(v) any employment agreements entered into by any Borrower or any of its Subsidiaries in the ordinary course of business;

(vi) dividends or distributions payable in Capital Stock of any Borrower; dividends or distributions payable to a Borrower and/or a Subsidiary; or dividends, distributions or returns of capital made on a pro rata basis to any Borrower and its Subsidiaries, on the one hand, and minority holders of Capital Stock of a Subsidiary, on the other hand (or on a less than pro rata basis to any minority holder); and

(vii) sales of accounts receivable, or participations therein, or any related transaction, in connection with any receivables financing.

Section 6.4. Lines of Businesses. Engage in any line of business substantially different from those lines of business conducted by each Borrower and its Material Subsidiaries on the date hereof or any business substantially related or incidental thereto.

Section 6.5. Consolidated Net Indebtedness to EBITDA RatioPermit the Consolidated Net Indebtedness to EBITDA Ratio, as of the last day of any fiscal quarter of any Borrower, to equal or exceed 3.0 to 1.0, as of the last day of the fiscal quarter.

Section 6.6. Fiscal Unity. Arcos Netherlands shall not be a member of a fiscal unity or group for Tax purposes other than the CIT Fiscal Unity. Arcos Netherlands shall, inform the Lender on any changes to the CIT Fiscal Unity following the date of this Agreement and on the composition of the CIT Fiscal Unit within fifteen (15) days of such changes.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.1. Events of Default. Upon the occurrence and during the continuance of any of the following events:

(a) any Borrower shall fail to (i) pay any principal or any portion thereof, of any Loan when due in accordance with the terms hereof or (ii) pay any interest, fee or any other amount, or any portion thereof, payable under any Loan Document; or

(b) any representation, warranty or certification made or deemed made by any Loan Party in any Loan Document, or in any report, certificate, financia statement or other document furnished pursuant to or in connection with any Loan Document (or any amendment or modification hereof or thereof or waiver thereunder), shall prove to have been incorrect or misleading in any material respect on or as of the date made or deemed made; or

(c) any Borrower shall default in the observance or performance of any agreement contained in Section 5.1(a), (b), (c) or (d) or ARTICLE VIof this Agreement; or

(d) any Loan Party shall default in the observance or performance of any other covenant or agreement contained in any Loan Document (other than those specified in clause (a) or (c) of this Section 7.1) and such default shall continue unremedied for a period of 30 days after any Borrower's receipt of written notice of such default from the Lender; or

(e) (A) any Borrower or any of its Material Subsidiaries (i) fails to make any payment in respect of any Indebtedness (other than Indebtedness hereunder or guaranty obligation having an aggregate principal amount (including amounts owing to all creditors under any combined or syndicated credit arrangement) in excess of U.S.$40,000,000.00 when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise), beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created, or (ii) fails to observe or perform any other agreement or condition relating to any such Indebtedness or guaranty obligation or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or beneficiary or beneficiaries of such guaranty obligation (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such guaranty obligation to become payable or cash collateral in respect thereof to be demanded; provided that this clause (ii) shall not apply to Indebtedness that is required to be repaid or redeemed as a result of the voluntary sale or transfer of property or assets unless such Indebtedness is not paid within the time period provided for such repayment or redemption in, or such repayment or redemption requirement is not waived in accordance with the terms of, the documentation governing such Indebtedness; or (B) any Borrower, the Guarantor or any Material Subsidiary (i) fails to make any payment in respect of any Indebtedness (other than

Indebtedness hereunder) or guaranty obligation owing to the Lender or any of its Affiliates in excess of U.S.$2,000,000.00 when due (whether by scheduled maturity required prepayment, acceleration, demand, or otherwise), beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created, or (ii) fails to observe or perform any other agreement or condition relating to any such Indebtedness or guaranty obligation or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or beneficiary or beneficiaries of such guaranty obligation (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such guaranty obligation to become payable or cash collateral in respect thereof to be demanded; provided that this clause (ii) shall not apply to Indebtedness that is required to be repaid or redeemed as a result of the voluntary sale or transfer of property or assets unless such Indebtedness is not paid within the time period provided for such repayment or redemption in, or such repayment or redemption requirement is not waived in accordance with the terms of, the documentation governing such Indebtedness; provided further that this Section 7.1(e)(B) shall not apply in respect of any Lender other than Banco Santander (Brasil) S.A., Grand Cayman Branch and its Affiliates (including, for the avoidance of doubt, any Person (other than Banco Santander (Brasil) S.A., Grand Cayman Branch and its Affiliates) that becomes a Lender in accordance with Section 9.5); or

(f) (i) any Loan Party is unable or admits in writing its inability or fails generally to pay its debts as they become due; or (ii) any Borrower or any Material Subsidiary institutes or consents to the institution of any proceeding under Debtor Relief Laws, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or (iii) any receiver, trustee, custodian, conservator, liquidator, rehabilitator, *conciliador* or similar officer is appointed with respect to any Borrower or any Material Subsidiary or their respective Property without the application or consent of such Borrower or such Material Subsidiary (as applicable) and the appointment continues undischarged or unstayed for 60 calendar days; or (iv) any proceeding under Debtor Relief Laws relating to any Borrower or any Material Subsidiary or to all or any material part of its property is instituted without the consent of such Borrower or such Material Subsidiary (as applicable) and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; or

(g) (i) one or more enforceable judgments or orders against any Borrower or any Material Subsidiary (excluding, if applicable, any Venezuelan Subsidiary) is entered for the payment of money in an aggregate amount (as to all such judgments) in excess of 1% (one percent) of its respective net worth, and, in each case, such judgment or order remains unsatisfied without procurement of a stay of execution within 5 calendar days after the date of entry of judgment; or

(h) a Change of Control shall occur; or

(i) any Loan Document, at any time after its execution and delivery and for any reason other than the agreement of the Lender or satisfaction in full of the Obligations hereunder, ceases to be in full force and effect or is declared by a court of competent jurisdiction to be null and void, illegal, invalid or unenforceable in any respect; or any Loan Party denies that it has any or further liability or obligation under any Loan Document (other than by reason of the satisfaction in full of the Obligations hereunder); or any Loan Party challenges the validity of or purports to revoke, terminate or rescind any Loan Document; or

(j) if any Loan Party makes any false, incorrect, inconsistent, or inaccurate statement, omits and/or conceals any relevant information or facts, of any nature, regarding its economic, financial, accounting, regulatory, reputational, and/or operational conditions, sent to the Lender by notice, notification, or any other form of written or electronic communication.

Upon the occurrence of an Event of Default, the Lender may declare the Commitment to be terminated, whereupon the Commitment shall be terminated, and/or declare all sums outstanding hereunder and under the other Loan Documents, including all interest thereon, to be immediately due and payable, whereupon the same shall become and be immediately due and payable, all without notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor, or other notices or demands of any kind or character, all of which are hereby expressly waived; provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to any Loan Party under any Debtor Relief Law, the Commitment shall automatically terminate, and all sums outstanding hereunder and under each other Loan Document, including all interest thereon, shall become and be immediately due and payable, all without notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor, or other notices or demands of any kind or character, all of which are hereby expressly waived.

ARTICLE VIII

GUARANTY

Section 8.1. Guaranty.

(a) For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor hereby, jointly and severally, as primary obligor and not merely as surety, unconditionally guarantees the full and punctual payment (whether at stated maturity, upon acceleration or otherwise) of the payment Obligations (howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due) under the Loan Documents. Upon the failure by any Borrower to pay punctually any of its Obligations, the Guarantor shall immediately pay the amount not so paid. The obligations of the Guarantor under this Article shall constitute a guaranty of payment and not merely a guaranty of collection.

(b) All payments by the Guarantor under this Article shall be payable in the manner required for payments by the Borrowers under Section 2.9 and the obligation to pay interest at the rates set forth in Section 2.6(b).

Section 8.2. Guaranty Unconditional The obligations of the Guarantor under this Article shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by any reason, including: any extension, renewal, settlement, compromise, waiver or release in respect of any Obligation(s) and/or the Commitment under the Loan Documents, by operation of law or otherwise,

(a) any modification or amendment of or supplement to this Agreement or any other Loan Document,

(b) any change in the existence, structure or ownership of any Borrower or any other Credit Party, or any event described in Section 7.1(f) with respect to any Person,

(c) the existence of any claim, set-off or other rights that the Guarantor may have at any time against any Borrower, any other Loan Party, the Lender or any other Person, whether in connection herewith or any unrelated transactions,

(d) any invalidity, irregularity or unenforceability relating to or against any Borrower or any other Loan Party for any reason of any Loan Document, or any provision of Applicable Law purporting to prohibit the payment by any Borrower or any other Loan Party of any of the Obligations, or

(e) any other act or omission to act or delay of any kind by any Borrower and/or any other Loan Party, the Lender or any other Person or any other circumstance whatsoever that might, but for the provisions of this paragraph, constitute a legal or equitable discharge of (or defense against) the Obligations and the Guarantor's obligations under this Article other than prior payment of the Obligations.

Section 8.3. Discharge only upon Payment in Full; Reinstatement in Certain Circumstances The Guarantor's obligations hereunder shall remain in full force and effect until all of the payment Obligations shall have been paid in full and all of the Commitments shall have terminated. If at any time any payment made under this Agreement or any other Loan Document is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy or reorganization of a Loan Party or any other Person or otherwise, then the Guarantor's obligations hereunder with respect to such payment shall be reinstated at such time as though such payment had been due but not made at such time and the Guarantor hereby expressly waives the benefit of any statute of limitations or prescriptive term affecting the Guarantor's liability in respect thereof.

Section 8.4. Waivers by the Guarantor.

(a) The Guarantor hereby irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law: (i) notice of acceptance of the Guaranty provided in this Article and notice of any liability to which this Guaranty may apply, (ii) all notices that may be required by Applicable Law or otherwise to preserve intact any rights of the Lender against any Borrower, including any demand, presentment, protest, proof of notice of non-payment, notice of any failure on the part of any Borrower to perform and comply with any covenant, agreement,

term, condition or provision of any agreement and any other notice to any other party that may be liable in respect of the Obligations guaranteed hereby (including any Borrower and any other guarantor thereof from time to time) except any of the foregoing as may be expressly required hereunder, (iii) any right to proceed against any Borrower, proceed against or exhaust any security for the Obligations, or pursue any other remedy in the power of the Lender whatsoever and (iv) any requirement that the Lender exhaust any right, power, privilege or remedy, or mitigate any damages resulting from a default, under any Loan Document, or proceed to take any action against a Loan Party or any other Person under or in respect of any Loan Document or otherwise, or protect, secure, perfect or ensure any Lien on any collateral.

(b) If, and to the extent that, Brazilian law shall be deemed to apply to any or all of the Guarantor's obligations hereunder, for those purposes:

(i) the Guarantor agrees that its obligations to make payment hereunder shall be deemed to be a first demand obligation (*garantia exigível à primeira demanda*) to fulfill and comply with, as a joint and several responsibility (*responsabilidade solidária*), all of the outstanding obligations assumed by the Borrowers under the Agreement, in the capacity of a "*FIADOR E PRINCIPAL PAGADOR, solidariamente responsável*with the Borrowers, in connection therewith. In addition, for such purposes, the Guarantor hereby expressly (A) waives and renounces the benefit of order (*benefício de ordem*) of demanding and rights provided by the Brazilian Civil Code (Law 10,406/02), specifically in accordance with Articles 827 et seq. of the Brazilian Civil Code and (B) recognizes tha this Guaranty shall not be considered as a limited instrument of guarantee, for the purposes of Article 822 of the Brazilian Civil Code; and

(ii) the Guarantor expressly waives the benefits set forth in Articles 364, 366, 821, 827, 830, 831, 834, 835, 836, 837, 838 and 839 of the Brazilian Civil Code and Articles 130 and 794 of the Brazilian Code of Civil Procedure (Law 13,105/15).

Section 8.5. Subrogation. Upon the Guarantor's making payment with respect to any obligation under this Article, the Guarantor shall be subrogated to the rights of the payee against the Borrowers (or the other obligor) with respect to such obligation; provided, that the Guarantor shall not enforce any payment by way of subrogation, indemnity or otherwise, or exercise any other right, against any Borrower (or such other obligor) so long as any Obligations (other than on-going but not yet incurred indemnity obligations) remain unpaid and/or the Commitment remains outstanding.

Section 8.6. Stay of Acceleration. If acceleration of the time for payment of any Obligations is stayed due to any event described in Section 7.1(f), then all such amounts otherwise subject to acceleration under this Agreement shall nonetheless be payable by the Guarantor hereunder.

ARTICLE IX

MISCELLANEOUS

Section 9.1. Right of Set-Off. Without limiting any of the obligations of any Loan Party or the rights of the Lender hereunder, if any Loan Party shall fail to pay when due (whether at stated maturity, by acceleration or otherwise), by the expiration of the grace period provided by Section 7.1(a) (if any), any amount payable by it hereunder, then (to the extent not in violation of applicable law) the Lender may, without prior notice to any Loan Party (which notice is expressly waived by it to the fullest extent permitted by applicable law), set off and apply against such amount any and all general deposits (time or demand, provisional or final, in any currency, matured or unmatured) at any time held or any other debt owing by the Lender or any of its Affiliates (in each case, including any branch or agency thereof) to or for the credit or account of any Loan Party. The Lender shall promptly provide notice of any such set-off by it to the Borrowers;provided, that failure by the Lender to provide such notice shall not give any Loan Party any cause of action or right to damages or affect the validity of such set-off and application.

Section 9.2. New York Time. All references herein and in the other Loan Documents to any time of day shall mean the local (standard or daylight, as in effect) time of New York, New York unless otherwise expressly provided herein or therein.

Section 9.3. Amendments; Waivers. No amendment or waiver of any provision of this Agreement or of any other Loan Document and no consent by the Lender to any departure therefrom by any Loan Party shall be effective unless such amendment, waiver or consent shall be in writing and signed by a duly authorized officer of the Lender and the Borrowers or the applicable Loan Party, as the case may be, and any such amendment, waiver or consent shall then be effective only for the period and on the conditions and for the specific instance specified in such writing. No failure or delay by the Lender in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other rights, power or privilege. The remedies provided for herein are cumulative and not exclusive of any remedies provided by law.

Section 9.4. Notices.

(a) Except as otherwise expressly provided herein, notices and other communications to each party provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed or sent by telecopy to the address provided from time to time by such party. Any such notice or other communication sent by overnight courier service, mail or telecopy shall be effective on the earlier of actual receipt and (i) if sent by overnight courier service, the scheduled delivery date, (ii) if sent by mail, the fourth Business Day after deposit in the U.S. mail first class postage prepaid, and (iii) if sent by telecopy, when transmission in legible form is complete. All notices and other communications sent by the other means listed in the first sentence of this Paragraph shall be effective upon receipt. Notwithstanding anything to the contrary contained herein, all notices (by whatever means) to the Lender pursuant to

Section 2.2 shall be effective only upon receipt. Any notice or other communication permitted to be given, made or confirmed by telephone hereunder shall be given, made or confirmed by means of a telephone call to the intended recipient at the number specified in writing by such Person for such purpose, it being understood and agreed that a voicemail message shall in no event be effective as a notice, communication or confirmation hereunder.

(b) The Lender shall be entitled to rely and act upon any notices (including telephonic notices of borrowings and continuations) purportedly given by or on behalf of a Loan Party even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrowers shall indemnify each Indemnitee from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of any Loan Party. All telephonic notices to and other communications may be recorded and each party hereby consents to such recording.

Section 9.5. Successors and Assigns. This Agreement shall inure to the benefit of the parties hereto and their respective successors and assigns, except that no Loan Party may assign its rights and obligations hereunder. The Lender may at any time (i) assign all or any part of its rights and obligations hereunder to any other Person, with the Borrowers' prior written consent, (it being understood that the Lender shall not be entitled to the benefits of Section 2.11 after the effective date of the assignment except to the extent that the Lender's rights under Section 2.11 arise from facts and circumstances occurring prior to the effective date of the assignment which consent shall be deemed granted if the Borrowers fails to respond to a written request for its consent within three (3) Business Days (provided that such consent (x) shall not be unreasonably withheld or delayed and (y) shall not be required with respect to (A) any assignment to an Affiliate of the Lender, or (B) any assignment made following the occurrence and during the continuance of any Event of Default) and, provided further, that if such assignment constitutes the first loan extended by such person to the Borrowers under this Agreement, the amount assigned must be at least U.S.$100,000.00, and (ii) grant to any other Person participating interests in all or any part of its rights and obligations hereunder in the case of this clause (ii) without notice to, or consent of, any Borrower or any other Loan Party. Upon the sale by the Lender of a participation to any third party, (1) the Lender's obligations under this Agreement shall remain unchanged, (2) the Lender shall remain solely responsible to the Loan Parties for the performance of such obligations and (3) the Loan Parties shall continue to deal solely and directly with the Lender in connection with the Lender's rights and obligations under the Loan Documents. Any agreement or instrument pursuant to which the Lender sells such a participation shall provide that the Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement without obtaining the consent of the participant; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification that shall (a) extend the Commitment Termination Date or increase the Aggregate Commitment Amount, (b) postpone any date fixed by this Agreement for any payment of principal, interest, fees or other amounts due to the Lender hereunder, (c) reduce the principal of, or the rate of interest specified herein on, any Loan or any fees or other amounts payable

hereunder or (d) release the Guarantor or amend, modify or waive the provisions of ARTICLE VII if the effect of any such release, amendment, modification or waiver would be to release all or a substantial portion of the Guaranty. The Loan Parties agree to execute any documents reasonably requested by the Lender in connection with any such assignment. All information provided by or on behalf of any Loan Party to the Lender or its Affiliates may be furnished by the Lender to its Affiliates and to any actual or proposed assignee or participant, subject to Section 9.16 below. In no case shall the Loan Parties be responsible for any direct or indirect increases in costs, Taxes or other expenses caused by assignments or the grant of participations to third parties as provided in this Section 9.5 in excess of those which would have been payable had there been no assignment or participation except: if such assignment was made or participation sold following the occurrence and during the continuance of any Event of Default, or (ii) to the extent of Taxes resulting from a Change in Law that occurs after the assignment or the grant of participation.

Section 9.6. Reimbursement of Costs and Expenses. The Borrowers shall pay the Lender, on demand, all and documented out-of-pocket expenses (including the reasonable fees and disbursement of one external legal counsel in each relevant jurisdiction) incurred by the Lender in connection with the preparation, execution, delivery, administration, modification, amendment and enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement, any Loan Document or any other instruments or agreements executed in connection herewith. The agreements in this Section 9.6 shall survive the termination of the Commitment and the repayment, satisfaction or discharge of all the other obligations and liabilities of the Borrowers under the Loan Documents. All amounts due under this Section 9.6 shall be payable promptly and in any event within ten (10) days after demand therefor.

Section 9.7. Indemnification. Without duplication of Section 2.10(d) (which shall solely govern with respect to Taxes other than any Taxes that represent losses or damages arising from any non-Tax claim), the Borrowers shall indemnify and hold harmless the Lender, its affiliates, and their respective partners, directors, officers, employees, agents and advisors (collectively the "Indemnitees") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of external counsel for any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Borrower arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, or the consummation of the transactions contemplated hereby or thereby, (ii) the Loans or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Borrower or any Material Subsidiary, or any Environmental Liability related in any way to any Borrower or any Material Subsidiary or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Borrower, and regardless of whether any Indemnitee is a party

thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (i) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (ii) result from a claim brought by any Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document if the such Borrower or such Loan Party has obtained a final non-appealable judgment in its favor in respect of such claim as determined by a court of competent jurisdiction. To the fullest extent permitted by applicable law, each Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the Loan or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence, bad faith or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction. The agreements in this Section 9.7 shall survive the termination of the Commitment and the repayment, satisfaction or discharge of all the other obligations and liabilities of the Borrowers under the Loan Documents. All amounts due under this Section 9.7 shall be payable within ten (10) days after demand therefor.

Section 9.8. Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (i) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (ii) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 9.9. Counterparts. This Agreement may be executed in one or more counterparts, and each counterpart, when so executed, shall be deemed an original but all such counterparts shall constitute but one and the same instrument. Delivery of an executed counterpart to this Agreement and any Loan Document by facsimile or e-mail with a "pdf" or similar attachment shall be effective as delivery of a manually executed counterpart of this Agreement and any such Loan Document. The words "execution", "signed", "signature", "delivery" and words of like import in or relation to this Agreement or any document to be signed in connection to this Agreement shall be deemed to include electronic signatures affixed via Docusign, deliveries or the keeping of record in electronic form, each of which shall be of the same legal effect, validity or enforceability as a

manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, and the Parties hereto consent to conduct the transaction contemplated hereunder by electronic means.

Section 9.10. Governing Law; Jurisdiction. THIS AGREEMENT IS GOVERNED BY, AND SHALL BE CONSTRUED IN ACCORDANCE THE LAWS OF THE STATE OF NEW YORK. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMI ITSELF AND ITS PROPERTY, TO THE JURISDICTION OF THE UNITED STATES DISTRICT COURT AND EACH STATE COURT IN OF NEW YORK AND ANY APPELLATE COURT FROM ANY THEREOF AND ANY COURT IN ITS RESPECTIVE DOMICILE, IN ANY OR PROCEEDING ARISING OUT OF OR RELATING TO ANY OF THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTE THEREBY, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. EACH LOAN PARTY IRREVOCABLY CONSENTS SERVICE OF ANY AND ALL PROCESS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES OF SUCH PROCESS TO THE BORROWERS AT THEIR ADDRESS SET FORTH BENEATH ITS SIGNATURE HERETO. EACH PARTY HERETO IRREVOCABLY WA THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BRO SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

Section 9.11. Jury Trial Waiver. EACH PARTY HERETO WAIVES ITS RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLA CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE OTHER LOAN DOCUMENT TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 9.12. Process Agent Appointment. FOR THE PURPOSE OF PROCEEDINGS IN THE COURTS OF THE STATE OF NEW YOR THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK (IN EACH CASE LOCATED IN THE BOR MANHATTAN IN NEW YORK CITY), EACH BORROWER AND THE GUARANTOR HEREBY IRREVOCABLY DESIGNATES AS OF T HEREOF CT CORPORATION SYSTEM. (THAGENT") WITH OFFICES CURRENTLY LOCATED AT 28 LIBERTY STREET, NEW YORK 10005, AS ITS AGENT FOR SERVICE OF PROCESS. IN THE EVENT THAT SUCH AGENT OR ANY SUCCESSOR SHALL CEAS LOCATED IN THE BOROUGH OF MANHATTAN, EACH LOAN PARTY SHALL PROMPTLY AND IRREVOCABLY BEFORE THE RELC OF SUCH AGENT FOR SERVICE OF PROCESS, IF PRACTICABLE, OR PROMPTLY THEREAFTER DESIGNATE A SUCCESSO WHICH SUCCESSOR AGENT SHALL BE LOCATED IN THE BOROUGH OF MANHATTAN, AND NOTIFY THE LENDER THE ACCEPT ON ITS BEHALF SERVICE OF ANY AND ALL

PROCESS OR OTHER DOCUMENTS WHICH MAY BE SERVED IN ANY ACTION OR PROCEEDING IN ANY OF SUCH COUI FURTHER AGREES THAT SERVICE UPON SUCH AGENT SHALL CONSTITUTE VALID AND EFFECTIVE SERVICE UPON SUC PARTY AND THAT FAILURE OF ANY SUCH AGENT TO GIVE ANY NOTICE OF SUCH SERVICE TO SUCH LOAN PARTY SHAI AFFECT THE VALIDITY OF SUCH SERVICE OR ANY JUDGMENT RENDERED IN ANY ACTION OR PROCEEDING BASED THERE(OF THE PARTIES HERETO AGREES THAT SERVICE OF ANY AND ALL SUCH PROCESS OR OTHER DOCUMENTS ON SUCH PERS ALSO BE EFFECTED BY REGISTERED MAIL TO ITS ADDRESS AS PROVIDED PURSUANT TO Section 9.4. WITH RESPECT TO EACH LOA PARTY, SERVICE OF ANY AND ALL SUCH PROCESS OR OTHER DOCUMENTS TO THE AGENT OR SUCH OTHER AGENT FOR SER PROCESS DESIGNATED BY SUCH LOAN PARTY IN ACCORDANCE WITH THIS AGREEMENT SHALL CONSTITUTE VALID AND EFFECTIVE SERVICE ONLY IF MADE IN PERSON TO THE AGENT OR SUCH OTHER AGENT FOR SERVICE OF PROCESS.

