

**TIM HORTONS INC.**  
**Board of Directors**  
**Code of Business Conduct and Ethics**

Adopted September 28, 2009  
(Most Recently Revised: August 10, 2011)

The Board of Directors (the "Board"), in its Principles of Governance, recognizes its responsibility to promote ethical behavior and compliance with laws and regulations, auditing and accounting principles and the Corporation's other governing documents. Consistent with that recognition, in its Governance Guidelines, the Board approves the Corporation's *Standards of Business Practices* ("*Standards*") and the Audit Committee, among others, monitors compliance regularly and provides reports regarding such matters to the Board. The *Standards* are applicable to the officers and employees of the Corporation. This Code of Business Conduct and Ethics ("Code") is applicable to members of the Board.

No Code or policy can anticipate every situation that may arise, or replace the thoughtful behavior of an ethical director. Directors are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Chair of the Nominating and Corporate Governance Committee.

The Board's primary responsibilities include maximizing long-term shareholder value, encouraging the Corporation to conduct its business in a highly ethical manner, creating an environment that respects and values all employees, and promoting corporate responsibility. The Corporation fosters and values the key principles of honesty and integrity. The Board is committed to adhering to and promoting these principles. The members of the Board reaffirm as follows:

- Continued acknowledgement of the contents of the *Standards*, this Code and the Board's responsibility to oversee and monitor ethical behavior of the employees, officers and directors of the Corporation.
- Directors who are officers of the Corporation or its affiliates will comply with the principles articulated in both the *Standards* and this Code. Non-employee directors are expected to conduct themselves in accordance with the principles of the *Standards* when performing their duties as directors on behalf of the Corporation.
- Any waiver of this Code or the *Standards* for an executive officer may be made only by the Board or a Board committee and must be disclosed to shareholders within four business days of such determination. Disclosure must be made by distributing a press release, providing website disclosure, or by filing a current report on Form 8-K with the U.S. Securities and Exchange Commission.
- Each member of the Board will formally reaffirm knowledge of the *Standards* and commitment to this Code in writing not less often than annually.

This Code emphasizes the Board's oversight and its commitment to the following principles:

- **Conflicts of interest.** A "conflict of interest" occurs when an individual's private interest interferes in any way - or even appears to interfere - with the interests of the Corporation as a whole. A conflict situation can arise when a director takes actions or has interests that may make it difficult to perform his or her work for the Corporation objectively and effectively. Conflicts of interest also arise when a director or a member of his or her family receives improper personal benefits as a result of his or her position in the Corporation. This Code prohibits such conflicts of interest. Loans to, or guarantees of obligations of a director, may create a conflict of interest, and are also strictly prohibited. The reporting and treatment of potential conflicts of interest are provided for in the Board's Governance Guidelines.
- **Corporate opportunities.** Except as set forth in the Corporation's By-laws, directors are prohibited from (a) taking for themselves personally opportunities that are discovered through the use of corporate property, information or position; (b) using corporate property, information or position for personal gain; and (c) competing with the Corporation. Directors owe a duty to the Corporation to advance its legitimate interests when the opportunity to do so arises.
- **Confidentiality.** In order to protect the interests of the Corporation, directors must maintain the confidentiality of information entrusted to them by the Corporation, except when disclosure is authorized in advance or legally mandated. Confidential information is described in the *Standards* and includes corporate records, business plans and processes, strategic initiatives and the timing thereof, as well as all non-public information that might be of use to competitors, or harmful to the Corporation or its franchisees, customers, or other stakeholders, if disclosed.
- **Fair dealing.** Each director should endeavor to deal fairly with the Corporation's security holders, customers, suppliers, vendors, competitors, franchisees and employees. No director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.
- **Protection and proper use of Corporation assets.** All directors should protect the Corporation's assets and promote their efficient use. Theft, carelessness and waste have a direct impact on the Corporation's profitability. Corporation assets should be used for legitimate business purposes.
- **Compliance with laws, rules and regulations (including insider trading laws).** The directors must comply and proactively promote compliance with all laws, rules and regulations, including insider trading laws, applicable to the Corporation. The directors are expected to comply with the insider trading prohibitions described in the *Standards*. Insider trading is both unethical and illegal, and will be dealt with decisively.

- **Encouraging the reporting of any illegal or unethical behavior.** The Corporation and its directors should proactively promote ethical behavior and take steps so that the Corporation (i) encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation, (ii) encourages employees to report violations of laws, rules, regulations or the *Standards* to appropriate personnel and (iii) informs employees that the Corporation will not allow retaliation for reports made in good faith. In addition to complying with the requirements of applicable laws and regulations, directors having knowledge of any violation or suspected violation of the *Standards* or this Code must report that knowledge to the chair of the appropriate Board committee and in any event to the chair of the Audit Committee and to the Corporation's Compliance Officer. Reports will be investigated in accordance with established procedures outlined as part of the Corporation's Compliance Program.

This Code is, and any amendments thereto will be, displayed on the Corporation's website and a printed copy will be made available without charge to any shareholder of the Corporation who requests such.

If a director has any