Section 9.13. Waiver of Immunity. To the extent that any Loan Party has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its assets, such Loan Party each hereby irrevocably waives such immunity in respect of its obligations under this Agreement and the other Loan Documents. The foregoing waiver is intended to be effective to the fullest extent now or hereafter permitted by applicable law.

Section 9.14. USA PATRIOT Act. The Lender hereby notifies each Loan Party that pursuant to the requirements of the USA PATRIOT Act (Title III Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow the Lender to identify each Loan Party in accordance with the Act. Each Loan Party shall, promptly following a request by the Lender, provide all documentation and other information that the Lender requests in order to comply with its ongoing obligations under applicable "know your customer" an anti-money laundering rules and regulations, including the Act.

Section 9.15. Judgment Currency. All payments made under this Agreement and any notes shall be made in Dollars, the "Agreement Currency"), and, if for any reason any payment made hereunder or under any Loan Document is made in a currency (the "Other Currency") other than the applicable Agreement Currency, then to the extent that the payment actually received by the Lender, when converted into the applicable Agreement Currency at the Rate of Exchange (as defined below) on the date of payment (or, if conversion on such date is not practicable, as soon thereafter as it is practicable for the Lender to purchase the applicable Agreement Currency) falls short of the amount due under the terms of this Agreement or any Loan Document, the Borrowers shall, as a separate and independent obligation of the Borrowers, indemnify the Lender and hold the Lender harmless from and against the amount of such shortfall. If the amount of the

Agreement Currency so purchased is greater than the sum originally due to the Lender, the Lender agrees to repay such excess to the Borrowers. As used in this Paragraph, the term "Rate of Exchange" means the rate at which the Lender is able on the relevant date in accordance with normal banking procedures to purchase the applicable Agreement Currency with the Other Currency and shall include any premiums and out-of-pocket costs of exchange payable in connection with the purchase of or conversion into, the applicable Agreement Currency.

Section 9.16. Confidentiality. The Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and its and its Affiliates' respective partners, directors, officers, employees, agents, trustees, advisors and representatives, including accountants and legal counsel (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners) in connection with any examination of the Lender provided that the Lender shall, unless prohibited by any requirement of law, notify the Borrowers of any disclosure pursuant to this clause (b) as far in advance as is reasonably practicable under such circumstances, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to the extent reasonably required (determined solely in the judgment of the Lender) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (e) subject to an agreement containing provisions substantially the same as those of this Section for the benefit of the Borrowers, to (i) any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrowers and their obligations, (f) with the consent of the Borrowers, (g) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Lender or any of its Affiliates on a nonconfidential basis from a source other than the Borrowers or (h) to any other party hereto. For the purposes of this Section, "Information" means all information (x) received from any Borrower or any other Loan Party relating to any Borrower or any other Loan Party or its business or (y) obtained by the Lender based on a review of the books and records of any Borrower or any of its Subsidiaries, other than any such information that is available to the Lender on a nonconfidential basis prior to disclosure by any Borrower or any other Loan Party or is independently developed by the Lender without reference to the Information; provided that, in the case of information received from any Borrower or any other Loan Party after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section 9.17. Entire Agreement. This Agreement and the other Loan Documents represent the final agreement between the parties hereto and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties hereto.

[remainder of page intentionally left blank]

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

ARCOS DORADOS HOLDINGS INC., as Borrower

By: /s/ Marcelo Rabach
Name: Marcelo Rabach
Title: Director

Address: Kingston Chambers, Po Box 173,
Road Town, Tortola, British Virgin Islands

ARCOS DORADOS B.V., as Borrower

/s/ Marcelo Rabach
By: Arcos Dorados Holdings Inc.
Title: Director A

/s/ D.I. van der Pol
By: D.I. van der Pol
Title: Director B

Address: Barbara Strozzilaan 101, 1083HN
Amsterdam, the Netherlands.

ARCOS DOURADOS COMERCIO DE ALIMENTOS S.A.
(formerly known as Arcos Dourados Comercio de Alimentos Ltda.), as Guarantor

/s/ Dorival Pereira de Oliveria Junior
Name: Dorival Pereira de Oliveria Junior
Title: Officer

/s/ Rogério de Moraes Barreira
Name: Rogério de Moraes Barreira
Title: Officer

Address: Alameda Amazonas, No. 253
Zip Code 06.454-070, Barueri, SP, Brazil

LENDER:

BANCO SANTANDER (BRASIL) S.A., GRAND CAYMAN BRANCH, as Lender

/s/ Eliana Dozol
Name: Eliana Dozol
Title: Proxy

/s/ Ricardo da Silva Fernandes
Name: Ricardo da Silva Fernandes
Title: Proxy

Schedule 3.5

Material Litigation

EXHIBIT A

FORM OF BORROWING NOTICE

Date:_____, ___

To: Banco Santander (Brasil) S.A., Grand Cayman Branch, as Lender

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of October 31, 2024 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among Arcos Dorados Holdings Inc., a company incorporated under the laws of the British Virgin Islands with company number 1619553 ("Arcos BVI"), Arcos Dorados B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its registered office in Amsterdam, the Netherlands, with its address at Barbara Strozzilaan 101, 1083HN Amsterdam, the Netherlands, registered with the trade register of the Dutch Chamber of Commerce under file number 34115939 ("Arcos Netherlands" and, together with Arcos BVI, the "Borrowers"), Arcos Dourados Comércio de Alimentos S.A., a corporation (*sociedade por ações*) organized under the laws of Brazil, having its registered office in Alameda Amazonas, No. 253, Alphaville Industrial, Zip Code 06.454-070, Barueri, São Paulo, Brazil, registered with the Brazilian Taxpayer Registry (CNPJ) under No. 42.591.651/0001-43, as guarantor, and Banco Santander (Brasil) S.A., Grand Cayman Branch (the "Lender").

The undersigned hereby requests a Borrowing of Loans as follows:

1. On _____ (a Business Day).
2. Maturity date of the Loan_____.
3. In the amount of U.S.$ _____.
4. The undersigned hereby certifies that:
    a. The Borrowing requested herein complies with Section 2.1 of the Agreement.
    b. The representations and warranties of the Loan Parties set out in the Loan Documents are (A) if any such representation and warranty is qualified as to materiality or by reference to the existence of a Material Adverse Effect, true and correct (as so qualified) on and as of the date of the Borrowing or (B) if any such representation and warranty is not so qualified, true and correct in all material respects on and as of the date of the Borrowing; provided, that the representation and warranty of the Borrowers contemplated in Section 3.1(a) of the Agreement shall be deemed to refer to the last day of the period covered by the most recent financial statements furnished to the Lender under the Agreement.

c. Immediately prior and after the borrowing of the Loan on the date of the Borrowing requested hereby, no Default or Event of Default shall have occurred and be continuing.

d. The sum of the outstanding principal amount of the Loans plus the amount of the Loan requested hereby is equal to or less than the Aggregate Commitment Amount.

ARCOS DORADOS HOLDINGS INC.

By: _____
Name: _____
Title: _____

OR

ARCOS DORADOS B.V.

_____
By: Arcos Dorados Holdings Inc.
Title: Director A

_____
By: D.I. van der Pol
Title: Director B

EXHIBIT B

FORM OF NOTE

_____ [ ], 20__

FOR VALUE RECEIVED, the undersigned (the "Borrower"), hereby promises to pay to BANCO SANTANDER (BRASIL) S.A., GRAND CAYM BRANCH or registered assigns (the "Lender"), on [=] (or such earlier date as the Loans may become due pursuant to the terms of the Agreement referred to below) in accordance with the provisions of the Agreement the principal amount of [=] (U.S.$ [=]), or such lesser principal amount of the Loan due and payable by the Borrower to the Lender on the [=] (or such earlier date as the Loan may become due pursuant to the terms of the Agreement) under that certain Credit Agreement, dated as of Octobe 31, 2024 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among others, the Borrower, [ARCOS DORADOS B.V./ ARCOS DORADOS HOLDINGS INC.] and the Lender.

The Borrower promises to pay interest on the unpaid principal amount of the Loan from the date of such Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Agreement. All payments of principal and interest shall be made to the Lender in Dollars in immediately available funds at the Lender's office pursuant to Section 2.9 of the Agreement. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Agreement.

This Note is the Note referred to in the Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Note is also entitled to the benefits of the Guaranty. Upon the occurrence and continuation of one or more of the Events of Default specified in the Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable all as provided in the Agreement. Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

ARCOS DORADOS HOLDINGS INC.

By: _____
Name: _____
Title: _____

OR

ARCOS DORADOS B.V.

_____
By: Arcos Dorados Holdings Inc.
Title: Director A

_____
By: D.I. van der Pol
Title: Director B

LOANS AND PAYMENTS WITH RESPECT THERETO

Date	Amount of Loan Made	End of Interest Period	Amount of Principal or Interest Paid This Date	Outstanding Principal Balance This Date	Notation Made By

EXHIBIT C

Financial Statement Date: _____,

To: BANCO SANTANDER (BRASIL) S.A., GRAND CAYMAN BRANCH, as Lender

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of October 31, 2024 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among Arcos Dorados Holdings Inc., a company incorporated under the laws of the British Virgin Islands with company number 1619553 ("Arcos BVI"), Arcos Dorados B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its registered office in Amsterdam, the Netherlands, with its address at Barbara Strozzilaan 101, 1083HN Amsterdam, the Netherlands, registered with the trade register of the Dutch Chamber of Commerce under file number 34115939 ("Arcos Netherlands" and, together with Arcos BVI, the "Borrowers"), Arcos Dourados Comércio de Alimentos S.A., a corporation (*sociedade por ações*) organized under the laws of Brazil, having its registered office in Alameda Amazonas, No. 253, Alphaville Industrial, Zip Code 06.454-070, Barueri, São Paulo, Brazil, registered with the Brazilian Taxpayer Registry (CNPJ) under No. 42.591.651/0001-43, as guarantor, and Banco Santander (Brasil) S.A., Grand Cayman Branch (the "Lender").

The undersigned Chief Financial Officer hereby certifies (in its capacity as an officer of [Arcos BVI /Arcos Netherlands] and not in his/her personal capacity) as of the date hereof that he/she is the _____ of [Arcos BVI /Arcos Netherlands], and that, as such, he/she is authorized to execute and deliver this Certificate to the Lender on the behalf of [Arcos BVI /Arcos Netherlands], and that:

*[Use following paragraph 1 for fiscal **year-end** financial statements]*

1. [Arcos BVI /Arcos Netherlands] has delivered the year-end audited financial statements required by Section 5.1(a) of the Agreement for the fiscal year of [Arcos BVI /Arcos Netherlands] ended as of the above date certified by independent public accountants of nationally recognized standing.

*[Use following paragraph 1 for fiscal **quarter-end** financial statements]*

2. [Arcos BVI /Arcos Netherlands] has delivered the unaudited financial statements required by Section 5.1(b) of the Agreement for the fiscal quarter of [Arcos BVI /Arcos Netherlands] ended as of the above date. Such financial statements fairly present the financial condition, results of operations and cash flows of [Arcos BVI /Arcos Netherlands] and its Subsidiaries in accordance with GAAP applied on a consistent basis as at such date and for such period, subject only to normal year-end audit adjustments and the absence of footnotes.

3. A review of the activities of [Arcos BVI /Arcos Netherlands] during such fiscal period has been made by, or under the supervision of, the undersigned with a view to determining whether during such fiscal period [Arcos BVI /Arcos Netherlands] performed and observed all its Obligations under the Loan Documents, and

[select one:]

[to the best knowledge of the undersigned, no Default or Event of Default has occurred and is continuing.]

--or--

[to the best knowledge of the undersigned, the following is a list of Defaults and/or Events of Default that have occurred and are continuing and their nature and status:]

1. The calculations set forth on Schedule 1 attached hereto are true and accurate on and as of the date of this Certificate.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of _____,_____.

ARCOS DORADOS HOLDINGS INC.

By: _____
Name: _____
Title: _____

OR

ARCOS DORADOS B.V.

_____
By: Arcos Dorados Holdings Inc.
Title: Director A

_____
By: D.I. van der Pol
Title: Director B

For the Quarter/Year ended_____("Statement Date", and the period of four fiscal quarters ended on such date, the "Statement Period").

SCHEDULE 1
to the Compliance Certificate

(U.S.$ in 000's)

I. Section 6.5 – Consolidated Net Indebtedness to EBITDA Ratio.

B. Consolidated Net Indebtedness of [Arcos BVI /Arcos Netherlands] as at Statement Date: U.S.$__

1. Consolidated Indebtedness: U.S.$__

2. cash and cash equivalents and consolidated marketable securities recorded as current assets (except for any Capital Stock in any Person): U.S.$__

3. Consolidated Net Indebtedness (Line II.A1 less Line II.A.2): U.S.$__

B. Consolidated EBITDA for Statement Period (from Line I.A.10):

C. Consolidated Net Indebtedness to EBITDA Ratio (Line II.A.3 – I.A.10):

Maximum permitted:

As of the last day of fiscal quarter ended [_]: 3.0 to 1.0

Exhibit 4.24

JPMORGAN CHASE BANK, N.A.
TRADE & WORKING CAPITAL
10410 HIGHLAND MANOR DRIVE, FLOOR 03
TAMPA, FL 33610-9128
SWIFT: CHASUS33

TO:
ARCOS DORADOS BV
Barbara Strozzilaan 101
1083 HN Amsterdam
NETHERLANDS

Date: 06 Jun 2024
Subject: Acknowledgement Advice for Standby Letter of Credit Amendment
Our Reference: TFTS-865131

Dear Sir/Madam,

Standby LC Reference		
Account Party	:	TFTS-865131
	:	ARCOS DORADOS BV BARBARA STROZZILAAN 101 1083 HN AMSTERDAM THE NETHERLANDS
Beneficiary	:	MCDONALD'S LATIN AMERICA, LLC ONE MCDONALD'S PLAZA OAK BROOK, ILLINOIS 60523 U.S.A.

As per your request we have issued our Irrevocable Standby Letter of Credit Amendment under our reference number stated above.

We hereby enclose the copy of the Irrevocable Standby Letter of Credit Amendment for your information and record purpose.

All inquiries regarding this transaction may be directed to our Client Service Group quoting our reference TFTS-865131 using the following contact details:
Telephone Number: 1-800-634-1969
Email Address: gts.client.services @jpmchase.com

Yours Faithfully,
JPMorgan Chase Bank, N.A.,

/s/ Tahir H Rana

Authorized Signature
Tahir H Rana
VP - Operations Manager

COPY OF STANDBY LETTER OF CREDIT AMENDMENT

TO:
MCDONALD'S LATIN AMERICA, LLC
ONE MCDONALD'S PLAZA
OAK BROOK, ILLINOIS 60523
U.S.A.

DATE : 06 Jun 2024
SUBJECT: STANDBY LETTER OF CREDIT AMENDMENT
OUR REFERENCE: TFTS-865131

DEAR SIR/MADAM,

AMENDMENT NUMBER	:	3
ACCOUNT PARTY	:	ARCOS DORADOS BV BARBARA STROZZILAAN 101 1083 HN AMSTERDAM THE NETHERLANDS

WE HEREBY AMEND THE ABOVE REFERENCED STANDBY LETTER OF CREDIT AS FOLLOWS:

NEW EXPIRY DATE : 11 JUN 2025

ALL OTHER TERMS AND CONDITIONS OF THE STANDBY LETTER OF CREDIT REMAIN UNCHANGED.

All inquiries regarding this transaction may be directed to our Client Service Group quoting our reference TFTS-865131 using the following contact details:
Telephone Number: 1-800-634-1969
Email Address: gts.client.services@jpmchase.com

Yours Faithfully,
JPMorgan Chase Bank, N.A.,

/s/ Tahir H Rana

Authorized Signature
Tahir H Rana
VP - Operations Manager

Exhibit 4.25

June 14, 2024

To:
Itaú Unibanco S.A. Miami Branch
200 South Biscayne Boulevard, Suite 2100,
Miami, Florida 33131-5336,
USA

CONTINUING STANDBY LETTER OF CREDIT AGREEMENT

Dear Sir or Madam:

In consideration of the issuance by you, Itaú Unibanco S.A. Miami Branch (the "**Bank**"), in your sole discretion, of an irrevocable standby letter of credit in order to secure any and all obligations of the undersigned, Arcos Dorados B.V. (the "**Applicant**", "**us**" or "**we**") to McDonald's Latin America, LLC (the "**Beneficiary**") arising upon the occurrence of any of the events expressly set forth under Section 7.9.2 of the Amended and Restated Master Franchise Agreement for McDonald's Restaurants among McDonald's Latin America, LLC, LatAm, LLC, the subsidiaries listed in Exhibit I thereto, Arcos Dorados Holdings Inc. (as successor to Arcos Dorados Limited named therein), Arcos Dorados B.V. and Los Laureles Ltd., dated as of November 10, 2008, as amended by Amendment No. 1 to the Amended and Restated Master Franchise Agreement for McDonald's Restaurants, dated as of August 31, 2010, Amendment No. 2 to the Amended and Restated Master Franchise Agreement for McDonald's Restaurants, dated as of June 3, 2011 and Amendment No. 3 to the Amended and Restated Master Franchise Agreement for McDonald's Restaurants, dated as of March 17, 2016 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Master Franchise Agreement**" and the "**Underlying Obligations**", respectively), substantially in accordance with the terms and conditions provided by the Applicant in the application, duly executed by authorized signatories of the Applicant in the form of Exhibit A hereto (the "**Application**" and the irrevocable standby letter of credit issued in accordance with such conditions, the "**Credit**"), we hereby unconditionally agree with the terms and conditions of this Continuing Standby Letter of Credit Agreement (the "**Agreement**") with respect to the Credit. We understand and agree that you do not have an obligation to issue the Credit upon receipt of an Application.

1. Reimbursement

As to drafts, demands or drawings under the Credit which are payable in United States currency, we agree to reimburse you, within 2 (two) Business Days following our receipt of notice of such drafts, at your office in immediately available funds, the amount due on such draft. All amounts due to you, from us, shall be paid at account # 400-945-207 with JP MORGAN CHASE Bank New York, in favor of Itaú Unibanco S.A. Miami Branch, 200 South Biscayne Boulevard Suite 2100, Miami, Florida 33131-5336, USA (or at such other address or pursuant to such other payment instructions you notify to us in writing), without defense, set-off, cross-claim or counterclaim of any kind and free and clear of all present and future taxes, levies, imposts, deductions, charges and withholdings whatsoever.

2. Fees and Expenses

We agree to pay you free and clear of all present and future taxes, levies, imposts, deductions, charges and withholdings whatsoever, in respect of the Credit, the commission set forth in the Application (the "**Fee**") on the payment date(s) specified in such Application, and all reasonable charges and expenses of every kind (including legal services) paid or incurred by you or your correspondents (A) in connection with the Credit, including costs of reserve requirements, if any, and (B) relating to the enforcement of your rights hereunder and claims or demands by you against us (including, without limitation, reasonable attorney's fees) within 2 (two) Business Days following our receipt of notice of such expenses. Additionally, if the Credit has to be re-issued due to the original Credit having been lost, stolen, mutilated or destroyed, the Applicant shall pay to you, as a condition precedent for the re-issuance of the Credit, an additional fee of 1.00% over the amount of the Fee.

Upon the occurrence and during the continuance of an Event of Default (other than an Event of Default under Section 9(B) hereto arising from a default in respect of Section 8(xiv)) the Fee shall be increased automatically by 1.00% per annum (for the avoidance of doubt, an Event of Default shall not be deemed to have occurred hereunder until the relevant cure period shall have expired).

(i) Upon the occurrence and during the continuance of any default by us in the performance of any of the covenants set forth in Section 8 clauses (i)(a), (i) (b), (v), (vi) or (vii) (that shall continue to be unremedied for a period of 30 (thirty) days from the occurrence of such default), the Fee shall be increased automatically by 0.50% per annum, provided that (a) if such event results from a default in the performance of any covenant set forth in Section 8 clauses (i)(a) or (i)(b) and it has not been cured within 60 (sixty) days after it first occurred, the Fee shall be increased automatically by 0.75% per annum, and (b) if such event results from a default in the performance of any covenant under Section 8 clauses (i)(a) or (i)(b) and it has not been cured within 90 (ninety) days after it first occurred, the Fee shall be increased automatically by 1.00% per annum.

The Fee shall be due notwithstanding any cancellation of the Credit prior to the Expiry Date stated in the Application. In such case, you shall not be required to return any amounts to the Applicant.

3. Interest

From the date of payment of any draft, demand or drawing under the Credit by you to the Beneficiary, and until complete payment by us to you of any amounts due hereunder, if any amount, including without limitation principal, interest, fees, premiums, expenses or any other amount, is not paid when due (whether at maturity, by acceleration or otherwise), we agree to pay you interest per annum at a rate equal to SOFR + 3% per annum.

4. Acceptance

You may accept or pay any draft, document or other written or electronic demand for payment under the Credit, even if such demand is not in the form of a negotiable instrument, appearing on its face to substantially comply with the terms and conditions of the Credit and be signed or presented by the appropriate person, including, if any, the beneficiary's successors or any other person required by the Credit. You do not have a duty to grant our waivers of discrepancies, nor to seek waivers of discrepancies from us. You may honor (and shall be entitled to reimbursement plus interest, if any) a previously dishonored presentation under the Credit, whether pursuant to court order, to settle or compromise any claim that it was wrongfully dishonored or otherwise. You do not have a duty to extend the term of the Credit or issue a replacement Credit. None of these circumstances shall cause you or any of your affiliates or correspondents to be liable to us. You do not have any duty to notify us of your receipt of a demand presented under the Credit or of your decision to honor such demand, but you will notify us in case you decide not to honor a demand, within 1 (one) Business Day from such decision.

Additionally, due to the nature of the Credit, and regardless of any language included therein (or any interpretation thereof that could be made in that respect), you shall have no obligation or responsibility for (i) the verification of actual occurrence of any event regarding the Underlying Obligations, (ii) the verification of the actual default by the Applicant of any of the Underlying Obligations and/or (iii) due diligence over the documentation detailed in the Credit (other than verifying that the Sight Draft and the Drawing Certificate – as defined in the Credit – conform with the forms attached to the Credit and all blanks thereto have been completed). In this respect, any declaration or statement of the Beneficiary (including the character of the "Authorized Officers" as defined in the Credit) shall be deemed as valid and undisputable under the Credit, without any duty of verification or due diligence whatsoever on your part.

Also, since the Credit creates a first demand payment obligation, any payment made by you to the Beneficiary shall be at all times regarded as valid and duly made in your respect. Any further claims shall be brought between the Beneficiary and us, it being understood that you will have duly complied with your duties under the Credit by delivering prompt payment to the Beneficiary.

5. Obligations

Our obligations under this Agreement (the "Obligations") shall be unqualified, absolute, unconditional, irrevocable and payable in the manner and method provided herein, irrespective of:

(i) any action taken or not taken or suffered by you or any of your correspondents or affiliates, if done in "good faith" as defined in Article 5 of the New York Uniform Commercial Code, in connection with any Credit or related drafts, documents or property,
(ii) any lack of validity or enforceability of any document, instrument or agreement relating to the Underlying Obligations;
(iii) any amendment or waiver of or any consent to departure from all or any of the provisions of any document, instrument or agreement relating to the Underlying Obligations;

(iv) the existence of any claim, setoff, defense or other right which we or you may have at any time against the Beneficiary, against you or any other person or entity, whether in connection with this Agreement or any document, instrument or agreement relating to the Underlying Obligations;

(v) any statement, draft or any other document presented under the Credit or in connection therewith proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(vi) payment by you under the Credit against presentation of a demand or certificate that does not comply with the terms of such Credit, provided that neither your determination that documents presented under such Credit comply with the terms thereof, nor such payment, shall have constituted gross negligence or willful misconduct of your part, or failure to comply with the relevant standard of care prescribed by the Uniform Commercial Code; and

(vii) any other act or omission to act or delay of any kind by you or any other person or any other event or circumstance whatsoever that might, but the provisions of this section, constitute a legal or equitable discharge or defense to our obligations hereunder.

We acknowledge that your rights and obligations under the Credit are independent of the existence, performance or nonperformance of any contract or arrangement underlying the Credit entered into between us and any other party other than you and that the Credit issued under this Agreement shall be irrevocable. Your responsibility concerning the payment in respect to the Underlying Obligations will not exceed the limit of Credit set forth in the Application.

6. Indemnification and Limitation on Liability

Unless otherwise provided herein, you may, without incurring any liability or impairing your entitlement to reimbursement under this Agreement, honor the Credit despite notice from us of, and without any duty to inquire into, any defense to payment or any adverse claims or other rights against the Beneficiary or any other person. You will not be regarded as the drafter of the Credit, even if you assisted in preparing the text of the Credit or amendments thereto. You will not be liable for any consequential or special damages, or for damages resulting from fluctuations in the value of foreign currency, goods, services or other property covered by the Credit.

We will indemnify and hold you, your correspondents and your officers, directors, affiliates, employees, attorneys and agents (collectively, the "Indemnitees") harmless from and against any and all claims, liabilities, losses, damages, costs and expenses, including reasonable attorney's fees and disbursements, other dispute resolution expenses and costs of collection that arise out of or in connection with: (A) the issuance of the Credit, (B) any payment acceptance or action taken or not taken, (C) the enforcement of this Agreement or (D) any act or omission, whether rightful or wrongful, of any present or future de jure or de facto governmental authority or any other cause beyond your control or the control of your correspondents or agents, except with respect to clauses (A) to (C) above to the extent a court of competent jurisdiction finds, in a final, non-appealable judgment, that it resulted from such Indemnitees' gross negligence or willful misconduct. We will pay within 2 (two) Business Days after the Applicant's receipt of notice of such due, all amounts owing under this Section.

Neither you nor your correspondents shall assume any liability to anyone for failure to pay or to accept a demand under the Credit if such failure is due to any applicable legal or regulatory restriction in force at the time and place of presentment. Unless otherwise provided herein, neither you nor your correspondents shall be responsible for (A) verifying the existence of any act, condition or statement made by any party in relation to their drawing or presentment under the Credit or in verifying or passing judgment on the reasonableness of any statement made by any party in relation to their drawing or presentment under the Credit or requesting or requiring the presentation of any document, including a default certificate, not required under the terms and conditions of the Credit, (B) the identity or authority of any signer or the form, validity, sufficiency, accuracy, legal effect or genuineness of documents presented under the Credit, including documents relating to transfer or assignment of rights under the Credit, if such documents on their face appear to comply with the terms of the Credit, even if such documents should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged, (C) each Credit's effectiveness or suitability for our purpose, (D) any delay or failure to give any notice, (E) any breach of contract between the Beneficiary and ourselves (F) any act or failure to act by the Beneficiary or the solvency of the Beneficiary, (G) the failure to arrive of any drafts or other documents which have been sent to you, (H) errors, omissions, interruptions or delays in transmission or delivery of any message, advice, document or proceeds in connection with the Credit, by mail, courier, cable, telegraph, wireless, telex or otherwise, or for errors in interpretation of technical terms or in translation, whether or not they be in cipher, and (I) any error, neglect or default, suspension or insolvency of any of the correspondents you have selected in your commercially reasonable discretion. None of the above shall affect, impair, or prevent the vesting of any of your rights or powers hereunder.

7. Consents and Approvals

We agree to promptly procure any licenses or certificates that you may reasonably consider to be necessary in connection with the execution of the contract, agreement or understanding underlying the Credit, and to provide you with any copies of documents, agreements or evidence and information, including financial information regarding the undersigned, as you may reasonably require or request from time to time.

8. Covenants

We shall, until any and all of our obligations hereunder are paid in full:

(i) furnish to you, either electronically or in hard copies, (a) within 120 (one hundred and twenty) days after the close of each fiscal year, our consolidated balance sheet and the related consolidated statements of income and retained earnings and statements of cash flows for such year, certified by an independent public accountant, prepared in accordance with U.S. GAAP and fairly present in all material respect our financia condition as of such date, and (b) within 90 (ninety) days after the close of each quarterly accounting period, our consolidated balance sheet and the related consolidated statements of income and retained earnings and statements of cash flows for such quarterly accounting period, prepared in accordance with U.S. GAAP and fairly representing in all material respect our financial condition as of such date and (c) together with the information detailed in (a) and (b) above, as the case may be, a certified statement regarding level of the Net Leverage Ratio, the Consolidated Net Indebtedness and the Adjusted Consolidated EBITDA.

(ii) promptly, and in any event within 3 (three) Business Days after we deliver the same to the Beneficiary, furnish to you copies of all certificates that we may deliver to the Beneficiary, in accordance with Section 7.19 of the Master Franchise Agreement,

(iii) promptly, and in any event within 3 (three) Business Days after any of our authorized officers (or those of our Subsidiaries) obtains knowledge thereof, furnish to you notice of (i) the occurrence of any event which constitutes and Event of Default; (ii) the occurrence of any Effective Termination or an automatic termination pursuant to Section 22.5 of the Master Franchise Agreement and the date of such occurrence, (iii) any notice of any claim pending or threatened in writing (a) against ourselves, our controlling or holding entities or any of our Subsidiaries party to the Master Franchise Agreement, which could reasonably be expected to have a Material Adverse Effect (as defined below) or (b) with respect to this Agreement or the Master Franchise Agreement, which could reasonably be expected to result in the exercise of any remedies under, or termination of, this Agreement or the Master Franchise Agreement.

(iv) promptly, an in any event within 3 (three) Business Days after we deliver the same to the Beneficiary under the Master Franchise Agreement furnish to you notice of any pending or threatened environmental claim against ourselves or our Subsidiaries.

(v) use our commercially reasonable efforts to ensure we retain our material rights (and those of our affiliates) under the Master Franchise Agreement taken as a whole.

(vi) do, and cause each of our Subsidiaries to do, all things necessary to preserve and keep in full force and effect our (and their) existence and material rights, franchises, licenses, permits, copyrights, trademarks and patents, provided however, that nothing in this provision shall (a) prevent our or any of our Subsidiaries withdrawal of its qualification as a foreign company in any jurisdiction if such withdrawal could not, either individually or in aggregate, reasonably be expected to have a Material Adverse Effect; or (b) require us or any of our Subsidiaries to preserve or keep in full force and effect any right, franchises, license, permits, copyrights, trademarks or patents, if the failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(vii) comply, and will cause each of our Subsidiaries to comply, with all applicable laws of, and all applicable restrictions imposed by all governmental authorities in respect of the conduct of our business and the ownership of our property, except such noncompliance as could not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(viii) keep proper books of record and accounts in which full, true and correct entries in accordance with applicable GAAP and all requirements of law shall be made of all dealings and transactions in relation to our business and activities.

(ix) perform all of our obligations under the terms of each mortgage, indenture, security agreement, loan agreement or credit agreement and each other agreement, contract or instrument by which we are bound (including, without limitation (a) all obligations under the Master Franchise Agreement and any other document relating thereto and (b) all claims of materialmen or warehousemen which, if unpaid, might by operation of the law give rise to a lien) except to extent that the failure to perform such obligations (a) could not reasonably be expected to have a Material Adverse Effect or (b) with respect to the payment, observance or performance of any indebtedness (other than our obligations hereunder) would not give rise to an Event of Default.

(x) pay and discharge all taxes, assessments and governmental charges or levies imposed upon us or our profits or income, or upon any of our property and all lawful claims, provided that we shall not be required to pay any such tax, assessment, charge, levy or claim to the extent that (a) the validity or amount thereof is being contested in good faith by appropriate proceedings diligently pursued, (b) we have maintained on our books adequate reserves with respect thereto in accordance with the applicable GAAP and (c) the failure to make payment pending such contest would not reasonably be expected to result in a Material Adverse Effect.

(xi) regarding ourselves and our Subsidiaries, to (a) keep property necessary to our business and such of our Subsidiaries in good working order and condition, ordinary wear and tear excepted, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect; and (b) maintain with financially sound and reputable insurance companies insurance on all such property and against all such risks as is consistent and in accordance with industry practice for companies similarly situated owning similar properties and engaged in similar businesses as we or our Subsidiaries, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(xii) not permit ourselves or any of our Subsidiaries, on a consolidated basis, to cease to be solvent at any time.

(xiii) not (a) cause or permit any direct or indirect transfer, in whole or in part, of the Master Franchise Agreement and (b) amend, modify, change or waive any term or provision of the Master Franchise Agreement without your consent, unless such amendment, modification, change or other action could not reasonably be expected to be adverse in any material respect to your interests (it being understood that any amendment, modification or waiver to the Master Franchise Agreement that makes the terms of such agreement less restrictive to, or burdensome on, the Applicant shall be deemed not adverse to your interests).

(xiv) not permit the Net Leverage Ratio for any period ending on the last day of a fiscal quarter to be greater than 4.5:1.0.

(xv) not, without your prior consent, take or cause to be taken any action to make a "Debt Assumption Election" (as defined in the Master Franchise Agreement) under Section 21.6.2. of the Master Franchise Agreement;

(xvi) inform you the Unrestricted Subsidiaries, in case they are designated by the Applicants Board of Directors; and

For the purposes of this clause "Material Adverse Effect" shall be understood as any material adverse effect on (a) our business, condition (financial or otherwise), operations, performance or properties or those of our Subsidiaries, or (b) the ability of us or any of our Subsidiaries to perform its duties under any document, instrument or agreement related to the Underlying Obligations.

In this provision, the following capitalized terms shall have the respective meanings assigned below:

"**Adjusted Consolidated EBITDA** shall mean, with respect to any Person on a consolidated basis for any period, Consolidated Net Income for such Person for such period plus (a) the sum of (in each case without duplication and to the extent the respective amounts described in subclauses (i) through (vi) of this clause (a) reduced such Consolidated Net Income for the respective period for which Adjusted Consolidated EBITDA is being determined):

(i) Consolidated Interest Expense for such period;
(ii) provision for taxes based on income, profits or capital of the Applicant and its Subsidiaries for such period determined on a consolidated basis in accordance with U.S. GAAP;
(iii) depreciation and amortization expense of the Applicant and its Subsidiaries for such period determined on a consolidated basis in accordance with U.S. GAAP;
(iv) restructuring charges or reserves (including restructuring costs related to acquisitions after the date hereof and to closure/consolidation of facilities and any fees payable in connection with any franchise disputes);
(v) any other non-operating and/or non-recurring charges, expenses or losses of the Applicant and its Subsidiaries for such period;
(vi) any deductions attributable to minority interests;

minus (b) (in each case without duplication and to the extent the respective amounts described in this clause (b) increased such Consolidated Net Income for the respective period for which Adjusted Consolidated EBITDA is being determined) non-operating and/or non-recurring income or gains (less all fees and expenses related thereto) increasing Consolidated Net Income of the Applicant and the Subsidiaries for such period.

"**Board of Directors**" means, with respect to any Person, the board of directors or similar governing body of such Person or any duly authorized committee thereof.

"**Capitalized Lease Obligations**" means, as to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as capital lease obligations under U.S. GAAP. For purposes of this definition, the amount of such obligations at any date will be the capitalized amount of such obligations at such date, determined in accordance with U.S. GAAP.

"**Capital Stock**" means, with respect to any Person, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated and whether or not voting) of equity of such Person, including each class of Common Stock, Preferred Stock, limited liability interests or partnership interests, but excluding any debt securities convertible into such equity.

"**Cash Equivalents**" means:

(1) U.S. dollars, or money in the local currency of any country in which the Applicant or any of its Restricted Subsidiaries operates;
(2) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government or issued by any agency thereof and backed by the full faith and credit of the United States of America, in each case maturing within one year from the date of acquisition thereof;
(3) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof or any country recognized by the Unites States of America maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the three highest ratings obtainable from either S&P or Moody's or any successor thereto;

(4) commercial paper outstanding at any time issued by any Person that is organized under the laws of the United States of America, any state thereof or any Latin American country recognized by the United States of America and rated P-1 or better from Moody's or A-1 or better from S&P or, with respect to Persons organized outside of the United States of America, a local market credit rating at least "BBB-" (or the then equivalent grade) by S&P and the equivalent rating by Moody's and in each case with maturities of not more than 360 (three hundred and sixty) days from the date of acquisition thereof;

(5) demand deposits, certificates of deposit, overnight deposits and time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case, with any commercial bank that is organized under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America and at the time of acquisition thereof has capital and surplus in excess of US$500 million (or the foreign currency equivalent thereof) and a rating of P-1 or better from Moody's or A-1 or better from S&P or, with respect to a commercial bank organized outside of the United States of America, a local market credit rating of at least "BBB-" (or the then equivalent grade) by S&P and the equivalent rating by Moody's, or with government owned financial institution that is organized under the laws of any of the countries in which the Applicants Restricted Subsidiaries conduct business;

(6) insured demand deposits made in the ordinary course of business and consistent with the Applicant's or its Subsidiaries' customary cash management policy in any domestic office of any commercial bank organized under the laws of the United States of America or any state thereof;

(7) repurchase obligations with a term of not more than 360 (three hundred and sixty) days for underlying securities of the types described in clauses (2), (3) and (4) above entered into with any financial institution meeting the qualifications specified in clause (5) above;

(8) substantially similar investments denominated in the currency of any jurisdiction in which the Applicant or any of its Restricted Subsidiaries conducts business of issuers whose country's credit rating is at least "BBB-" (or the then equivalent grade) by S&P and the equivalent rating by Moody's; and

(9) investments in money market funds which invest at least 95% of their assets in securities of the types described in clauses (1) through (8) above.

"**Commodity Agreement**" means, with respect to any Person, any commodity swap agreement, commodity cap agreement, commodity collar agreement, commodity or raw material futures contract or any other agreement as to which such Person is a party designed to manage commodity risk of such Person.

"**Common Stock**" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or nonvoting) of such Person's common equity interests, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common equity interests.

"**Consolidated Interest Expense**" means, with respect to any Person for any period, the sum (without duplication) determined on a consolidated basis in accordance with U.S. GAAP of:

(1) the aggregate of cash and non-cash interest expense of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Applicant) for such period determined on a consolidated basis in accordance with U.S. GAAP, including, without limitation, the following (whether or not interest expense in accordance with U.S. GAAP):

(a) any amortization or accretion of debt discount or any interest paid on Indebtedness of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Applicant) in the form of additional Indebtedness;

(b) any amortization of deferred financing costs;

(c) the net costs under Hedging Obligations (including amortization of fees) in respect of Indebtedness or that are otherwise treated as interest expense or equivalent under U.S. GAAP; provided that if Hedging Obligations result in net benefits rather than costs, such benefits will be credited to reduce Consolidated Interest Expense unless, pursuant to U.S. GAAP, such net benefits are otherwise reflected in Consolidated Net Income;

(d) all capitalized interest;

(e) the interest portion of any deferred payment obligation;

(f) any premiums, fees, discounts, expenses and losses on the sale of accounts receivable (and any amortization thereof) payable by the Applicant or any Restricted Subsidiary in connection with a Permitted Receivables Financing;

(g) commissions, discounts and other fees and charges Incurred in respect of letters of credit or bankers acceptances; and

(h) any interest expense on Indebtedness of another Person that is guaranteed by such Person or one of its Subsidiaries (Restricted Subsidiaries in the case of the Applicant) or secured by a lien on the assets of such Person or one of its Subsidiaries (Restricted Subsidiaries in the case of the Applicant), whether or not such guarantee or lien is called upon; and

(2) the interest component of Capitalized Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Applicant) during such period.

"**Consolidated Interest Income**" shall mean, for any period, with respect to any Person and its consolidated Subsidiaries, total interest income, whether paid or accrued, all as determined in accordance with U.S. GAAP.

"**Consolidated Net Income**" shall mean, for any period, with respect to any Person and its Subsidiaries, the aggregate of the Net Income for such period on a consolidated basis, provided however, that there will be excluded therefrom to the extent reflected in such aggregate Net Income:

(i) any net after-tax extraordinary, special (reflected as a separate line item on a consolidated income statement prepared in accordance with U.S. GAAP on a basis consistent with historical practices) or non-recurring gain or loss (less all fees and expenses relating thereto) or income or expense or charge including, without limitation, any severance expense, and fees, expenses or charges related to any offering of Equity Interests of the Person;

(ii) any net after-tax income or loss from discontinued operations and any net after-tax gain or loss on disposal of discontinued operations; and

(iii) any net after-tax gain or loss (less all fees and expenses or charges relating thereto) attributable to business dispositions or asset dispositions other than in the ordinary course of business (as determined in good faith by the board of directors of the Person).

"**Consolidated Net Indebtedness**" means, with respect to any Person as of any date of determination, an amount equal to the aggregate amount (without duplication) of all Indebtedness of such Person and its Subsidiaries outstanding at such time less the sum of (without duplication) consolidated cash and Cash Equivalents and consolidated marketable securities recorded as current assets (except for any Capital Stock in any Person) in all cases determined in accordance with U.S. GAAP and as set forth in the most recent consolidated balance sheet of the Applicant and its Subsidiaries.

"**Convertibility Event**" shall mean (a) an act or series of acts (whether through action or inaction), directly or indirectly, taken (or not taken), directed, authorized, ratified or approved by the Host Government that prevents the Subsidiary Guarantor, from directly or indirectly: (i) converting any currency into such payment currency under the Guaranteed Obligations; and/or (ii) transferring outside Brazil the funds needed to comply with Subsidiary Guarantor's obligations hereunder and under the Guaranteed Obligations, as applicable, in such currency and place of payment as corresponding to such Guaranteed Obligations; or (b) failure by the Host Government (or by entities authorized under the laws of Brazil to operate in the foreign exchange markets) to effect a conversion and/or transfer under (a) above on behalf of the Subsidiary Guarantor.

"**Currency Agreement**" means, with respect to any Person, any foreign exchange contract, currency swap agreement or other similar agreement as to which such Person is a party designed solely to hedge foreign currency risk of such Person.

"**Disqualified Capital Stock**" means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof.

"**Equity Interests**" of any Person shall mean any and all shares, interests, rights to purchase, warrants, options, participation or other equivalents of or interest in (however designated) equity of such Person, including, without limitation, any Common Stock, Preferred Stock, any limited or general partnership interest and any limited liability company membership interest.

"**Fair Market Value**" means, with respect to any asset, the price (after taking into account any liabilities relating to such assets) which could be negotiated in an arm's-length free market transaction, for cash, between a willing seller and a willing and able buyer, neither of which is under any compulsion to complete the transaction; provided that the Fair Market Value of any such asset or assets will be determined conclusively by the Board of Directors of the Applicant acting in good faith, and will be evidenced by a Board Resolution.

"**Guaranteed Obligations**" shall mean, collectively, the full and punctual payment when due and payable (whether at stated maturity, by acceleration or otherwise) of the Applicant's obligations and liabilities to the Bank (whether such obligations and/or liabilities are due and payable on the date hereof or due and payable from time to time thereafter, whether for principal, interest, fees, expenses, indemnification or otherwise) in respect of the Credit and the Agreement, including without limitation the Applicant's reimbursement obligations for payments made by the Bank under the Credit.

"**Governmental Authority**" shall mean the government of the United States of America, any other nation or any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"**Hedging Obligations**" means the obligations of any Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Agreement.

"**Host Government**" shall mean (a) the present or any succeeding governing authority (without regard to the method of its succession or as to whether it is internationally recognized) in effective control of all or any part of the territory of Brazil or any political or territorial subdivision thereof (including any dependent territory); and (b) any other public authority in or of Brazil on which regulatory powers are conferred by the laws of the Brazil or by actions of any other public authority.

"**Incur**" means, with respect to any Indebtedness or other obligation of any Person, to create, issue, incur (including by conversion, exchange or otherwise), assume, guarantee or otherwise become liable in respect of such Indebtedness or other obligation on the balance sheet of such Person (and "Incurrence" and "Incurred" will have meanings correlative to the foregoing); provided that (1) any Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary of the Applicant will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary of the Applicant and (2) neither the accrual of interest nor the accretion of original issue discount nor the payment of interest in the form of additional Indebtedness with the same terms and the payment of dividends on Disqualified Stock or Preferred Stock in the form of additional shares of the same class of Disqualified Stock or Preferred Stock will be considered an Incurrence of Indebtedness.

"**Indebtedness**" means, with respect to any Person, without duplication:

(1) the principal amount (or, if less, the accreted value) of all obligations of such Person for borrowed money;

(2) the principal amount (or, if less, the accreted value) of all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
(3) all Capitalized Lease Obligations of such Person;
(4) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all obligations under any title retention agreement (but excluding trade accounts payable in the ordinary course of business);
(5) all reimbursement obligations in respect of letters of credit, banker's acceptances or similar credit transactions (except to the extent incurred in the ordinary course of business and such obligation is satisfied within 20 (twenty) Business Days of Incurrence);
(6) guarantees and other contingent obligations of such Person in respect of Indebtedness referred to in clauses (1) through (5) above and clause (8) below;
(7) all Indebtedness of any other Person of the type referred to in clauses (1) through (6) above which is secured by any lien on any property or asset of such Person, the amount of such Indebtedness being deemed to be the lesser of the Fair Market Value of such property or asset and the amount of the Indebtedness so secured;
(8) all net obligations under Hedging Obligations of such Person (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time);
(9) the amount of all Permitted Receivables Financings of such Person;
(10) all Disqualified Capital Stock issued by such Person with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any; provided that:

(a) if the Disqualified Capital Stock does not have a fixed repurchase price, such maximum fixed repurchase price will be calculated in accordance with the terms of the Disqualified Capital Stock as if the Disqualified Capital Stock were purchased on any date on which Indebtedness will be required; and

(b) if the maximum fixed repurchase price is based upon, or measured by, the fair market value of the Disqualified Capital Stock, the fair market value will be the Fair Market Value thereof.

The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingency obligations at such date.

"**Interest Rate Agreement**" means, with respect to any Person, any interest rate protection agreement (including, without limitation, interest rate swaps, caps, floors, collars, derivative instruments and similar agreements) and/or other types of hedging agreements designed solely to hedge interest rate risk of such Person.

"**Issue Date**" means the date of the issuance of the Credit.

"**Net Income**" shall mean, with respect to any Person, the net income (loss) of such Person, determined in accordance with U.S. GAAP.

"**Net Leverage Ratio**" means, with respect to any Person as of any date of determination, the ratio of the aggregate amount of Consolidated Net Indebtedness for such Person as of such date to Adjusted Consolidated EBITDA for such Person for the four most recent full fiscal consecutive quarters of the Applicant fo which financial statements are available ending prior to the date of such determination.

"**Permitted Receivables Financing**" means any receivables financing facility or arrangement pursuant to which a Securitization Subsidiary purchases or otherwise acquires accounts receivable of the Applicant or any Restricted Subsidiaries and enters into a third party financing thereof on terms that the Board of Directors has concluded are customary and market terms fair to the Applicant and its Restricted Subsidiaries.

"**Person**" shall mean any individual, partnership, joint venture, firm, corporation, association, limited liability company, trust or other enterprise or any Governmental Authority.

"**Preferred Stock**" means, with respect to any Person, any Capital Stock of such Person that has preferential rights over any other Capital Stock of such Person with respect to dividends, distributions or redemptions or upon liquidation.

"**Restricted Subsidiary**" means any Subsidiary of the Applicant, which at the time of determination is not an Unrestricted Subsidiary.

"**Securitization Subsidiary**" means a Subsidiary of the Applicant:

1. that is designated a "Securitization Subsidiary" by the Board of Directors,
2. that does not engage in, and whose charter prohibits it from engaging in, any activities other than Permitted Receivables Financings and any activity necessary, incidental or related thereto,
3. no portion of the Indebtedness or any other obligation, contingent or otherwise, of which
   (a) is guaranteed by the Applicant or any Restricted Subsidiary of the Applicant,
   (b) is recourse to or obligates the Applicant or any Restricted Subsidiary of the Applicant in any way, or
   (c) subjects any property or asset of the Applicant or any Restricted Subsidiary of the Applicant, directly or indirectly, contingently or otherwise, to the satisfaction thereof,
4. with respect to which neither the Applicant nor any Restricted Subsidiary of the Applicant (other than an Unrestricted Subsidiary) has any obligation to maintain or preserve its financial condition or cause it to achieve certain levels of operating results other than, in respect of clauses (3) and (4), pursuant to customary representations, warranties, covenants and indemnities entered into in connection with a Permitted Receivables Financing.

"**Subsidiary**" means, with respect to any Person, any other Person of which such Person owns, directly or indirectly, more than 50% of the voting power of the other Person's outstanding Voting Stock.

"**Unrestricted Subsidiary**" shall mean the Subsidiaries that are designated as Unrestricted Subsidiaries by the Applicant's Board of Directors. It being understood that any such designation may be revoked by the Applicant's Board of Directors.

"**Voting Stock**" means, with respect to any Person, securities of any class of Capital Stock of such Person then outstanding and normally entitled to vote in the election of members of the board of directors (or equivalent governing body) of such Person. The term "normally entitled" means without regard to any contingency.

For purposes of the foregoing, (i) the Net Leverage Ratio shall be determined as of the end of each fiscal quarter of the Applicant's fiscal year, based upon the financial statements for the four most recent full fiscal consecutive quarters of the Applicant for which financial statements are available ending prior to the date of such determination, and (ii) each change in the Fee resulting from a change in the Net Leverage Ratio shall be effective during the period commencing on and including the date of delivery to the Bank of the financial statements indicating such change and ending on the date immediately preceding the effective date of the next such change.

9. Outstanding Amount. Events of Default

The outstanding amount under the Credit shall be reduced by the amount of any drawing under it, until the reimbursement of such amount and all other amounts then due and payable for which reasonably-detailed written invoices have been delivered to us, in which case the outstanding amount shall be increased (but in no event exceeding the Total Amount, as defined in the Application) in the amount of the reimbursed amounts detailed above only after 5 (five) days from the receipt of such funds, at your satisfaction. The obligation of increasing the outstanding amount under the Credit shall not be binding against you if one of the following events of default (each of these, an "Event of Default") shall, in your sole reasonable opinion, have occurred and be continuing:

A. a default in the payment of any amount due and payable to you, your assigns or successors to Itaú Unibanco S.A. and/or any of its affiliates controlled, controlling entities or entities under common control with Itaú Unibanco S.A. under this Agreement;
B. a material violation or breach of any of the other terms and conditions of this Agreement (including without limitation, a default in the performance of any of the covenants set for in Section 8 above, other than Section 8 clauses (i)(a), (i)(b), (v), (vi) and (vii).
C. an Event of Default under the Applicant's 5.875% Senior Notes due 2027 and 6.125% Senior Notes due 2029 as defined in the terms and conditions applicable to such notes;
D. in respect to the Guarantee Letter (as defined below) if upon the occurrence of any of the following: (i) a Convertibility Event, or (iii any other event circumstance or fact that directly or indirectly prevents Arcos Dourados Comercio de Alimentos S.A.

(the "Subsidiary Guarantor") from complying with its obligations under the Guarantee Letter or under the Guaranteed Obligations, as applicable, in the same terms and conditions as agreed in the Guaranteed Obligations;

E. the filing by ourselves of a petition or answer or consent seeking relief under Title 11 of the United States Code, as now or hereafter in effect, or the initiation of a similar or comparable proceeding under any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by us to the institution of proceedings under such Title 11 or a similar or comparable proceeding under any such other law or to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) with respect to ourselves or any part of our property, or the making by us of any assignment for the benefit of creditors, or our failure to generally pay our debts as they become due, or the taking of corporate or other action to authorize any of the foregoing;

F. the entry of a decree or order by a court having jurisdiction for relief in respect of ourselves under Title 11 of the United States Code, as now or hereafter in effect, or any similar or comparable action of any court having jurisdiction under any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of ourselves or any part of our properties, or ordering the winding-up or the liquidation of our affairs;

G. a proceeding or case shall be commenced, without the application or consent on our part in any court of competent jurisdiction, seeking (a) our liquidation, dissolution, arrangement or winding-up, or the composition or readjustment or our debts, (b) the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of ourselves or any part of our properties or our assets; or (c) similar relief in respect to ourselves under any law relating to bankruptcy, insolvency, winding-up, or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or any order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of 45 (forty five) days;

H. any material provision of the Agreement shall for any reason cease to be valid and binding on us or we shall so state in writing;

I. it is or will reasonably expected to become unlawful for us to perform or comply with any one or more of our material obligations under the Agreement;

J. the occurrence and continuance of a Material Breach (as such term is defined in the Master Franchise Agreement) under the Master Franchise Agreement, which Material Breach shall continue for 90 (ninety) days from the date such Material Breach first occurred and shall not have been waived;

K. the failure by the Master Franchisee (as such term is defined in the Master Franchise Agreement) to comply with any of its obligations under Section 7.20 of the Master Franchise Agreement; or

L. the occurrence of any of the above events to any person or entity that guarantees any of our obligations under this Agreement (including without limitation, the issuer of the Guarantee Letter).

Upon the occurrence of an Event of Default, you shall have the right to send to us a notice of Event of Default as detailed in the Credit. As long as the Event of Default is still continuing, there shall be no obligation on your part to increase the outstanding amount under the Credit.

10. Remedies

We agree that if at any time or from time to time you shall retain an attorney for the enforcement or protection of your rights hereunder, then upon each such retention, said reasonable attorney's fees will be immediately due and owing by us.

11. Amendments and Modifications

We agree that this Agreement shall be binding on us with respect to any extension of the maturity or time for presentment of drafts, or documents, any increase in the amount of the Credit or any other modification of the terms of any Credits, made at our request or with our consent. Our Obligations shall not be reduced or impaired in any way by any agreement you and the Beneficiary may make to extend your time to honor drafts or to give notice of discrepancies.

12. Waiver

You shall not be deemed to have any of your rights waived hereunder unless you or your authorized agent shall have signed such waiver in writing. No failure on your part to exercise and no delay in exercising any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by you of any right, remedy or power hereunder preclude any other or future exercise of any other right, remedy or power. We further agree that your rights, remedies and powers hereunder shall continue unimpaired and that we shall be and remain obligated in accordance with the terms hereof notwithstanding the partial exercise by you of any right, remedy or power, at any time or times, or of any rights or interests therein, or any delay, extension of time, renewal, release, substitution or addition of parties, compromise or other indulgence granted by you, in reference to any of the Obligations, or any promissory note, draft, demand, document, bill of exchange or other instrument given in connection therewith, we hereby waive all notice of any delay, extension, release, substitution, renewal, compromise or other indulgence, and hereby consent to be bound as fully and effectually as if we had expressly agreed thereto in advance.

13. Successors and Assigns

The Obligations hereof shall continue in force, and apply, notwithstanding any change in our corporate structure, membership or ownership, and the Obligations hereof shall bind us and our representatives, successors and permitted assigns, and all rights, benefits and privileges hereby conferred on you shall be and hereby are extended to and conferred upon and may be enforced by your successors and assigns. Neither party may transfer or otherwise assign its rights and obligations hereunder, in whole or in part, without the consent of the other party hereto, except if an Event of Default has occurred under this Agreement and/or the Application, in which case you may freely transfer or otherwise assign your rights and obligations hereunder, without the need of prior notification or consent from us but with the prior written consent of the Beneficiary. However, you may grant participation in your rights and obligations hereunder without any prior notification or consent, provided that any such participation arrangement shall not in any way diminish your status or obligations under this Agreement or the Credit; provided, further, that we shall have no obligation to provide any notice or information pursuant to this Agreement to any person other than you and the terms and conditions applicable to us shall remain unchanged. You may disclose information pertaining to us, as it relates to this Agreement or the Credit, solely to actual or

potential transferees, assignees affiliates or contractors provided that such parties agree to maintain the confidentiality of such information or as otherwise required by law.

14. Notice

Notices and demands under this Agreement shall be in writing, delivered by hand, courier, first class mail postage prepaid or registered mail and will be effective, if to you, when sent to your address appearing above, and if to us, when sent to our address appearing below with our signature, or any such other address as either party hereto may inform the other parties in writing. Notices to the Beneficiary shall be effective when sent to the address maintained in your records and we shall hold you harmless against any claim by the Beneficiary of non-receipt of any notice.

15. Promissory Note and Guarantee Letter. Representations and Warranties

The Applicant shall deliver to you (a) a promissory note evidencing its obligations hereunder (hereinafter referred to as "Promissory Note") issued by the Applicant (b) a guarantee letter to be granted by the Subsidiary Guarantor guarantying the full and punctual payment when due (whether at stated maturity, by acceleration or otherwise) of the Applicant's obligations and liabilities to you (whether such obligations and/or liabilities are presently due or will become due in the future, whether for principal, interest, fees, expenses, indemnification or otherwise) in respect of the Credit and this Agreement, including, without limitation, the Applicant's reimbursement obligations for payments made by you under the Credit (the "Guarantee Letter"). The failure of the Applicant to comply with any obligation to reimburse you for drawings under the Credit or with any obligation to pay the Fee, costs and/or taxes in respect to this Agreement, the Application or the Credit, when such amounts are due and payable, will entitle you to claim immediately the Promissory Note and/or the Guarantee Letter or resort any other remedies in order to receive payments in respect of the Credit, provided that you shall have the power to offset any of its credits hereunder with any credits or deposits the Applicant may have with you. For the avoidance of doubt, the right to offset any credits hereunder granted by the immediately preceding sentence shall not apply to any credits or deposits that any of the Applicant's affiliates or Subsidiaries may have with you.

The Applicant represents and warrants that: (i) it has all necessary corporate or other power, authority and legal right to execute, deliver and perform its obligations under this Agreement and under the Promissory Note; (ii) the execution, delivery and performance by the Applicant of this Agreement and the Promissory Note have been duly authorized by all necessary action on the part of the Applicant; (iii) this Agreement, the Application and the Promissory Note have been duly executed and delivered by the Applicant, and constitute the Applicant's legal, valid and binding obligations, enforceable against the Applicant in accordance with their respective terms; and (iv) the obligations of the Applicant under the Agreement and under the Promissory Note do not require consent from any person pursuant to any applicable laws or, to the extent such consent is required, it has already been obtained, has not been revoked and is in full force and effect on the date hereof.

The Applicant acknowledges that each of the following are conditions precedent to you issuing the Credit in accordance with this Agreement: the delivery of (i) the Promissory Note, (ii) the Guarantee Letter, (iii) a board of directors' resolution of the Subsidiary

Guarantor approving the execution of the Guarantee Letter, (iv) a board of directors' resolution of the Applicant approving the transaction contemplated herein and, in each case, in form and substance satisfactory to the Bank.

16. Entire Agreement; Rights and Remedies Cumulative.

This Agreement constitutes the entire agreement between the parties concerning your issuance of the Credit for our account and supersedes all prior or simultaneous agreements. Each and every right, remedy and power hereby granted to you or allowed to you by law or other agreement shall be cumulative and not exclusive of any other and may be exercised by you from time to time.

17. Termination; Survival.

This is a continuing agreement and shall remain in effect until your receipt of our written notice of termination. Termination of this Agreement shall not release us from any existing liability for our Obligations, or resulting from or relating to the Credit.

It is expressly understood you shall be released from your obligations under the Credit upon occurrence of the earliest to occur of any of the expiry dates provided therein, but only to the extent that the Beneficiary has not presented to you before such date any proper demand for payment under the Credit which remains to be paid to the Beneficiary.

18. Defined terms; Interpretation; Severability.

The term "Application" as used in this Agreement means a written and signed application substantially in the form of Exhibit A attached hereto that we deliver to you or such other writing that we deliver to you with sufficient information to enable you to prepare and issue or amend the Credit for our account. The term "Business Day" as used in this Agreement means any day other than (a) a Saturday or Sunday or (b) a day on which commercial banks are required or authorized by law or by local proclamation to close in the city or cities specified herein or if no city is so specified, in New York City and in Sao Paulo. The word "property" as used in this Agreement includes cash proceeds, deposit accounts, goods and documents relative thereto, securities, funds, and any and all other forms of property, whether real, personal or mixed and any right or interest therein.

Headings are included only for convenience. The term "including" means "including without limitation". If any provision of this Agreement is held illegal or unenforceable, the validity of the remaining provisions shall not be affected. Delivery of a signed signature page to this Agreement via fax shall be as effective as physical delivery of the signed original counterpart.

19. Governing Law; Service of Process; Waivers.

Each Credit shall be subject to the International Standby Practices 1998, International Chamber of Commerce (ICC) Publication 590 (ISP 98) in effect the same time of the issuance of such Credit. This Agreement and the rights and obligations of all parties hereto shall be governed by the laws of the State of New York, United States of America, including, without limitation, Section 5-1401 of the New York General Obligations Law, but excluding any conflicts of law principles that would lead to the application of the laws of another jurisdiction. The provisions herein are supplemental to, and not in substitution of the ISP 98 to the extent consistent with (and not in limitation of) the provisions of this Agreement.

We irrevocably submit to the non-exclusive jurisdiction of any state courts sitting in the City of New York, New York, United States of America or in the United States District Court for the Southern District of New York and irrevocably waive any objection to venue or claim of inconvenience to such courts. We agree not to bring any action in connection herewith in any jurisdiction outside of New York, New York. We irrevocably consent to service of process by sending copies of such process to our notice address indicated near our signature below. Final judgment against us in any action or proceeding shall be enforceable against us in other jurisdictions in accordance with applicable law. We irrevocably waive any immunities from jurisdiction of any court or legal process that we (or our property) may now have or later acquire with respect to our Obligations.

WE, THE APPLICANT AND YOU, EACH IRREVOCABLY WAIVE OUR RIGHTS TO A JURY TRIAL OF ANY CLAIM, COUNTERCLAIM OR C ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE CREDIT OR ANY DEALINGS WITH ONE ANOTHER RELATING TO THE MATTER OF THIS AGREEMENT.

Very truly yours,

By **Arcos Dorados B.V.** (the "Applicant").

Signature:	/s/ Digna van der Pol	Signature:	/s/ Marcelo Rabach
Name:	Digna van der Pol	Name:	Marcelo Rabach
Title:	Managing Director - Amsterdam	Title:	CEO

Itaú Unibanco S.A. and its branches, affiliates and Subsidiaries offer financial services worldwide to a broad range of customers. Applicants acknowledge and accept that Itaú Unibanco S.A. or any of its branches, affiliates or Subsidiaries may perform more than one role in relation to a certain Credit, including to advise the Credit.

Exhibit A
Application for Standby Letter of Credit

Itaú Unibanco S.A. Miami Branch
Attention: Operations Department

Applicant Name: Address:	Expiry Date (drafts must be presented on or before this date):
Advising Bank Name: Address:	Total Amount (the "Total Amount"):
Beneficiary: Name: Address:	Letter of Credit No. Date:

This Application is for the issuance of standby letter of credit so as to secure any and all obligations of the undersigned, Arcos Dorados B.V. (the "Applicant") to McDonald's Latin America, LLC (the "Beneficiary") arising upon the occurrence of any of the events expressly set forth under Section 7.9.2 of the Master Franchise Agreement for McDonald's Restaurants among McDonald's Latin America, LLC, LatAm, LLC, the subsidiaries listed in Exhibit I thereto, Arcos Dorados Holdings Inc. (as successor to Arcos Dorados Limited named therein), Arcos Dorados B.V. and Los Laureles Ltd., dated as of November 10, 2010 (the "Underlying Obligations"), substantially in the form of Exhibit I hereto (the "Credit"), and under and subject to the terms and conditions of the Continuing Standby Letter of Credit Agreement dated_____, (the "Agreement") to be available by sight payment with Itaú Unibanco S.A. Miami Branch against presentation of (select all that apply):

____ 1. A demand conforming with the requirements specified in the attached form of Standby Letter of Credit.

____ 2. Additional terms and conditions: _____ (if necessary, attach signed addendum to this Application).

The Applicant shall pay Itaú Unibanco S.A. Miami Branch (i) from the date hereof until the Expiry Date, an annual commission of 2.75% per annum (computed on the basis of actual number of days elapsed over a 360-day year), in advance, calculated over the Total Amount, even if at the due date of payment the outstanding amount under the Credit is less than such Total Amount; and (ii) a structuring up front fee equal to US$150,000 plus VAT, if applicable. Such fees shall be paid together with the amounts corresponding to any applicable withholding tax.

All banking charges are for the account of the Applicant.

In consideration of the establishment of the Credit substantially as applied for herein, we have read the Agreement and agree that its terms and conditions are made a part of this Application and are hereby accepted by us.

Applicant's Name: Date:	Applicant Address: Date:

Applicant may submit an executed copy of this Application to Itaú Unibanco S.A. Miami Branch, 200 South Biscayne Boulevard, Suite 2100, Miami, Flori 33131-5336, USA and Applicant will be bound by such given instructions.

EXHIBIT I
Form of the CREDIT

IRREVOCABLE STANDBY LETTER OF CREDIT
No.[_]

June 25, 2024

McDonald's Latin America, LLC
c/o McDonald's Corporation
110 N. Carpenter Street
Chicago Illinois 60607-2104
Attention: Treasurer, McDonald's Corporation

Sir/Madam:

At the request and for the account of ARCOS DORADOS B.V., a private liability company *(besloten vennootschap),* incorporated under the laws of the Netherlands and registered with the Amsterdam Chamber of Commerce *(Kamer van Koophandel)* with number 34115939 (together with its successors and assigns, the "Obligor"), Itaú Unibanco S.A. Miami Branch, (together with its successors and assigns, the "*Bank*"), hereby establishes in favor of MCDONALD'S LATIN AMERICA, LLC (together with its permitted successors and assigns, "*McDonald's*" or the "Beneficiary"), this Irrevocable Standby Letter of Credit in an amount equal to US$15,000,000.00 (the "*Original Stated Amount*") which is available upon presentation of your sight draft in the form of Exhibit 1 (the "*Sight Draft*"), accompanied by a drawing certificate in the form of Exhibit 2 (the "*Drawing Certificate*"). The Original Stated Amount is subject to adjustment as provided herein. In no event shall the amount available for drawing hereunder from time to time, adjusted as aforesaid (the "*Stated Amount*") exceed the Original Stated Amount.

The following capitalized terms shall have the respective meanings assigned below (each such meaning to be equally applicable to the singular and plural forms of the respective terms so defined):

"*Authorized Officer*" means any of the chief executive officer, president, chief financial officer, general counsel, treasurer, director, vice president, assistant vice president, managing member, manager and any officer with equivalent authority.

"*Bank's Presentation Office*" means (i) 200 South Biscayne Boulevard, Suite 2100, Miami, Florida 33131-5336, USA or (ii) such other branch or office of the Bank in the United States of America which may be designated by the Bank by written notice to the Beneficiary.

"*Brazil MFA*" means the second amended and restated master franchise agreement dated as of November 10, 2008, between McDonald's and Arcos Dourados Comercio de Alimentos, Ltda., as amended, modified or supplemented from time to time in accordance with such agreement.

"*Business Day*" means any day except Saturday, Sunday and any day which shall be in New York, New York, a legal holiday or a day on which banking institutions are authorized or required by law or other government action to close.

"*Call Option Settlement*" means the later to occur of (x) the deposit of cash in U.S. dollars in an amount equal to the Call Option Price with the Escrow Agent o any Trustee, as the case may be, in accordance with Section 3.4 (Payment of Call Option Price) of the McDonald's Intercreditor Agreement, and (y) (i) th release of the Equity Interests of the Master Franchisee and the MF Subsidiaries to McDonald's (as such terms are defined in the McDonalds Intercredit Agreement); and (ii) the release of all Liens of the Bank Creditors and the L/C Bank with respect to such Equity Interests, all in accordance with the McDonald Intercreditor Agreement.

"*End Date*" means June 25, 2027.

"*Effective Termination*" means the termination by McDonald's of the Master Franchisee Rights with respect to all Territories then subject to the Maste Franchise Agreement and the Brazil MFA, which shall be deemed to have occurred on the earlier of (a) the date set forth in a written notice which, notice shal be reasonably satisfactory in form and scope to McDonald's to give effect to the provisions hereof, delivered by Master Franchisee to McDonalds acknowledgin such termination with respect to all such Territories; provided that (i) such written notice shall serve only as evidence of Master Franchisee's agreement that the grant of Master Franchisee Rights is of no further force or effect and that all Master Franchisee Parties must cease all exercise of Master Franchisee Rights a and in the manner contemplated by this Agreement; and (ii) such written notice or the absence thereof shall not be in derogation of the rights of Master Franchisee to assert the wrongfulness of such termination or the rights of McDonald's to take all appropriate action to enforce its termination of the Maste Franchisee Rights; and (b) the last date on which a final non-appealable judgment is rendered with respect to (i) the termination date of the Master Franchise Agreement with respect to all Territories; and (ii) the amount of damages awarded to McDonald's in connection therewith.

"*Master Franchise Agreement*" means the Amended and Restated Master Franchise Agreement for McDonald's Restaurants, dated as of November 10, 2008 among McDonald's, the Master Franchisee, each of the MF Subsidiaries and the other parties named therein, as amended by Amendment No. 1 to th Amended and Restated Master Franchise Agreement for McDonald's Restaurants, dated as of August 31, 2010, Amendment No. 2 to the Amended an Restated Master Franchise Agreement for McDonald's Restaurants, dated as of June 3, 2011 and Amendment No. 3 to the Amended and Restated Maste Franchise Agreement for McDonald's Restaurants, dated as of March 17, 2016, and as amended, modified or supplemented from time to time in accordance with such agreement.

"*Master Franchisee*" means LatAm, LLC, a limited liability company organized under the laws of the State of Delaware.

"*Master Franchisee Parties*" means the Master Franchisee and each of the MF Subsidiaries.

"*Master Franchisee Rights*" means the rights granted by McDonald's to the Master Franchisee under Section 3.1 of the Master Franchise Agreement.

"*MF Subsidiaries*" means each of the subsidiaries of the Master Franchisee listed in Exhibit 1 to the Master Franchise Agreement, as such exhibit may be updated from time to time.

"Territory" means each of Argentina, Aruba, Brazil, Chile, Colombia, Costa Rica, Curaçao, Ecuador, French Guiana, Guadeloupe, Martinique, Mexico, Panama, Peru, Puerto Rico, Trinidad and Tobago, Uruguay, Venezuela and the U.S. Virgin Islands of St. Thomas and St. Croix. "*Territories*" has a correlative meaning.

Demand for payment may be made by the Beneficiary under this Letter of Credit at any time during the Bank's business hours at the Bank's Presentation Office on a Business Day at or before the Expiration Date. The Bank hereby irrevocably authorizes a drawing in respect of such a demand on any Business Day at or prior to the Expiration Date in accordance with the terms and conditions hereinafter set forth, and such drawing shall be in an amount not exceeding the then-applicable Stated Amount. Only the Beneficiary may make a drawing under this Letter of Credit. Partial drawings are allowed under this Letter of Credit.

Each drawing hereunder shall be made, by presentation to the Bank by via to to middleus@itaubba.eu or such other email as the Bank may notify to the Beneficiary in writing from time to time), followed by physical delivery (it being understood that if a drawing is made by email followed by physical delivery, then (i) physical delivery shall not be a condition necessary for payment and (ii) the demand for payment shall be deemed made upon the earlier of receipt by the Bank of the email and physical delivery) or by physical delivery alone, of a Sight Draft, together with a fully-completed applicable Drawing Certificate, each purporting to be signed by an Authorized Officer of the Beneficiary and in the form set forth in Exhibit 1 and Exhibit 2, respectively. Each Sight Draft and each Drawing Certificate shall be dated the respective date of presentation to the Bank of such Sight Draft and Drawing Certificate. Presentation of such document shall be made to the Bank at the Bank's Presentation Office. If a Sight Draft or Drawing Certificate presented by the Beneficiary does not conform to the form attached hereto or is not duly completed, the Bank shall give the Beneficiary prompt notice, and in any event within 2 (two) Business Days after such presentation, that the demand for payment was not effected in accordance with the terms and conditions of this Letter of Credit, stating the reason therefor and that the Bank will upon the Beneficiary's instructions hold any Sight Draft and Drawing Certificate at the Beneficiary's disposal or return the same to the Beneficiary. Upon being notified that a demand for payment was not effected in conformity with this Letter of Credit, the Beneficiary may correct any such non-conforming demand for payment at any time prior to the Expiration Date.

If demand for payment is made by the Beneficiary hereunder at or prior to 10:00 A.M. (New York time) on a Business Day, and provided that such demand for payment and the Sight Draft and Drawing Certificate presented in connection therewith conform to the terms and conditions hereof, then payment shall be made to the Beneficiary in the amount demanded, in immediately-available U.S. dollar funds, in accordance with the Beneficiary's payment instructions to the Bank, not later than 5:00 P.M. (New York time) on the next Business Day.

If demand for payment is made by the Beneficiary hereunder after 10:00 A.M. (New York time) on a Business Day, and provided that such demand for paymen and the Sight Draft and Drawing Certificate presented in connection therewith conform to the terms and conditions hereof, payment shall be made to the Beneficiary in the amount demanded, in immediately-available U.S. dollar funds, in accordance with the Beneficiary's payment instructions to the Bank, not late than 5:00 P.M. (New York time) on the second Business Day following the day the demand is made.

The Stated Amount of this Letter of Credit shall be reduced by the amount of any drawing hereunder until the reimbursement of such amount and all other amounts then due and payable for which reasonably-detailed written invoices have been delivered to the Obligor, in each case in accordance with the terms of the Application and the Continuing Standby Letter of Credit Agreement dated as of June 14, 2024, between Obligor and the Bank relating to this Letter of Credi (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Reimbursement Agreement"). The Stated Amount shall be increased by the amount of any reimbursement pursuant to the terms of the Reimbursement Agreement unless, prior to or on the date of reimbursement, the Bank shall have delivered to the Obligor and the Beneficiary a notice of Event of Default in the form of Exhibit 3 (a "Notice of Event of Default"). If the Obligo shall have received a Notice of Event of Default, then the Stated Amount shall not be increased until the Obligor or the Beneficiary shall have delivered to the Bank, and the Bank shall have countersigned in acknowledgement, a subsequent notice of cure in the form of Exhibit 4 (a "Notice of Cure"), and within 5 (five days upon the delivery of such a Notice of Cure, the Stated Amount shall increase by the amount of such reimbursement.

This Letter of Credit shall expire (the date of such expiration, the "Expiration Date") at the close of business at the counters of Itaú Unibanco S.A. Miami Branch on the earliest to occur of the following:

(a) the End Date;
(b) the date of the Bank's receipt of a certificate of the Beneficiary, signed by an Authorized Officer of the Beneficiary, stating that a Call Option Settlement has occurred;
(c) the date that is 30 (thirty) Business Days after the date specified in a certificate of the Beneficiary delivered to the Bank as being the date on which an Effective Termination has occurred, purportedly signed by an Authorized Officer of the Beneficiary, stating that an Effective Termination has occurred and the date of such occurrence;
(d) the date of the Bank's receipt of a written notice from the Obligor, and countersigned by an Authorized Officer of the Beneficiary, authorizing the Bank to cancel this Letter of Credit, provided that the original of this Letter of Credit must accompany such written notice, and provided further that the Obligor may not deliver such a notice for effect as of any date prior to the day falling two years prior to the then applicable Expiration Date other than with the written consent of the Bank, which consent may be granted or withheld by the Bank in its sole discretion; and

(e) the date that is 30 (thirty) Business Days after the date specified in a certificate of the Beneficiary, purportedly signed by an Authorized Officer of the Beneficiary, delivered to the Bank as being the date on which an automatic termination pursuant to Section 22.5 of the Master Franchise Agreement has occurred.

It is expressly understood by the Beneficiary that any and all obligations of the Bank under this Letter of Credit shall cease to exist upon occurrence of the Expiration Date and from that date on the Bank will be released of any and all of such obligations, even if the original of this Letter of Credit is not returned to the Bank or if any of the statements, declarations or notices stated in (b), (c), (d) or (e) above turn out not to be true, applicable or accurate.

The Bank acknowledges that the obligations of the Bank hereunder are independent from any obligation of Obligor or of any other person. All payments made under this Letter of Credit shall be made solely from funds or assets of the Bank, and not from any funds or assets or other property whatsoever of the Obligor or any other person.

This Letter of Credit is non-negotiable and shall inure only to the benefit of the Beneficiary. The Beneficiary may transfer any of its rights or benefits hereunder upon the Bank's express written consent (which consent may be granted or withheld by the Bank in its sole discretion). Any purported assignment of proceeds or transfer without such consent shall be null and void.

If the original of this Letter of Credit has been lost, stolen, mutilated or destroyed, upon receipt of (i) in the case of loss, theft or destruction of this Letter of Credit, a certificate purportedly signed by an Authorized Officer of the Beneficiary to such effect and indemnifying the Bank against any loss, costs, damages or expense which may arise as a result of such loss, theft or destruction; or (ii) in the case of mutilation of this Letter of Credit, upon receipt of the mutilated Letter of Credit, the Bank will issue a replacement Letter of Credit within 5 (five) Business Days in favor of the Beneficiary dated the same date, marked "Duplicate of Original" or similar, in an amount equal to the Stated Amount and on the same terms and with the same Expiration Date as this Letter of Credit. The loss, theft, mutilation or destruction of the original of this Letter of Credit shall be without prejudice to the rights of the Beneficiary to make drawings hereunder pending its receipt of a replacement Letter of Credit in accordance with this paragraph.

This Letter of Credit shall be subject to and governed by the International Standby Practices, International Chamber of Commerce (ICC), Publication No. 59 (ISP 98) and the laws of the State of New York (including Article 5 of the Uniform Commercial Code, as adopted in the State of New York) and, in the event of any conflict, the laws of the State of New York will control.

All disputes relating to the interpretation, meaning, enforcement and payment of this Letter of Credit shall be subject to the exclusive jurisdiction of a state or federal court sitting in the county of New York in the state of New York. In the event any such dispute arises, each party hereto irrevocably submits to personal jurisdiction in a state or federal court sitting in the county of New York in the state of New York for all matters related to this Letter of Credit.

Communications and notices with respect to this Letter of Credit shall be in writing and shall be addressed to the respective addresses set forth below or such other address as may hereafter be furnished by such party to the other parties by like notice. Communications shall specifically refer to the reference number of this Letter of Credit. Notices sent by hand or overnight courier shall be deemed to have been given when actually received and notices sent by email shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, such notices shall be deemed to have been given at the opening of business on the next Business Day for the recipient).

If to Beneficiary:

McDonald's Latin America, LLC
c/o McDonald's Corporation
110 N. Carpenter Street
Chicago Illinois 60607-2104
Attention: Treasurer McDonald's Corporation
Email: David.Bittner@us.mcd.com

With a copy to:

McDonald's Corporation
2915 Jorie Boulevard
Oak Brook, IL 60523
Attention: General Counsel
Email: David.Bittner@us.mcd.com

If to Bank:

Itaú Unibanco S.A. Miami Branch
200 South Biscayne Boulevard, Suite 2100, Miami, Florida 33131-5336, USA
Email: middleus@itaubba.eu

If to Obligor:

Arcos Dorados B.V.
Barbara Strozzilaan 101, 1083 HN Amsterdam, the Netherlands
Email: digna.vanderpol@nl.arcosdorados.com
Attn: Digna I. van der Pol

This Letter of Credit sets forth in full the undertakings of the Bank, and the undertakings hereunder shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein except for the Exhibits hereto, and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such Exhibits.

[Remainder of this page intentionally left blank]

Very truly yours,

By Itaú Unibanco S.A. Miami Branch

_____
Name:
Title:

_____
Name:
Title:

IRREVOCABLE STANDBY LETTER OF CREDIT
No. [___]

[Letterhead of Beneficiary]

SIGHT DRAFT

[_____] 20__

AT SIGHT
PAY TO: _____

_____

_____

_____

_____

[Beneficiary Address]

U.S. $_____ (_____ Dollars)
[Insert amount not [Insert amount in words]
exceeding U.S. $_____]

[insert WIRE INSTRUCTIONS (To include name
and account number of Beneficiary)]

FOR VALUE RECEIVED AND DRAWN UNDER IRREVOCABLE STANDBY
LETTER OF CREDIT NO. [___] DATED [___] ISSUED BY

By McDonald's Latin America, LLC

_____
Name:
Title:

IRREVOCABLE STANDBY LETTER OF CREDIT
No. [___]

DRAWING CERTIFICATE

The undersigned, an Authorized Officer of McDonald's Latin America, LLC (the *"Beneficiary"),* hereby certifies in connection with the above-referenced Irrevocable Standby Letter of Credit (the *"Letter of Credit"*; any capitalized term used and not otherwise defined herein shall have the meaning assigned to it in the Letter of Credit), as follows:

(a) McDonald's Latin America, LLC is the current Beneficiary under the Letter of Credit. Payment of U.S.$_____ [insert amount] (the "LC Payable") is hereby demanded from the Bank under the Letter of Credit, which amount does not exceed the currently applicable Stated Amount.

(b) The Beneficiary is the beneficiary of certain payment obligations of the Obligor under the Master Franchise Agreement. One of the events described in Section 7.9.2 of the Master Franchise Agreement has occurred and is continuing.

Payment of the amount demanded hereunder should be made to the Beneficiary at [wire transfer details].

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the __ day of [_____] 20[_].

By McDonald's Latin America, LLC

_____
Name:
Title: Authorized Officer

IRREVOCABLE STANDBY LETTER OF CREDIT

NOTICE OF EVENT OF DEFAULT

ARCOS DORADOS B.V.
Barbara Strozzilaan 101, 1083 HN Amsterdam, the Netherlands
Email: digna.vanderpol@nl.arcosdorados.com
Attn: Digna I. van der Pol

Re: Irrevocable Standby Letter Of Credit No. [____]
Notice of Event of Default

Sir/Madam:

The undersigned, an Authorized Officer of [ ], hereby notifies you, in connection with the above-referenced Irrevocable Standby Letter of Credit (the Letter o Credit; any capitalized term used and not otherwise defined herein shall have the meaning assigned to it in the Letter of Credit), that an Event of Default (as tha term is defined in the Reimbursement Agreement) has occurred and is continuing as of the date of this certificate.

By Itaú Unibanco S.A. Miami Branch

_____

Name:
Title:

cc: McDonald's Latin America, LLC

IRREVOCABLE STANDBY LETTER OF CREDIT
No. [___]

NOTICE OF CURE

Itaú Unibanco S.A. Miami Branch
200 South Biscayne Boulevard, Suite 2100, Miami, Florida 33131-5336, USA
Email: MiddleUS itaubba.eu
Re: Irrevocable Standby Letter Of Credit No. [____]
Notice of Cure

Sir/Madam:

The undersigned, an Authorized Officer of ARCOS DORADOS B.V., hereby notifies you, in connection with the above-referenced Irrevocable Standby Letter Credit (the "Letter of Credit"; any capitalized term used and not otherwise defined herein shall have the meaning assigned to it in the Letter of Credit), that the Event of Default (as that term is defined in the Reimbursement Agreement) set forth in the Notice of Event of Default, dated [_], that the undersigned previously received from you, has been cured as of [date].

By [ARCOS DORADOS B.V.]
[MCDONALD'S LATIN AMERICA, LLC]

_____
Name:
Title:

Acknowledged:

By Itaú Unibanco S.A. Miami Branch

_____
Name:
Title:

EXHIBIT B
FORM OF THE PROMISSORY NOTE

Amount: US$_____
_____(Date)____

FOR VALUE RECEIVED, the undersigned, Arcos Dorados B.V., a private liability company (besloten vennootschap), incorporated under the laws of t Netherlands and registered with the Amsterdam Chamber of Commerce (Kamer van Koophandel) with number 34115939 (the "Borrower"),**HEREBY IRREVOCABLY AND UNCONDITIONALLY PROMISES TO PAY AT SIGHT ("*A LA VISTA*")** to the order of ITAÚ UNIBANCO S.A. Miami Branch (t "Lender"), the principal sum equal to the aggregate due and unpaid amount at any time regarding (i) the reimbursement of any drawings made under the Credi pursuant to Section 1 of the Agreement (as defined below) and (ii) the Fee, expenses and taxes pursuant to Section 2 of the Agreement. The Borrower also promises to pay interest on the outstanding principal amount hereof at the rates and payable at such times as are specified in the Agreement. Wherever used in this Promissory Note, unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Agreement.

Both principal and interest hereunder are payable in lawful money of the United States of America without setoff or counterclaim (in immediately available U.S Dollars) to the Lender, no later than 12:00 noon (New York City time) at its Account JP MORGAN CHASE, New York, NY; ABA 021000021; SWIFT CHASUS Number 400945207 (ITAUUS33INY), in favor of ITAU UNIBANCO S.A. Miami Branch, free and clear of, and without deduction for, any and all present and fut taxes, levies, imposts, deductions, charges and withholdings whatsoever.

In the event the principal amount of this Promissory Note is not paid in full when due, such unpaid principal amount shall carry interest from the due date thereo until the date payment is received by the holder hereof (after as well as before judgment) at the rate per annum specified in the Agreement.

The Borrower hereby waives all requirements as to diligence, presentment, demand of payment, protest and notice of any kind with respect to this Note. The failure of any holder of this Promissory Note to exercise any of its rights hereunder in any particular instance shall not constitute a waiver thereof in that or any subsequent instance.

This Promissory Note is the Promissory Note referred to in the "CONTINUING STAND BY LETTER OF A CREDIT AGREEMENT" (the "Agreement"), da of [___], signed by the Borrower and the Lender, which among other things, contains provisions for the acceleration of the maturity hereof upon the happening of certain stated events therein specified.

This Promissory Note shall be governed by and construed in accordance with the laws of the State of New York, United States of America, as specified in the Agreement.

In respect to the enforcement of this Promissory Note (as well as regarding any acts or procedures related to such enforcement) the Borrower irrevocable submits to the competence and jurisdiction of the state courts sitting in the City of New York, New York, United States of America or in the United States District Court for the Southern District of New York, waiving any right it may have to be judged by the courts corresponding to its jurisdiction of incorporation.

EACH OF THE BORROWER AND THE LENDER BY ITS ACCEPTANCE HEREOF, VOLUNTARILY AND INTENTIONALLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY OF ANY DISPUTE DIRECTLY OR IND ARISING UNDER OR RELATED TO THIS NOTE OR ANY TRANSACTION CONTEMPLATED HEREBY AND AGREES THAT ANY SUCH SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY.

ISSUER: BORROWER

By ARCOS DORADOS B.V.

_____

Name:
Title:
ID Nº:
Name:
Title:
ID Nº:

Exhibit 4.26

LETTER OF CREDIT AGREEMENT

(Continuing Letter of Credit and Security Agreement - Standby Credits)

TO: BANCO BILBAO VIZCAYA ARGENTARIA, S.A. NEW YORK BRANCH
1345 Avenue of the Americas
New York, New York 10105

To the Above Addressee:

In consideration of your opening from time to time, at Arcos Dorados B.V.'s ("we", "our", "us", or "Applicant") request and in your discretion in each instance, one or more of your Credits (this and other terms used in this Agreement shall have the meaning set forth in Section 13 or 24 of this Agreement, unless otherwise defined herein), we hereby agree with you as follows with respect to each Credit now or hereafter opened by you:

1. As to Drafts or acceptances under or purporting to be under the Credit, which are payable in Dollars, we agree:

   (a) in the case of each sight Draft, to reimburse you at your office at, prior to November 4, 2024, 1345 Avenue of the Americas, 44th Floor, New York, NY 10105, or on or after November 4, 2024, Two Manhattan West, 375 9th Avenue, 8th Floor, New York, NY 10001, or such other office as you may specify in writing (the "Payment Office"), on demand, in Dollars, the amount paid on such Draft, or, if so demanded by you, to pay to you at the Payment Office, in advance in Dollars the amount required to pay such Draft; and

   (b) in the case of each acceptance or time Draft, to pay to you, at said office, in Dollars, the amount thereof, on demand but in any event not later than one business day prior to maturity, or, in case the acceptance or time Draft is not payable at the Payment Office, then on demand but in any event in time to reach the place of payment in the course of the mails not later than one Bank business day prior to maturity.

2. As to Drafts or acceptances under or purporting to be under the Credit, which are payable in currency other than Dollars (each such currency is herein sometimes referred to as an "Alternate Currency"), we agree:

   (a) in the case of each sight Draft, to reimburse you, at the Payment Office, on demand, the equivalent of the amount paid in Dollars at the rate of exchange then current in New York City for cable transfers (herein referred to as "wire transfers") to the place of payment or, at your option, to the place where reimbursement is required, in the Alternate Currency in which such Draft is drawn; and

   (b) in the case of each acceptance or time Draft, to furnish you, at the Payment Office, on demand - but in any event in time to reach the place of payment in the course of the mails not later than one Bank business day prior to maturity - with first class bankers' demand bills of exchange to be approved by you for the amount of the acceptance or Draft, payable in the currency of the acceptance and bearing our endorsement, or, if you so request, to pay to you, at the Payment Office, on demand, the equivalent of the acceptance or Draft in Dollars at the rate of exchange then current in New York City for wire transfers to the place of payment or, at your option, to the place where reimbursement is required, in the relevant Alternate Currency in which the acceptance or Draft is payable.

A demand made on any one of the undersigned shall fix the exchange rate as to all of the undersigned. If for any reason whatsoever there shall be at the time of your demand for reimbursement or payment no rate of exchange current in New York City for effective wire transfers to the place of payment or to the place where reimbursement is required, as applicable, in the Alternate Currency in which any such Draft or other demand for payment is drawn or any such acceptance is payable, then, we agree to pay you, on demand in Dollars, an amount which in your sole judgment shall be sufficient to meet our obligations hereunder, which amount may be applied by you at any time as a payment on account of such obligations, or, at your sole discretion, held as security therefor. It is agreed, however, that we shall remain liable for any deficiency which may result if such amount in Dollars shall prove to be insufficient to effect full payment or reimbursement to you at the time when a rate of exchange for such wire transfers shall be again current in New York City.

3. The Bank may, for the undersigned's account at any time, provide the Credit or otherwise agree to discount an accepted Draft or deferred obligation incurred under such Credit.

4. (i) We agree to pay to you, on demand, your commissions and/or fees and all reasonable and documented expenses (including, without limitation, all of your standard charges relating to letters of credit from time to time in effect and all charges for legal services) charged, paid or incurred by you in connection with any Credit.

(ii) We agree to pay to you, on demand or otherwise when due, all increased costs or reductions in yield from a new or changed (enacted, changed or applied after the date of this Agreement) reserve, capital, special deposit, insurance, or other requirement or guideline (whether or not having the force of law) affecting the Bank's contingent or absolute rights or obligations under or in connection with this Agreement or a Credit or acceptance issued hereunder or other transaction contemplated hereby (including any such requirement imposed by the New York State Department of Financial Services, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency of the United States of America or the Federal Reserve Board (or any successor agency)).

(iii) We further agree that if you shall have determined that the adoption or implementation of any law, rule, regulation or guideline regarding capital adequacy, capital maintenance or similar requirement or any change therein or in the interpretation or application thereof or compliance by you or any corporation controlling you with any request, guideline, policy or directive regarding capital adequacy (whether or not having the force of law) from any central bank or comparable entity or any governmental authority does or would have the effect of reducing the rate of return on you or on your controlling corporation's capital as a consequence of any Credit issued hereunder or any amount due in respect hereof to a level below that which you or your controlling corporation could have achieved but for such adoption, implementation, change or compliance (taking into consideration your and your controlling corporation's policies with respect to capital adequacy), then from time to time, upon your demand (and such demand shall, in the absence of manifest error, be conclusive and binding on us), we shall pay to you such additional amount or amounts as will compensate you or your controlling corporation for such reduction; *provided that* the amount of such increased costs shall be payable only if you require other similarly situated borrowers or obligors to pay comparable amounts.

(iv) We agree to pay interest on any amounts not paid when due hereunder at a rate *per annum* equal to 2% above the Prime Rate. Interest shall be computed on the number of days actually elapsed on the basis of a 360-day year. All payments due under this Agreement shall be made without deduction or set-off.

(v) Notwithstanding anything herein to the contrary (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or any regulatory authority, in each case pursuant to Basel III, shall in each case be deemed to be a "change in law/regulation" for purposes of this Section 4, regardless of the date enacted, adopted or issued.

5. Each payment by us under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings, or liabilities with respect thereto, of any nature whatsoever now or hereafter imposed by any government or any political subdivision or taxing authority thereof, excluding those imposed on or measured by net income (however denominated), gross receipts or net worth of the Bank, and excluding any (i) withholding taxes imposed under FATCA or the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*), (ii) income, franchise, branch profits and similar taxes of the Bank, imposed by or as a result of the Bank being organized under the laws of the Kingdom of Spain or the United States of America, or any political subdivision thereof or imposed by the jurisdiction of the office issuing the Letter of Credit, and (iii) taxes imposed as a result of a failure of the Bank to deliver to us on or about the date of this Agreement, and thereafter upon reasonable request, which request shall be made a reasonable period of time (and not less than five (5) business days) in advance of any such taxes imposed, properly executed copies of IRS Form W-8 or W-9, as applicable (such non-excluded amounts referred to as the "Taxes"), provided, however, that if such Taxes are required by law to be deducted or withheld from any such payment, we shall make such deduction or withholding for the account of you, make timely payment thereof to the appropriate governmental authority, and shall pay to you such additional amounts as are necessary (including deductions or withholdings applicable with respect to the additional amounts payable under this Section 5) to enable you to receive an amount equal to the amount you would have received had no such deduction or withholding been made. In addition to the foregoing, the undersigned shall pay any present or future stamp, documentary taxes, value added or any other excise or property taxes, or similar charges or levies imposed by any jurisdiction in which the undersigned is located, or by any jurisdiction from which any payments are made by the undersigned hereunder, or any political subdivision of either, or as a result of the execution, delivery or registration of, or otherwise with respect to, this Agreement or any Credit (hereinafter referred to as "Other Taxes"). All such Taxes and Other Taxes shall be paid by us prior to the date on which penalties attach or interest accrues thereon, provided, however, that if any such penalties or interest become due, we shall make prompt payment thereof to the applicable governmental authority. We will indemnify you for the full amount of any Taxes and Other Taxes (including Taxes and Other Taxes on amounts payable under this Section 5) paid by you and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. This indemnification shall be made within 30 days of the date you first make demand therefor.

6. [Reserved]

7. Except so far as otherwise expressly stated in any Credit, we agree that such Credit shall be subject to the New York Uniform Commercial Code (herein called the "UCC") and, to the extent permitted by the UCC, to the International Standby Practice 1998, International Chamber of Commerce Publication No. 590 and any amendments thereto (herein called the "ISP").

8. We agree that should the beneficiary under any Credit, upon receipt of advice in writing of the issuance of any Credit, but prior to the receipt of funds, negotiate Drafts by virtue of such advice, such negotiation shall be considered a proper one and shall be included under the terms and subject to all conditions of this Agreement. Neither you nor any of your correspondents shall be responsible for any of the following:

   (a) honor of any presentation that substantially complies with a Credit, even if that Credit requires strict compliance by the beneficiary, or in accordance with our waiver of discrepancies and authorization to pay;

   (b) electronic presentation, if authorized by any Credit;

   (c) the nature, form, sufficiency, accuracy, genuineness, legal effect, or collectability of any Draft, acceptance, instrument, Document, or policy of insurance, or any endorsement thereon, or the relationship of any issuer thereof to the Property;

   (d) the solvency or responsibility of any party issuing any Draft, acceptance or Document;

(e) honor of Drafts, acceptances or Documents signed or presented by or on behalf of, or requesting payment to a Person that is the purported successor to, the beneficiary, or payment of proceeds to a purported assignee of proceeds;

(f) failure of any advising bank accurately to advise the terms of a Credit;

(g) honor of a presentation on the basis of a forged Draft, acceptance, Document or signature or a presentation made in bad faith or as the result of illegal conduct by the beneficiary or a third person;

(h) honor of a presentation up to the amount outstanding on a Credit, even though the Draft claims an amount in excess thereof;

(i) honor of a Credit beyond the time period prescribed by the law or rules to which it is subject, provided such honor is otherwise in accordance with this Agreement;

(j) reimbursement of a bank claiming the status of negotiating bank that has not given value or that has misrepresented the basis on which it claims reimbursement;

(k) dishonor of any presentation that does not strictly comply;

(l) retention of proceeds based on a blocking regulation, or assertion of the rights of a purported governmental entity or a third party to the proceeds;

(m) consequences arising from Act of God, weather condition, riot, civil commotion, insurrection, war, political disturbance, strike, lockout, computer hardware or software failure or error in or inaccessibility of data, interruption in electric or telephone service, any censorship, law, control or restriction rightfully or wrongfully exercised by any *de facto* or *de jure* domestic or foreign government or agency, or other causes beyond your or its control, delay or loss in transit of any letter, Draft, acceptance or Document, or loss, delay, or error in the transmission of any electronic message, irrespective of the cause of such event;

(n) failure of any Draft to bear adequate reference to any Credit, or failure of any Person to note the amount of any Draft on the reverse side of any Credit or to surrender or to take up any Credit or to send forward Documents apart from Drafts as required by the terms of any Credit, each of which provisions, if contained in any Credit itself, it is agreed may be waived by you;

(o) honoring or dishonoring of any Credit containing a condition that does not state the Drafts(s) and/or Document(s) to be presented in compliance therewith, it being solely in your discretion as to whether you wish to disregard any such condition or require evidence of compliance with such condition;

(p) the fact that any instructions, oral or Written, given to you purporting to be by us or on our behalf and believed by you in good faith and the exercise of ordinary care to be valid which pertain to the opening of any Credit, any extension, increase or other modification of any Credit or other action to be taken or omitted with reference thereto, were wholly or in part insufficient, erroneous, unauthorized, fraudulent or otherwise invalid; or

(q) any other act or omission as to which banks are relieved from responsibility under the terms of the ISP or UCC.

The occurrence of any one or more of the above-mentioned contingencies shall not affect, impair or prevent the vesting of any of your rights or powers under this Agreement. We shall be deemed conclusively to have waived any right to object to any variation between Draft(s), acceptance(s), or Document(s) called for by any Credit or instructions by us and any Draft(s), acceptance(s) or Document(s) accepted by you or your correspondents and to have ratified and approved such action as having been taken at our direction, unless we, immediately upon receipt of such Drafts, acceptances or Documents or acquisition of knowledge of such variation, notify you in writing of our objection, specifying in reasonable detail, the reasons therefor; provided, however the foregoing shall not increase your responsibilities pursuant to (a) through (q) of this Section 8.

9. Notwithstanding suggestions or recommendations made by Bank personnel, we are solely responsible and assume all risks that: (a) reference to nondocumentary requirements will be ignored when presentment is made, or may cause a Credit to be interpreted by a court as a guarantee; (b) ambiguous or inconsistent requirements may be interpreted in a manner not intended by us; (c) permitted payment at a foreign location may invoke the application of laws or rules of practice unfamiliar to us; (d) a Credit is not consistent with or does not satisfy the underlying obligation or any other aspect of the transaction between us and the beneficiary; and (e) any other risks that may be imposed on us under the rules and laws to which any Credit is subject. No recommendation or drafting of text or the use or nonuse or refusal to use text submitted by the undersigned shall affect the undersigned's ultimate responsibility for the final text or its receipt.

10. Unless you otherwise agree in writing, you: (a) may issue a Credit by an appropriate S.W.I.F.T. message type and bind us directly and as indemnitor to the rules applicable to S.W.I.F.T. messages; (b) may select any branch or affiliate of yours or any other bank to act as an advising, confirming, and/or negotiating bank under the law and practice of the place where it is located; (c) may assume, unless honor of a presentation is enjoined by a court of competent jurisdiction, that such presentation or other demand or request is nonfraudulent, and disregard any notice to the contrary; (d) need not ascertain the authenticity or authority of any purported beneficiary signature, even if you have previously requested a signature guaranty or if in other transactions the beneficiary is a customer or its signature or the authority of any signatory is otherwise known or should be known to you; (e) may, but need not, notify us of your receipt of a request for an amendment or assignment of proceeds, receipt of a presentation, detection of a discrepancy, notification of actions taken to cure, dishonor, or other action, inaction, or communication with or with respect to the beneficiary (other than your decision to honor the presentation); (f) need not consent to a proposed amendment of any Credit; (g) [reserved]; (h) if any Property receivable under a Credit arrives before you receive the relevant presentation under a Credit, may, in your sole discretion, issue for our account a separate guaranty, indemnity, or other undertaking to the carrier to induce delivery of the Property, and shall by such action preclude us from raising any defense or claim with respect to your subsequent honor of the related Drafts or Documents; and (i) may take at least three banking days to examine a presentation. Your action in one or more instances shall not waive your right, without notice to us, to use your discretion differently in other instances.

11. We agree that the balance of every account of ours with you and each claim of us against you (including, in each case, any of your offices or branches) existing from time to time may - at your option and without notice of any kind (presentment, protest and other notice of any kind being hereby waived) - be appropriated and applied toward, or set off against, any of our obligations and liabilities to you and all of your claims against us, whether arising or incurred under this Agreement or relating to any Credit or otherwise, whether now existing or hereafter incurred, and whether now or hereafter owing to or acquired in any manner by you (all such obligations, liabilities and claims being hereinafter referred to as the "Obligations") and the undersigned, will continue to be liable for any deficiency.

12. We will furnish or cause to be furnished to you:

(a) Quarterly Financial Statements. As soon as available, but, in any event, within 90 days after the close of each quarterly fiscal period, (i) a copy of our complete unaudited, consolidated balance sheet for such period, together with the related statement of income, all of which shall be prepared in accordance with generally accepted accounting principles in the United States ("GAAP"), and (ii) a leverage ratio certificate of Arcos Dorados Holdings Inc. in the form of Annex III hereto, in each case certified by a duly authorized officer.

(b) Annual Financial Statements. As soon as available, but, in any event, within 120 days after the close of each fiscal year, a copy of the complete audited consolidated and consolidating balance sheets for such fiscal year for Arcos Dorados Holdings Inc. and the Applicant, together with the related consolidated and consolidating statement of income, statement of changes in shareholders' equity and statement of cash flows for such period, certified by independent public accountants of recognized international standing pursuant to an unqualified opinion of such independent public accountants.

The information required to be delivered by clause (b) of this Section 12 for Arcos Dorados Holdings Inc. shall be deemed to have been delivered if such information, or one or more annual or quarterly reports or other reports containing such information, shall be available on the website of the U.S. Securities and Exchange Commission at http://www.sec.gov.

13. We hereby make the following representations and warranties to you:

(a) We are duly organized or formed, validly existing and (to the extent applicable under the laws of the relevant jurisdiction) in good standing under the laws of the jurisdiction of our organization or formation. We are duly qualified and in good standing as a foreign entity authorized to do business in each other jurisdiction where, because of the nature of our activities or properties, such qualification is required, except to the extent that failure to be so qualified and in good standing would not reasonably be expected to have a material adverse change in, or a Material Adverse Effect upon, our business or financial condition and our subsidiaries taken as a whole.

(b) Our execution and delivery of this Agreement and our performance of our obligations under this Agreement are within our organizational powers, have been duly authorized by all necessary organizational action on our part, have received all necessary governmental approval (if any shall be required), and do not and will not contravene, or result in or require the imposition of any lien or security interest under, (i) any provision of law applicable to us, (ii) our charter or by-laws, (iii) any material indenture, loan agreement or other contract to which we are a party or (iv) any material judgment, order or decree which is binding upon us. This Agreement is our legal, valid and binding obligation, enforceable against us in accordance with its terms, subject to bankruptcy, insolvency and similar laws of general application affecting the rights of creditors and to general principles of equity.

(c) No authorization, approval or consent of, or notice to or filing with, any governmental or regulatory authority is required to be made in connection with the execution and delivery by us of this Agreement or the issuance of any Credit for our account pursuant hereto.

(d) No proceeds of any Credit will be used in violation of Regulation T, U or X of the Board of Governors of the Federal Reserve System.

(e) No litigation, investigation or proceeding of or before any arbitrator, court or governmental authority is pending or, to the best of our knowledge, threatened by or against us or against any of our properties or revenues (i) which if adversely determined would reasonably be expected to have a Material Adverse Effect or (ii) which questions or would question the validity or enforceability of this Agreement or any Credit.

(f) We have filed all federal tax returns and all material state tax returns that are required to be filed and have paid all taxes shown to be due and payable on said returns or on any assessment relating to such tax returns made against us or any of our properties and assets, except for any taxes, assessments, fees or other charges which are being contested in good faith and for which adequate reserves, to the extent required by GAAP, have been established and except such returns and taxes for jurisdictions other than the United States with respect to which the failure to file and pay such taxes would not reasonably be expected to have a Material Adverse Effect.

(g) We are not an "investment company" or a company "controlled by" an "investment company" within the meaning of the Investment Company Act of 1940, as amended, nor are we subject to any other law or regulation that purports to restrict or regulate its ability to obtain extensions of credit.

(h) We have fulfilled all of our obligations under the Employee Retirement Income Security Act (as such may be amended from time to time) and we are in compliance in all material respects with the presently applicable provisions thereof, except in each case as would not reasonably be expected to have a Material Adverse Effect.

(i) We have complied in all material respects with, and are currently in compliance in all material respects with, all environmental laws, ordinances, orders or decrees of any state, Federal, municipal, foreign or other governmental authority, including any Federal, state, local or foreign governmental law, except in each case as would not reasonably be expected to have a Material Adverse Effect.

(j) All obligations owed hereunder in connection with each Credit shall at all times rank at least *pari passu* with our senior unsecured indebtedness.

(k) (i) We have implemented and maintain in effect policies and procedures designed to achieve compliance by us, our Subsidiaries and respective directors, officers, employees and agents (acting in their capacity as such) with Anti-Corruption Laws, applicable AML Laws and applicable Sanctions, (ii) None of (A) us, any Subsidiary or to our knowledge or such Subsidiary any respective directors or officers, or (B) to our knowledge, any employee or agent (x) is a Sanctioned Person, or (y) is in violation of AML Laws, Anti-Corruption Laws, or Sanctions, (iii) no Credit, use of proceeds or other transaction contemplated by this Agreement will cause a violation of AML Laws, AntiCorruption Laws or applicable Sanctions by any Person participating in the transactions contemplated by this Agreement, whether as Credit issuer, account party, agent, or otherwise, and (iv) neither we nor any of our Subsidiaries, nor our parent company, or, to our knowledge, any agent has engaged in or intends to engage in any dealings or transactions with, or for the benefit of, any Sanctioned Person or with or in any Sanctioned Country. We will not request any Credit, and we shall not directly, or to our knowledge indirectly, use the proceeds of any Credit, or lend, contribute or otherwise make available such proceeds to any Subsidiary, other affiliate, joint venture partner or other Person, (i) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, to the extent such activities, businesses or transactions would be prohibited by Sanctions if conducted by a corporation incorporated in the United States or in a European Union member state, or (ii) in any other manner that would result in the violation of Sanctions applicable to any party hereto. The foregoing representations by us in this paragraph (k) will not apply if and to the extent that such representations are or would be unenforceable by reason of a breach of Council Regulation (EC) 2271/96 (the "Blocking Regulation") (or any law or regulation implementing the Blocking Regulation in any member state of the European Union).

"AML Laws" means all laws, rules, and regulations of any jurisdiction applicable to you, us or our Subsidiaries from time to time concerning or relating to anti-money laundering.

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to you, us or our Subsidiaries from time to time concerning or relating to bribery or corruption.

"Governmental Entity" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra national bodies such as the European Union or the European Central Bank).

"Material Adverse Effect" means a material adverse effect on (i) our business, property, results of operations or financial condition taken as a whole or (ii) our ability to perform our payment obligations under this Agreement.

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, or the U.S. Department of Commerce (b) the United Nations Security Council; (c) the European Union or any of its member states; (d) Her Majesty's Treasury; or (e) any other relevant authority.

"Sanctioned Country" means, at any time, a country or territory which is, or whose government is, the subject or target of any Sanctions broadly restricting or prohibiting dealings with such country, territory or government.

"Sanctioned Person" means, at any time, any Person with whom dealings are restricted or prohibited under Sanctions, including (a) any Person listed in any Sanctions-related list of designated Persons maintained by the United States (including by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, or the U.S. Department of Commerce), the United Nations Security Council, the European Union or any of its member states, His Majesty's Treasury, or any other relevant authority, (b) any Person operating, organized or resident in, or any Governmental Entity or governmental instrumentality of, a Sanctioned Country or (c) any Person that we know is owned 50% or more by any Person described in clauses (a) or (b) hereof.

"Subsidiary" means, with respect to any Person, (a) any corporation, limited liability company or other business entity more than fifty percent (50%) of whose equity interests of any class or classes having by the terms of ordinary voting the power to elect a majority of the directors (or Persons performing similar functions) of such corporation, limited liability company or other business entity which is at the time owned by such Person and/or one or more Subsidiaries of such Person; and (b) any partnership in which such Person and/or one or more Subsidiaries of such Person holds greater than fifty percent (50%) of the outstanding general partner interests.

14. If any of the following events (each "Event of Default") shall occur and be continuing:

(a) if we default in the punctual payment of any reimbursement obligation hereunder or in the respect of any payment of accrued interest and, in any case, such payment is not made (i) as to any principal amount of any reimbursement obligation, within three business days and (ii) as to any other obligation or amount due under this Agreement, within thirty days, in each case after the date of the drawing under or event related to the Letter of Credit giving rise to such obligation; or

(b) (i) any proceedings being commenced against us under or purporting to be under any bankruptcy, reorganization, readjustment of debt, receivership, liquidation, dissolution, winding up, adjustment, composition or liquidation law or statute of any jurisdiction or any other proceeding for the relief of financially distressed debtors and such proceedings shall remain undismissed for a period of at least sixty (60) days; or (ii) we shall institute (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, winding-up, liquidation, assignment for the benefit of creditors, or similar proceedings relating to us under the laws of any jurisdiction; or

(c) any final judgment for the payment of money in an aggregate amount exceeding $50,000,000 (or the equivalent in any other currency) shall be rendered against us and which shall remain unpaid, undischarged or unstayed for more than 90 days (whether or not consecutive); or

(d) any acceleration of the maturity of any indebtedness for borrowed money in an aggregate principal amount exceeding $50,000,000 (or the equivalent in any other currency) or the failure to pay any such indebtedness, or any guaranty of any such indebtedness, when due; or

(e) the Permitted Holders cease to be the "beneficial owners" (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) of at least 30% of the outstanding shares of our voting stock; or

(f) any representation or warranty made by us to you herein or in any other document, instrument or agreement proves to have been incorrect in any material respect when made or deemed made; or

(g) we breach any covenant contained herein or in any agreement with, or in favor of, you, and such breach shall continue unremedied for a period of 30 days after notice thereof shall have been given; or

(h) the Financial Debt to EBITDA Ratio exceeds 4.00 to 1.00 as of the last day of any fiscal quarter of Arcos Dorados Holdings Inc.;

then and in any such event or at any time thereafter (unless all existing defaults in respect of the Obligations shall have been cured to your satisfaction) any or all of the Obligations, although not yet due, shall, at your option, without notice or demand, forthwith become and be immediately due and payable, notwithstanding any time or credit otherwise allowed under any of said Obligations or under any instrument evidencing the same, and you shall have in any jurisdiction where enforcement is sought, in addition to all other rights and remedies, the rights and remedies of a secured party under the UCC. After all Obligations have been paid in full and all Credits, confirmations, payments, acceptances, endorsements or similar undertakings have expired, or been paid or discharged, any net proceeds remaining shall be delivered to any one or more of us. Any such delivery shall discharge all of your responsibility to us for such surplus. We shall remain liable to you for the payment of any deficiency, together with interest thereon until paid.

15. We hereby agree to indemnify, defend and hold you and your correspondents harmless from and against all claims, damages, costs, liabilities, losses and expenses (including legal and other expenses incurred by you in enforcing your rights) that you or any such correspondent may pay or incur that arise out of or in connection with this Agreement, any Draft, any acceptance or any Credit, to the extent not prohibited by law, whether payments are made as the result of an informal settlement, a nonjudicial dispute resolution process, or litigation, except to the extent incurred as the result of your or your correspondent's gross negligence or willful misconduct. This Section 15 shall not apply to taxes that are specifically excluded from the definition of "Taxes" pursuant to Section 5 hereof, unless such excluded taxes are incurred in connection with a non-tax claim.

This indemnity includes, without limitation, instances in which (a) a beneficiary seeks to enforce a Credit or any advice thereof, sues for wrongful dishonor, seeks a judicial determination, or brings any other action or proceeding relating thereto; (b) an advising bank, confirming bank, negotiating bank, or other intermediary seeks to be reimbursed, indemnified or compensated; (c) you deliver, with or without endorsement, an instrument, security, Draft, acceptance or Document; (d) you give your guaranty, endorsement, or other undertaking to induce delivery; (e) a third party seeks to enforce our rights or the rights of any beneficiary, negotiating bank or other intermediary, transferee, assignee of proceeds, or holder of a Draft, acceptance or Document, or to question, delay, or prevent the honor of any Credit; (f) a government (or other *de facto* or *de jure* political body) or governmental agency seeks to regulate, investigate, delay, or prevent honor of a Credit; (g) you undertake the preparation, negotiation, amendment, or "workout"/restructuring of this Agreement or any Credit; or seek to determine, protect, or enforce your rights and remedies under any Credit, this Agreement, or any security agreement, guaranty, credit support, or other undertaking entered into in connection with this Agreement or any Credit; (h) you respond to any notice of alleged fraud, forgery, or illegality in any presentation, including active defense by you in any action in which we seek an injunction against presentation, honor, or payment of any Credit or Draft; (i) you are obligated by a court order to pay legal fees or court costs paid, or incurred by us, the beneficiary, or any other party in any dispute involving any Credit, any Draft or this Agreement; (j) we fail to duly perform our agreements herein; and/or (k) there occurs any action taken or omitted by you or any such correspondent at our request. In furtherance and extension and not in limitation of the specific provisions set forth in this Agreement, any action taken or omitted by you or by any correspondent of yours, under or in connection with any Credit or the related Drafts, Documents or Property, if taken or omitted in good faith, shall be binding upon us and shall not put you or your correspondent under any resulting liability to us. It is the intention of the parties that this Agreement shall be construed and applied to protect and indemnify you and your correspondents against any and all risks involved in the issuance of any Credit, all of which risks are hereby assumed by us. Our agreements in this Section 15 shall survive any payment of the Obligations and any termination of this Agreement. In furtherance of, and not in limitation of, the

foregoing, (a) we hereby irrevocably confirm to you that we are and will be liable, as a primary obligor and not as guarantor, for reimbursement and other obligations owing to you in respect of any Credit issued by you at our request for any entity or party; (b) if you agree that a Credit shall be subject to local law in the country or state of the beneficiary of such Credit (resulting in the application of the laws of any other jurisdiction other than New York), then, in addition to (and not as a limitation of) our other obligations to you in respect to such Credit, we agree to further reimburse you, indemnify you, and hold you harmless from and against any and all liabilities, claims, losses, obligations, costs or expenses (including attorney's fees and court costs) (the foregoing amounts are collectively referred to as "Losses") that arise or that you incur in connection with such choice of law, including all Losses associated with an obligation to make payment after the stated expiry date of such Credit; and (c) in the event we request and you agree that a Credit, or any part thereof, be issued in a foreign language, then we agree to indemnify you from any and all Losses associated with errors in translation of the Credit or any Documents presented thereunder.

16. (a) You shall not be liable to us in contract, tort, or otherwise, for any special, indirect, consequential, punitive, or exemplary damages, however arising, whether for wrongful honor, wrongful dishonor, or any other action taken or omitted with respect to any Credit or this Agreement, (b) We must take all reasonable and appropriate action to mitigate the amount of damages to be claimed against you. (c) Our aggregate remedies against you for wrongfully honoring a presentation are limited to the amount paid or required to be paid by us with respect to that presentation, and we hereby agree that such amount will either be reasonable in light of the harm anticipated in such event or, if it is not, that we will not request you to issue a Credit, (d) We hereby waive the right to obtain an injunction against honor of any Credit or any Draft drawn thereunder (or any form of legal relief whose purpose is to prevent payment to the beneficiary) once you or any bank has accepted or negotiated a Draft drawn thereunder.

17. [Reserved]

18. If this Agreement is signed by one Person the term "we", "our", "us", and "undersigned" shall be read throughout as "I", "my", "me", as the case may be. If this Agreement is signed by two or more parties, it shall be the joint and several agreement of such parties; and the words "we", "us", "our" and "undersigned", wherever used herein, shall be deemed to refer to such parties jointly and separately. This Agreement is to continue in force notwithstanding any change in the compositions of any firm or firms.

19. All communications to us shall be deemed to have been duly given when delivered in writing to us at our address specified below or at such other address as we may hereafter specify to you in writing provided that such notice of such other address is actually received. Except as otherwise expressly provided herein, no other form of actual notice is hereby precluded. If we change our postal address or telefax, telex, cable or other number, we shall forthwith give notice to such effect to you.

20. Notice of acceptance of this Agreement by you is waived. Your options, powers and rights specified herein are in addition to those otherwise created or existing.

21. **THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS TO BE PERFORMED ENTIRELY WITHIN THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT AGAINST ANY OF US MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK LOCATED IN THE COUNTY OF NEW YORK, OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, AS YOU MAY ELECT; AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE UNDERSIGNED HEREBY ACCEPTS, FOR THE UNDERSIGNED AND IN RESPECT OF THE UNDERSIGNED'S PROPERTY, GENERALLY AND UNCONDITIONALLY THE JURISDICTION AND VENUE OF SUCH COURTS AND HEREBY WAIVES ANY OBJECTION THAT THE UNDERSIGNED MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH ACTION OR PROCEEDING IN SUCH COURT AND ANY CLAIM THAT ANY SUCH ACTION OR PROCEEDING HAS BEEN BROUGHT IN**

AN INCONVENIENT FORUM. EACH OF US FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF A COPY THEREOF BY REGISTERED OR CERTIFIED AIRMAIL, POSTAGE PRE-PAID, TO THE UNDERSIGNED AT ITS ADDRESS GIVEN BELOW; SUCH SERVICE TO BE DEEMED COMPLETED AND EFFECTIVE AS OF THE 30TH DAY AFTER SUCH MAILING. NOTHING CONTAINED HEREIN SHALL AFFECT YOUR RIGHT TO SERVE PROCESS IN ANY MANNER PERMITTED BY LAW OR TO COMMENCE ANY LEGAL ACTION OR PROCEEDING IN ANY OTHER JURISDICTION. ANY ACTION OR PROCEEDING BY ANY OF US AGAINST YOU OR ANY OF YOUR CORRESPONDENTS RELATING TO THIS AGREEMENT OR ANY CREDIT OR ANY OTHER TRANSACTION CONTEMPLATED BY THIS AGREEMENT SHALL BE BROUGHT IN THE COURTS MENTIONED ABOVE IN THIS SECTION AND SUCH COURTS SHALL HAVE EXCLUSIVE JURISDICTION WITH RESPECT TO ANY SUCH ACTION OR PROCEEDING.

22. All provisions of this Agreement are subject to variation only by your express Written agreement.

23. This Agreement does not obligate you to issue any proposed Credit for which application has been made until you have agreed in writing to do so and we have complied with any requirement relating to conditions precedent, collateral security, guaranty or credit support established for that Credit.

24. The following terms and provisions shall apply to this Agreement: the meaning of any term in this or any other Section of this Agreement expressed in the singular shall apply, mutatis mutandis, to the same term expressed in the plural and vice versa; all definitions of agreements, notes or other instruments shall mean such agreements, notes or other instruments as modified or amended in accordance with the terms thereof and all definitions of promissory notes shall include all promissory notes issued in replacement or substitution thereof:

"Affiliate" means, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person.

"Agreement" shall mean this Letter of Credit Agreement (Continuing Letter of Credit and Security Agreement - Standby Credits)

"Bank" shall mean Banco Bilbao Vizcaya Argentaria, S.A. New York Branch and its successors and assigns.

"Borrowed Money" means, in respect of any Person, at any date, without duplication, (a) all obligations of such Person to repay money borrowed, (b) all obligations of such Person to pay money evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, (d) all obligations of such Person as lessee under Capitalized Leases, (e) all direct or contingent obligations of such Person arising under (i) letters of credit (including standby and commercial letters of credit, but other than letters of credit payable to suppliers in the ordinary course of business), bankers' acceptances and bank guarantees, and (ii) surety bonds, performance bonds and similar instruments issued or created by or for the account of such Person, and (f) all guarantees by such Person on a consolidated basis of Borrowed Money of others; provided that "Borrowed Money" in respect of Arcos Dorados Holdings Inc. and its Subsidiaries shall not include (i) trade accounts payable or purchase money obligations (other than purchase money obligations which are due in more than one hundred twenty (120) days and are not subject to a bona fide dispute) incurred in the ordinary course of business.

"Capitalized Leases" means, at any time, a lease that would have constituted a finance lease under IAS 17 as of December 31, 2018 and with respect to which the lessee would have been required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP if it had been in effect at such time.

"Consolidated Net Income" means, for any period, the net income of Arcos Dorados Holdings Inc. and its Subsidiaries on a consolidated basis for that period in accordance with GAAP.

"Credits" shall mean any arrangement, however named or described, that is irrevocable and thereby constitutes a definite undertaking of the Bank to honour a complying presentation, and shall include, without limitation, all letters of credit issued by, or caused to be issued by, the Bank for the account of any of us.

"Document" includes any writing other than a Draft. Credits payable against Documents only shall be deemed payable against Drafts in corresponding amounts for the purposes of Sections 1 and 2 of this Agreement.

"Dollars" or means lawful currency of the United States of America.

"Draft" means and includes any draft or drawing certificate or statement and any and all Documents and instruments required to be presented for payment under any Credit and includes a Written request, order or demand for the payment of money, whether or not negotiable.

"EBITDA" means, for any period, (a) Consolidated Net Income for such period plus, (b) without duplication and to the extent deducted in determining Consolidated Net Income for such period, the sum of (i) total tax expense (including withholding taxes), (ii) interest expense, amortization or write-offs of debt discount and debt issuance costs and commissions, discounts and other fees, expenses and charges associated with Indebtedness of Arcos Dorados Holdings Inc. and its Subsidiaries on a consolidated basis, (iii) depreciation and amortization expense, (iv) amortization of intangibles (including goodwill) and organization costs, (v) any extraordinary, unusual or non-recurring expenses or losses, (vi) losses on sales of assets outside of the ordinary course of business, whether or not otherwise able to be included as a separate item in the statement of such Consolidated Net Income for such period, (vii) any non-cash loss attributable to mark-to-market movement in the valuation of any derivative instruments and (viii) any other non-cash charges (including minority interest expense, foreign exchange loss, monetary loss and provisional pricing), plus (c) without duplication, any cash dividends or other distributions (including payments under intercompany loans) received by Arcos Dorados Holdings Inc. or any of its Subsidiaries from such Person's associates, joint ventures, and any corporation, limited liability company or other entity in which Arcos Dorados Holdings Inc. or any of its Subsidiaries directly or indirectly owns 50% or less of the outstanding Voting Stock, and minus, (d) to the extent included in determining Consolidated Net Income for such period, the sum of (i) any interest income, (ii) any extraordinary, unusual or non-recurring income or gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, gains on sales of assets outside of the ordinary course of business), (iii) any non-cash gain attributable to the mark-to-market movement in the valuation of derivative instruments, and (iv) any other non-cash income (including foreign exchange gains or monetary gains), all as determined on a consolidated basis with respect to Arcos Dorados Holdings Inc. and each of its Subsidiaries in accordance with GAAP for such period.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership or profit interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended from time to time (the "Code"), as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among any governmental authority and implementing such Sections of the Code.

"Financial Debt" means, on any date of determination, the sum of, without duplication, (i) the aggregate principal amount of all interest-bearing loans and borrowings shown on Arcos Dorados Holdings Inc.'s consolidated statement of financial position on that date in accordance with GAAP, plus (ii) the aggregate principal amount of all Intercompany Debt outstanding on that date, minus (b) unrestricted cash and cash equivalents shown on the Arcos Dorados Holdings Inc.'s consolidated statement of financial position on that date in accordance with GAAP.

"Financial Debt to EBITDA Ratio" means, on any date of determination, the ratio of (a) the Financial Debt on such date to (b) EBITDA for the four (4) consecutive fiscal quarters of Arcos Dorados Holdings Inc. most recently ended on or before such date.

"Indebtedness" means, in respect of any Person, at any time, without duplication, (a) all obligations for Borrowed Money of such Person, (b) all purchase money indebtedness of such Person (including indebtedness and obligations in respect of conditional sales and title retention arrangements, except for customary conditional sales and title retention arrangements with suppliers that are entered into in the ordinary course of business), (c) all obligations of others secured by (or for which the holder of any such obligation has an existing right, contingent or otherwise, to be secured by) any lien or security interest on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed or are limited in recourse, and (d) all guarantees by such Person of Indebtedness of others; provided that Indebtedness in respect of Arcos Dorados Holdings Inc. and its Subsidiaries shall not include any mine closure guarantee bonds, any letters of credit in respect of mine closure funding obligations or any similar obligations.

"Intercompany Debt" means, on any date of determination, without duplication, (a) all obligations of Arcos Dorados Holdings Inc. to repay money borrowed and (b) all obligations of Arcos Dorados Holdings Inc. to pay money evidenced by bonds, debentures, notes or other similar instruments, in each case, owed to an Affiliate of Arcos Dorados Holdings Inc. and solely to the extent such obligations would be reflected as a liability of Arcos Dorados Holdings Inc. on its consolidated statement of financial position on that date in accordance with GAAP.

"Permitted Holders" means (1) Woods W. Staton and any Related Party of Mr. Staton and (2) any Person both the capital stock and the voting stock of which (or in the case of a trust, the beneficial interests in which) are owned directly or indirectly 51% or more by Persons specified in clause (1).

"Person" means any individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association joint venture, governmental authority or other entity of whatever nature.

"Prime Rate" means the interest rate per annum published in the New York edition of The Wall Street Journal from time to time as the "Prime Rate". If The Wall Street Journal ceases to publish the "Prime Rate," the Bank shall select publication that publishes such "Prime Rate," and if such "Prime Rates" are no longer generally published or are limited, regulated or administered by a governmental or quasi-governmental body, then the Bank shall select a comparable interest rate index. The Prime Rate is a non-managed rate based upon prevailing prime rates quoted in The Wall Street Journal. If multiple prime rates are quoted in the table, then the highest prime rate will be the Prime Rate. Notwithstanding the foregoing, the Prime Rate shall not in any event be less than zero percent (0.00%). Any change in the interest rate resulting from a change in the Prime Rate shall be effective on the effective date of each change in such Prime Rate so announced by the Bank; it is understood and agreed that such rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer.

"Property" includes (i) goods and merchandise as well as any and all Documents relative to, and any right to or interest in, any goods and merchandise or Documents and (ii) all instruments, Drafts, securities, security entitlements, financial assets, choses in action and any and all other forms of property, whether real or personal.

"Related Party" means, with respect to any Person, (1) any subsidiary, spouse, descendant or other immediate family member (which includes any child, stepchild, parent, stepparent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law) (in the case of an individual), of such Person, (2) any estate, trust, corporation, partnership or other entity, the beneficiaries and stockholders, partners or owners of which consist solely of one or more Permitted Holders referred to in clause (1) of the definition thereof and /or such other Persons referred to in the immediately preceding clause (1), or (3) any executor, administrator, trustee, manager, director or other similar fiduciary of any person referred to in the immediately preceding clause (2), acting solely in such capacity.

"Voting Stock" means, with respect to any Person, Equity Interests the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or Persons performing similar functions) or, if there are no such Persons, for any decision of such Person that, pursuant to applicable law or any constating document of such Person, is to be determined by a shareholders, partners or members resolution, in each case, even if the right so to vote has been suspended for any reason outside of such holders' control.

"Written" or "in writing" means notice given in any form of writing however transmitted (whether by mail, telex, telefax, electronic or otherwise).

25. **WAIVER OF JURY TRIAL. EXCEPT TO THE EXTENT PROHIBITED BY LAW WHICH CANNOT BE WAIVED, WE AND YOU HEREBY WAIVE TRIAL BY JURY IN CONNECTION WITH ANY ACTION OR PROCEEDING OF ANY NATURE WHATSOEVER ARISING UNDER, OUT OF OR IN CONNECTION WITH THIS AGREEMENT, ANY CREDIT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY AND IN CONNECTION WITH ANY CLAIM, COUNTERCLAIM, OFFSET OR DEFENSE ARISING IN CONNECTION WITH SUCH ACTION OR PROCEEDING, WHETHER ARISING (X) IN CONNECTION WITH ANY ACTION INSTITUTED BY OR ON BEHALF OF YOU, US OR ANY OTHER PERSON OR (Y) UNDER STATUTE (INCLUDING ANY FEDERAL OR STATE CONSTITUTION) OR UNDER THE LAW OF CONTRACT, TORT OR OTHERWISE.**

We hereby agree that service of all writs, process and summonses in any such suit, action or proceeding brought in the State of New York may be made upon CT Corporation System (the "Process Agent"), presently located at 28 Liberty Street, New York, NY 10005, United States, and we hereby confirm and agree that the Process Agent has been duly appointed as our agent and true and lawful attorney in fact in our name, place and stead to accept such service of any and all such writs, process and summonses, and agree that the failure of the Process Agent to give any notice of any such service of process to us shall not impair or affect the validity of such service or of any judgment based thereon. We covenant and agree to continue our appointment of the Process Agent (or such other process agent satisfactory to the Bank) during all periods prior to the termination of this Agreement. We hereby further irrevocably consent to the service of process in any suit, action or proceeding in such courts by the mailing thereof by the Bank by registered or certified mail, postage prepaid, at our address set forth below.

26. Patriot Act Notice. The undersigned hereby acknowledges that it has been notified by the Bank that pursuant to the requirements of the USA Patriot Act (Title 111 of Pub. L. 107-56 (signed into law October 26, 2001)), as amended and supplemented from time to time (the "Patriot Act"), the Bank may be required to obtain, verify and record information that identifies the undersigned, which information includes the name and address of the undersigned and other information that will allow the Bank to identify the undersigned in accordance with the Patriot Act. The undersigned shall provide, to the extent commercially reasonable, such information and take such actions as are reasonably requested by the Bank in order to assist the Bank in maintaining compliance with the Patriot Act.

27. Compliance Obligations. The undersigned agrees that the Bank may delay, block or decline to process any transaction under or in connection with this Agreement without incurring any liability if the Bank has a reasonable basis to believe that (i) the transaction may breach any law or regulation in any country (or any resolution of the United Nations) or Bank's regulatory compliance policy applicable to Credits generally,

(ii) the transaction involves any Person (natural, corporate or governmental) that is itself sanctioned or is connected, directly or indirectly, to any Person that is sanctioned under economic and trade sanctions imposed by the United Nations, the European Union, the United States of America, the United Kingdom, Australia or any other country, or (iii) the transaction may directly or indirectly involve the proceeds of, or be applied for the purposes of, unlawful conduct. The undersigned agrees that it shall provide all information to the Bank which the Bank reasonably requires in order to manage and comply with Anti-Corruption Laws, applicable AML Laws and applicable Sanctions, and the undersigned agrees that the Bank may disclose any information concerning the undersigned to (i) any law enforcement, regulatory agency or court or where required by any such law, and (ii) any correspondent bank which the Bank uses to make the payment for the purpose of compliance with any such law.

28. Bail in. Notwithstanding and to the exclusion of any other term of this Agreement and any other agreements, arrangements, or understanding between the Bank and the Applicant, the Applicant acknowledges and accepts, excluding any other agreement, arrangements or understanding between the parties relating to the subject matter of this clause, that any of the liabilities arising from this Agreement (the "Liabilities") may be subject to the exercise of any Bail-in Powers by the Spanish resolution authority in accordance with Directive 2014/59/EU, Law 11/2015 and any other applicable law or regulation.

For the purpose of this Agreement "Bail-in Power" means the following powers (without limitation): (i) the early termination, cancellation or reduction of the principal amount due, including any accrued and unpaid interest of any Liability; (ii) the conversion of all or part of the Liabilities into shares or other equity instrument, in which case each party acknowledges and accepts that any such shares or equity instruments, may be issued to or conferred as a result of a Bail-in Power; and/or (iii) a variation and/or amendment to the terms of this Agreement as may be necessary to give effect to a Bail-in Power.

29. Conditions Precedent to Effectiveness of this Agreement. As a condition precedent to the effectiveness of this Agreement, the Bank shall have received the following documentation, each in form and substance satisfactory to the Bank:

(a) Extract from the Dutch Commercial Register with respect to the Applicant;

(b) A management board resolution of the board of the Applicant, the Deed of Incorporation of the Applicant, and the Articles of Association currently in force of the Applicant; and

(c) A Legal Opinion of Dutch counsel to the Applicant.

30. Conditions Precedent to each Credit Issuance. As a condition precedent to any request for the issuance, amendment or extension of a Credit hereunder, the following additional conditions shall be satisfied: (i) each of our representations and warranties set forth in this Agreement shall be true and correct in all material respects as of (x) the date of application for such issuance and (y) as of the date of the issuance, amendment or extension of such Credit, except, in both of the foregoing cases (x) and (y), to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date (provided, that such materiality qualifier shall not be applicable to any representation or warranty that already is qualified or modified by materiality in the text thereof), and (ii) there shall exist no Event of Default, or any event which with notice or the passage of time or both would become an Event of Default. On the date of issuance, amendment or extension of each Credit, if issued by you in the exercise of your sole discretion, we shall be deemed to have represented that the foregoing conditions to the issuance, amendment or extension of such Credit in this section have been satisfied.

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Date: October 25,2024

APPLICANT

ARCOS DORADOS B.V.

By: /s/ Marcelo Rabach
Name: Marcelo Rabach
Title: Authorized Representative of Arcos Dorados Holdings Inc., as Director A of Arcos Dorados B.V.

ARCOS DORADOS B.V.

By: /s/ Dignata Irene van der
Name: Dignata Irene van der Pol
Title: Director B of Arcos Dorados B.V.

Address:
Arcos Dorados BV
Barbara Strozzilaan 101
1083HN Amsterdam

Accepted:

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.
NEW YORK BRANCH

By: /s/ Ángel Merino
Name: Ángel Merino
Title: Managing Director

By: /s/ Luis Ruigomez
Name: Luis Ruigomez
Title: Head of Risk International

ANNEX I
TO LETTER OF CREDIT AGREEMENT
(CONTINUING LETTER OF CREDIT AND SECURITY AGREEMENT - STANDBY CREDITS)

APPLICATION FOR IRREVOCABLE STANDBY LETTER OF CREDIT AND AMENDMENTS THERETO

BANCO BILBAO VIZCAYA ARGENTARIA, S.A. Date:
(The "Bank")

The undersigned applicant requests the Bank to issue an irrevocable letter of credit substantially in the form attached or shown below:

Applicant	**Beneficiary** (name and full address)
Currency and Amount	**Date and Place of Expiry**

Purpose of SBLC:

Price:

Obligating the Bank to honor presentation(s) of the following documents:

[ ] original letter of credit and all amendments
[ ] sight draft drawn by beneficiary on the Bank
[ ] beneficiary's signed statement in the form attached or shown below:

[ ] other documents in the form attached or shown below:

Including special provisions in the form attached or shown below for:

[ ] nominated bank [ ] automatic amendment [ ] payment variation
[ ] electronic presentation [ ] Non-Renewal Clause Notification Period: _____
[ ] Transfer/succession other [ ]
Other: _____

Please send by:
[ ] e-mail [ ] courier [ ] swift [ ] other (_____)
On or before: _____

ALL COMMISSIONS, FEES AND CHARGES ARE FOR THE ACCOUNT OF THE UNDERSIGNED APPLICANT (and the applicant acknowledges receipt of the Bank's current schedule of commissions, fees and charges).

This Application is a request for a standby letter of credit ("Credit") pursuant to that certain Continuing Agreement dated the ___ day of _____, 20_ executed and delivered by the undersigned applicant, as it may have been amended in accordance with the terms thereof (the "Agreement"). This Application is subject to the terms and conditions of the Agreement and the Bank is entitled to the rights set forth in such Continuing Agreement. The Credit hereby applied for shall be subject to ISP 98 and any subsequent revision there of adhere to by Bank from the date such Credit is issued.

IN WITNESS WHEREOF, the undersigned applicant has executed and delivered this Application as of the ___ day of _____, 20_.

APPLICANT:

By:
Name:
Title:

AGREED:
BANCO BILBAO VIZCAYA ARGENTARIA, S.A. New York Branch

By:	By:
Name:	Name:
Title:	Title:

ANNEX II

TO LETTER OF CREDIT AGREEMENT
(CONTINUING LETTER OF CREDIT AND SECURITY AGREEMENT - STANDBY CREDITS)

FEE SCHEDULE

(1) For Standby Letter of Credit with application dated _____.

Applicant: _____

Beneficiary: [_____.

[Applicant] shall pay Bank quarterly in advance__% calculated on a per annum basis based on a 360-day year.

Amendment Fee: US$_____ per amendment.

Fee for each letter issue by Advising Bank, an additional US$____ per letter.

In the event of the issuance of new Standby Letter of Credit(s) or in the case of certain amendments, the applicable fee shall be agreed upon in further annex to this Letter of Credit Agreement (Continuing Letter of Credit and Security Agreement -Standby Credits).

ANNEX III

LEVERAGE RATIO CERTIFICATE

Reference is made to that certain that certain Letter of Credit Agreement (Continuing Letter of Credit and Security Agreement -Standby Credits) dated as of October 25, 2024 (the "**LOC Agreement**") by and between Arcos Dorados B.V. ("**Arcos Dorados**") and Banco Bilbao Vizcaya Argentaria, S.A. New York Branch ("**Bank**"). All capitalized terms used but not defined herein shall have the meanings ascribed to them in the LOC Agreement. This certificate is being delivered to satisfy the obligation of Arcos Dorados set forth in Section 12(a)(ii) of the LOC Agreement.

Now therefore, the undersigned, Chief Financial Officer of Arcos Dorados, does hereby certify to Bank that Arcos Dorados Holdings Inc. maintained a Financial Debt to EBITDA Ratio of less than 4.00 to 1.00 as of [End of Prior Fiscal Quarter], 202[ ].

IN WITNESS WHEREOF, the undersigned has executed this certificate effective as of the [ ]th day of [ ] 202[ ].

By: _____
Name: Mariano Tannenbaum
Title: Chief Financial Officer

Exhibit 8.1

Subsidiaries of Registrant

Name	Place of Incorporation
Adcon S.A.	Argentina
Administrative Development Company	Delaware
Aduy S.A.	Uruguay
Alimentos Arcos Dorados de Venezuela C.A.	Venezuela
Alimentos Latinoamericanos Venezuela ALV, C.A.	Venezuela
Arcgold del Ecuador, S.A.	Ecuador
Arcos del Sur, S.R.L.	Uruguay
Arcos Dorados Argentina S.A.	Argentina
Arcos Dorados Aruba N.V.	Aruba
Arcos Dorados B.V.	The Netherlands
Arcos Dorados Caribbean Development Corp.	Delaware
Arcos Dorados Colombia S.A.S	Colombia
Arcos Dorados Costa Rica ADCR, S.A.	Costa Rica
ADCR Inmobiliaria, S.A.	Costa Rica
Arcos Dorados Curacao, N.V.	Curacao
Arcos Dorados Development B.V.	Netherlands
Arcos Dorados French Guiana	French Guiana
Arcos Dorados Group B.V.	Curacao
Arcos Dorados Guadeloupe	Guadeloupe
Arcos Dorados Martinique	Martinique
Arcos Dorados Panama, S.A.	Panama
Arcos Dorados Puerto Rico, LLC	Puerto Rico
Arcos Dorados Restaurantes de Chile, SpA	Chile
Arcos de Valparaiso SpA	Chile
Arcos Dorados Trinidad Limited	Trinidad and Tobago
Arcos Dorados USVI, Inc.(St. Croix)	USVI
Arcos Dourados Comercio de Alimentos S.A.	Brazil
Arcos Dourados Restaurantes Ltda.	Brazil
Arcos SerCal Inmobiliaria, S. de R.L. de C.V.	Mexico
Restaurantes ADMX, S. de R.L. de C.V.	Mexico
Arcos BraPa S.A.	Panama
Compañía de Inversiones Inmobiliarias S.A.	Argentina
Complejo Agropecuario Carnico (Carnicos), C.A.	Venezuela
Arcos Dorados Uruguay S.A.	Uruguay
Gerencia Operativa ARC, C.A.	Venezuela
Compañía Operativa de Alimentos COR, C.A.	Venezuela
Golden Arch Development LLC	Delaware
LatAm, LLC	Delaware
Logistics and Manufacturing LOMA Co.	Delaware
Management Operations Company	Delaware

Name	Place of Incorporation
Operaciones Arcos Dorados de Perú, S.A.	Peru
Sistemas Central America, S.A.	Panama
Sistemas McOpCo Panama, S.A.	Panama
Arcos Dorados Latam LLC	Delaware
Arcos Mendocinos S.A.	Argentina
Arcos Dourados Empreendimentos Imobiliarios Ltda	Brazil
ADC Real Estate SpA	Chile
AD Inmobiliaria Colombia S.A.S.	Colombia
Sociedad de Inversiones CSL Ltd	Chile
AD Real Estate S.A.	Argentina
Arcos Dorados I B.V.	The Netherlands
AD Real Estate Peru S.A.C.	Peru
ADReal Ecuador S.A.S.	Ecuador

EXHIBIT 12.1

CERTIFICATION

I, Marcelo Rabach, certify that:

1. I have reviewed this annual report on Form 20-F of Arcos Dorados Holdings Inc.;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company'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 company 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 company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this 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 company'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 company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company'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 company'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 company's internal control over financial reporting.

Date: April 29, 2025

/s/ Marcelo Rabach
Name: Marcelo Rabach
Title: Chief Executive Officer

EXHIBIT 12.2

CERTIFICATION

I, Mariano Tannenbaum, certify that:

1. I have reviewed this annual report on Form 20-F of Arcos Dorados Holdings Inc.;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company'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 company 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 company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this 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 company'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 company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company'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 company'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 company's internal control over financial reporting.

Date: April 29, 2025

/s/ Mariano Tannenbaum
Name: Mariano Tannenbaum
Title: Chief Financial Officer

EXHIBIT 13.1

CERTIFICATION

The certification set forth below is being submitted in connection with the annual report of Arcos Dorados Holdings Inc. on Form 20-F for the year ended December 31, 2024 (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code. Marcelo Rabach, the Chief Executive Officer of Arcos Dorados Holdings Inc., certifies that, to the best of his knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Arcos Dorados Holdings Inc.

Date: April 29, 2025

/s/ Marcelo Rabach
Name: Marcelo Rabach
Title: Chief Executive Officer

EXHIBIT 13.2

CERTIFICATION

The certification set forth below is being submitted in connection with the annual report of Arcos Dorados Holdings Inc. on Form 20-F for the year ended December 31, 2024 (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code. Mariano Tannenbaum, the Chief Financial Officer of Arcos Dorados Holdings Inc., certifies that, to the best of his knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Arcos Dorados Holdings Inc.

Date: April 29, 2025

/s/ Mariano Tannenbaum
Name: Mariano Tannenbaum
Title: Chief Financial Officer

Exhibit 15.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-173496), pertaining to the Equity Incentive Plan of Arcos Dorados Holdings Inc of our reports dated March 12, 2025, with respect to the consolidated financial statements and the effectiveness of internal control over financial reporting of Arcos Dorados Holdings Inc., included in the Annual Report on Form 20-F for the year ended December 31, 2024.

Buenos Aires, Argentina
April 29, 2025

/s/ Pistrelli, Henry Martin y Asociados S.A.

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.A.
Member of Ernst & Young Global Limited

Exhibit 19.1

ARCOS DORADOS HOLDINGS INC.

STATEMENT OF POLICY

CONCERNING

TRADING POLICIES

April 28, 2017

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I.
SUMMARY OF THE COMPANY POLICY CONCERNING TRADING POLICIES

It is the policy of Arcos Dorados Holdings Inc. and its subsidiaries' (collectively, the "**Company**") that they will without exception comply with all applicable laws and regulations in conducting their business. Each employee and each director is expected to abide by this policy. When carrying out Company business, employees and directors must avoid any activity that violates applicable laws or regulations. In order to avoid even an appearance of impropriety, the Company's directors, officers and certain other employees are subject to pre-approval requirements and other limitations on their ability to enter into transactions involving the Company's securities. Although these limitations do not apply to transactions pursuant to written plans for trading securities that comply with Rule 10b5-1 promulgated under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), the entry into, amendment or termination of any such written trading plan is subject to pre-approval requirements and other limitations.

II.
THE USE OF INSIDE INFORMATION IN CONNECTION WITH TRADING IN SECURITIES

A. General Rule.

The U.S. securities laws regulate the sale and purchase of securities in the interest of protecting the investing public. U.S. securities laws give the Company and its officers, directors and other employees the responsibility to ensure that information about the Company is not used unlawfully in the purchase and sale of securities.

All employees and directors should pay particularly close attention to the laws against trading on "inside" information. These laws are based upon the belief that all persons trading in a company's securities should have equal access to all "material" information about that company. For example, if an employee or a director of a company knows material non-public financial information, that employee or director is prohibited from buying or selling securities of the company until the information has been disclosed to the public. This is because the employee or director knows information that probably will cause the price of the securities to change, and it would be unfair for the employee or director to have an advantage (knowledge that the price of the securities will change) that the rest of the investing public does not have. In fact, it is more than unfair; it is considered to be fraudulent and illegal. Civil and criminal penalties for this kind of activity are severe.

The general rule can be stated as follows: It is a violation of the federal securities laws for any person to buy, or sell securities if he or she is in possession of material inside information. Information is material if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision. It is inside information if it has not been publicly disclosed in a manner making it available to investors generally on a broad-based, non-exclusionary basis. Furthermore, it is illegal for any person in possession of material inside information to provide other people with such information or to recommend that they buy, sell or hold the securities. (This is called "tipping".) In that case, both the tipper and the "tippee" may be held liable.

The Securities and Exchange Commission (the "**SEC**"), the stock exchanges and plaintiffs' lawyers focus on uncovering insider trading. A breach of the insider trading laws could expose the

insider to criminal fines up to three times the profits earned and imprisonment up to ten years, in addition to civil penalties (up to three times of the profits earned) and injunctive actions.

In addition, punitive damages may be imposed under applicable state laws. Securities laws also subject controlling persons to civil penalties for illegal insider trading by employees, including employees located outside the United States. Controlling persons include directors, officers, and supervisors. These persons may be subject to fines up to the greater of $1,000,000 or three times the profit earned (or loss avoided) by the insider trader.

Inside information does not belong to the individual directors, officers or other employees who may handle it or otherwise become knowledgeable about it. It is an asset of the Company. For any person to use such information for personal benefit or to disclose it to others outside the Company violates the Company's interests. More particularly, in connection with trading in the Company securities, it is a fraud against members of the investing public and against the Company.

B. Who Does the Policy Apply to?

The prohibition against trading on inside information applies to directors, officers and all other employees, and to other people who gain access to that information. The prohibition applies to all employees of the Company and its subsidiaries. Because of their access to confidential information on a regular basis, Company policy subjects its directors and certain employees (the "**Window Group**") to additional restrictions on trading in the Company's securities. The restrictions for the Window Group are discussed in Section F below. In addition, directors and certain employees with inside knowledge of material information may be subject to ad hoc restrictions on trading from time to time.

C. Other Companies' Securities.

Employees and directors who learn material information about McDonald's Corporation, suppliers, customers or competitors through their work at the Company should keep it confidential and not buy or sell securities in such companies until the information becomes public. Employees and directors should not give tips about such securities.

D. Trading in Options.

The insider trading prohibition also applies to trading in options, such as put and call options, and options-based transactions. Options trading is highly speculative and very risky. People who buy options are betting that the price of the security will move rapidly. For that reason, when a person trades in options in his or her employer's securities, it will arouse suspicion in the eyes of the SEC that the person was trading on the basis of inside information, particularly where the trading occurs before a Company announcement or major event. It is difficult for an employee or director to prove that he or she did not know about the announcement or event.

If the SEC or the stock exchanges were to notice active options trading by one or more employees or directors of the Company prior to an announcement, they would investigate. Such an investigation could be embarrassing to the Company (as well as expensive), and could result in severe penalties and expense for the persons involved. For all of these reasons, the Company prohibits its employees and directors from trading in options on the Company's securities or related options based transactions, except a Permitted Hedging Transaction (as defined in Section F.5 below). This policy does not pertain to employee stock options granted by the Company, if any. Employee stock options cannot be traded.

E. Margin Accounts and Pledges.

Securities held in a margin account may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because such a margin sale or foreclosure sale may occur at a time when an employee or a director has material inside information or is otherwise not permitted to trade in Company securities, the Company generally prohibits employees and directors from (1) purchasing securities on margin where the securities that secure the related margin loan are, in whole or in part, Company securities, (2) holding Company securities in a margin account or (3) pledging Company securities as collateral for a loan of any kind. However, the Company recognizes that the market for margin loan transactions has evolved and grown in recent years, and therefore, the Company will permit its employees and directors to enter into a margin loan secured by Company securities so long as (1) such margin loan is on generally customary terms for margin loans secured by equity securities, (2) such margin loan has been entered into during the Window (as defined in Section F.7 below), (3) the employee or director has received clearance prior to entry into the margin loan from the Company's Chief Legal Officer and (4) such margin loan has been entered into with a U.S. nationally recognized equity derivatives dealer (or any affiliate thereof) (such dealer, a "**Permitted Dealer**" and such permitted transaction, a "**Permitted Margin Loan**").

F. Guidelines.

The following guidelines should be followed in order to ensure compliance with applicable antifraud laws and with the Company's policies:

1. Nondisclosure. Material inside information must not be disclosed to anyone, except to persons within the Company whose positions require them to know it.

2. Trading in Company Securities. No employee or director should place a purchase or sale order, or recommend that another person place a purchase or sale order in the Company's securities (or that such person refrain from doing so) when he or she has knowledge of material information concerning the Company that has not been disclosed to the public. This includes orders for purchases and sales of stock, bonds and convertible securities. The exercise of employee stock options is not subject to this policy. However, stock that was acquired upon exercise of a stock option will be treated like any other security and may not be sold by an employee who is in possession of material inside information. Any employee or director who possesses material inside information should wait until the start of the second business day after the information has been publicly released before trading.

3. Avoid Speculation. Investing in the Company's securities provides an opportunity to share in the future growth of the Company. But investment in the Company and sharing in the growth of the Company does not mean short-term speculation based on fluctuations in the market. Such activities put the personal gain of the employee or director in conflict with the best interests of the Company and its stockholders. Although this policy does not mean that employees or directors may never sell shares, the Company encourages employees and directors to avoid frequent trading in Company securities. Speculating in Company securities, including through the placement of Company securities in a margin account or pledge of Company securities as collateral for a loan, is not part of the Company culture. Any such transactions must comply with the provisions of Section E above.

4. No Short Selling. "Short selling" is the practice of selling securities that must be borrowed to make delivery, generally with the expectation of profiting from a decline in the price of the securities. The Company prohibits directors and employees from selling the Company's securities short. This type of activity is inherently speculative in nature and is contrary to the best interests of the Company and its shareholders.

5. Hedging and Monetization Transactions. Certain forms of hedging or monetization transactions, such as collars, forward sale contracts and the sale of "covered" puts, allow a director or employee to lock in much of the value of his or her share holdings, sometimes in exchange for all or part of the potential for upside appreciation in the shares. These transactions allow the director or employee to continue to own the covered securities, but without the full risks and rewards of ownership.

When that occurs, the director or employee may no longer have the same objectives as the Company's other shareholders. Therefore, the Company prohibits its directors and employees from engaging in hedging or monetization transactions other than:

(1) the purchase of put options covering a number of shares no greater than the number of shares that the director or employee owns; and

(2) the simultaneous purchase of put options and the sale of call options to finance the purchase of such put options in the form of a collar (commonly known as a "zero-cost collar") or a forward sale (commonly known as a "zero-cost forward"), so long as such options comprising such collar or forward cover an aggregate number of shares no greater than the number of shares that the director or employee owns (each transaction described in clause (1) and (2) collectively referred to herein as a "**Permitted Hedging Transaction**");

In connection with any Permitted Hedging Transaction, the relevant employee or director shall not be permitted to sell, transfer or otherwise dispose of the Company shares underlying such Permitted Hedging Transaction prior to the maturity or earlier termination of such Permitted Hedging Transaction.

In addition to the limitations on hedging and monetization transactions set forth above, employees and directors of the Company may only enter into a Permitted Hedging Transaction with a Permitted Dealer. Employees and directors of the Company shall be strictly prohibited from entering into any hedging, monetization, option or option-based transaction, other than a Permitted Hedging Transaction (including, without limitation, the selling of call options (including so-called "covered" call options in respect of which the seller holds a number of shares equal to the number underlying the relevant call option) and the purchase of so-called "naked" put options (in respect of which the purchaser does not hold a number of shares equal to the number underlying the relevant put option).

6. Trading in Other Securities. No employee or director should place a purchase or sale order, or recommend that another person place a purchase or sale order (or that such person refrain from doing so), in the securities of another company, if the employee or director learns in the course of his or her employment confidential information about the other company that is likely to affect the value of those securities. For example, it would be a violation of the securities laws if an employee or director learned through Company sources that the Company intended to purchase assets from a company, and then placed an order to buy or sell securities of that other company because of the likely increase or decrease in the value of its securities.

7. Restrictions on the Window Group. The Window Group consists of (i) directors and executive officers of the Company, their assistants and their family members who live in the same house, (ii) employees in the financial, accounting reporting and legal groups designated by the Company's Chief Legal Officer or his designee for that purpose and (iii) such other persons as may be designated from time to time and informed of such status by the Company's Chief Legal Officer or his designee for that purpose. The Window Group is subject to the following restrictions on trading in Company securities and in respect of any Permitted Hedging Transaction:

- trading is permitted from the start of the second business day following an earnings release with respect to the preceding fiscal period until the first calendar day of the last month of the then-current fiscal quarter (the "**Window**"), subject to the restrictions below;

- clearance for all trades must be obtained prior to the trade from the Company's Chief Legal Officer according to a procedure that will be established by the Company's Chief Legal Counsel and will be available for review by members of the Window Group;

- no trading outside the Window except for reasons of exceptional personal hardship and subject to prior review by the Chief Executive Officer and the Chief Legal Officer; provided that, if one of these individuals wishes to trade outside the Window, the trade shall be subject to prior review by the other; and

- individuals in the Window Group are also subject to the general restrictions on all employees.

Note that at times the Chief Legal Officer and the Chief Executive Officer may determine that no trades may occur even during the Window when clearance is requested. Reasons for such determination need not be provided, and the closing of the Window itself may constitute material inside information that should not be communicated to anyone outside the Window Group.

The foregoing Window Group restrictions do not apply to transactions pursuant to written plans for trading securities that comply with Rule 10b5-1 promulgated under the Exchange Act ("**10b5-1 Plans**"). In general, a 10b5-1 Plan provides a way for securities to be bought and sold without violating federal securities laws so long as the person who has adopted the trading plan is limited in his ability to control the details of the trade because the plan (i) specifies the amount of securities to be purchased or sold and the price at which and the date on which the securities are to be sold, (ii) includes a formula for determining the amount of securities to be purchased or sold and the price at which and the date on which the securities are to be purchased or sold and/or (iii) does not permit the employee to exercise any subsequent influence over how, when or whether to effect purchases or sales. However, Window Group members may not enter into, amend or terminate a 10b5-1 Plan relating to Company securities without the prior approval of the Chief Legal Officer, which will only be given during a Window period.

G. Applicability of U.S. Securities Laws to International Transactions.

All employees of the Company's subsidiaries are subject to the restrictions on trading in the Company securities and the securities of other companies. The U.S. securities laws may be applicable to the securities of the Company's subsidiaries or affiliates, even if they are located outside the United States. Transactions involving securities of subsidiaries or affiliates should be carefully reviewed by counsel for compliance not only with local law but also for possible application of U.S. securities laws.

III.
OTHER LIMITATIONS ON SECURITIES TRANSACTIONS

A. Public Resales – Rule 144.

The U.S. Securities Act of 1933, as amended (the "Securities Act") requires every person who offers or sells a security to register such transaction with the SEC unless an exemption from registration is available. Rule 144 under the Securities Act is the exemption typically relied upon (i) for public resales by any person of "restricted securities" (i.e., securities acquired in a private offering or sale, excluding certain private issuances outside the United States) and (ii) for public resales by directors, officers and other control persons of a company (known as "affiliates") of any of the Company's securities, whether restricted or unrestricted.

The exemption in Rule 144 may only be relied upon if certain conditions are met. These conditions vary based upon whether the company has been subject to the SEC's reporting requirements for 90 days (and is therefore a "reporting company" for purposes of the rule) and whether the person seeking to sell the securities is an affiliate or not. In addition, the conditions set forth in Rule 144 may also be applicable to Permitted Hedging Transactions or Permitted Margin Loans (and related hedging activity by a financial institution counterparty).

(1) Holding Period. Restricted securities issued by a reporting company (i.e. a company that has been subject to the SEC's reporting requirements for at least 90 days) must be held and fully paid for a period of six months prior to their sale. Restricted securities issued by a non-reporting company are subject to a one-year holding period. The holding period requirement does not apply to securities held by affiliates that were acquired either in the open market or in a public offering of securities registered under the Securities Act. If the seller acquired the securities from someone other than the company or an affiliate of the company, the holding period of the person from whom the seller acquired such securities can be "tacked" to the seller's holding period in determining if the holding period has been satisfied.

(2) Current Public Information. Current information about the company must be publicly available before the sale can be made. The company's periodic reports filed with the SEC ordinarily satisfy this requirement. If the seller is not (and has not been for at least three months) an affiliate of the company issuing the securities and one year has passed since the securities were acquired from the issuer or an affiliate of the issuer (whichever is later), the seller can sell the securities without regard to the current public information requirement.

Rule 144 also imposes the following additional conditions on sales by persons who are affiliates or who have been affiliates during the previous three months:

(1) Volume Limitations. The amount of debt securities which can be sold by an affiliate during any three-month period cannot exceed 10% of a tranche (or class when the securities are non-participatory preferred stock), together with all sales of securities of the same tranche sold for the account of the affiliate within a three-month period. The amount of equity securities which can be sold by an affiliate during any three-month period cannot exceed the greater of (i) one percent of the outstanding shares of the class or (ii) the average weekly reported trading volume for shares of the class during the four calendar weeks preceding the filing of the notice of sale referred to below.

(2) Manner of Sale. Equity securities held by affiliates must be sold in unsolicited brokers' transactions, directly to a market-maker or in riskless principal transactions.

(3) Notice of Sale. An affiliate seller must file a notice of the proposed sale with the SEC at the time the order to sell is placed with the broker, unless the amount to be sold neither exceeds 5,000 shares nor involves sale proceeds greater than $50,000. See "Filing Requirements".

Employees and directors of the Company should consult their own legal advisors to determine whether some or all of the conditions set forth above are applicable to Permitted Hedging and Transactions (and related hedging activity by a financial institution counterparty).

Bona fide gifts are not deemed to involve sales of shares for purposes of Rule 144, so they can be made at any time without limitation on the amount of the gift. Donees who receive restricted securities from an affiliate generally will be subject to the same restrictions under Rule 144 that would have applied to the donor for a minimum period of time following the gift, depending on the circumstances.

B. Private Resales.

Directors and officers also may sell securities in a private transaction without registration. Although there is no statutory provision or SEC rule expressly dealing with private sales, the general view is that such sales can safely be made by affiliates if the party acquiring the securities understands he is acquiring restricted securities that must be held for a minimum period of time before the securities will be eligible for resale to the public under Rule 144. Any employee who is considering entering into a private resale must discuss such resale with the Company's Chief Legal Officer prior to effecting any such transaction.

C. Restrictions on Purchases of Company Securities.

In order to prevent market manipulation, the SEC has adopted Regulation M under the Exchange Act. Regulation M generally prohibits the Company or any of its affiliates from buying Company securities in the open market during certain periods while a public offering is taking place. Regulation M sets forth guidelines for purchases of Company securities by the Company or its affiliates while a stock buyback program is occurring. You should consult with the Company's Chief Legal Officer, if you desire to make purchases of Company securities during any period that the Company is making a public offering or buying securities from the public.

D. Filing Requirements.

1. Schedule 13D and 13G. Section 13(d) of the Exchange Act requires the filing of a statement on Schedule 13D (or on Schedule 13G, in certain limited circumstances) by any person or group which acquires beneficial ownership of more than five percent of a class of equity securities registered under the Exchange Act. The threshold for reporting is met if the securities owned, when coupled with the amount of securities subject to options exercisable within 60 days, exceeds the five percent limit.

A report on Schedule 13D is required to be filed with the SEC and submitted to the Company within ten days after the reporting threshold is reached. If a material change occurs in the facts set forth in the Schedule 13D, such as an increase or decrease of one percent or more in the percentage of securities beneficially owned, an amendment disclosing the change must be filed promptly. A decrease in beneficial ownership to less than five percent is per se material and must be reported. In addition, in some circumstances, the execution and/or settlement of a Permitted Hedging Transaction or Permitted Margin Loan may trigger a Schedule 13D filing requirement.

A person is deemed the beneficial owner of securities for purposes of Section 13(d) if such person has or shares voting power (i.e., the power to vote or direct the voting of the securities) or dispositive power (i.e., the power to sell or direct the sale of the securities). A person filing a Schedule 13D may disclaim beneficial ownership of any securities attributed to him or her if he or she believes there is a reasonable basis for doing so.

2. Form 144. As described above under the discussion of Rule 144, an affiliate seller relying on Rule 144 must file a notice of proposed sale with the SEC at the time the order to sell is placed with the broker unless the amount to be sold neither exceeds 5,000 shares nor involves sale proceeds greater than $50,000. In some circumstances, the execution or settlement of a Permitted Hedging Transaction or Permitted Margin Loan may trigger a Form 144 filing requirement.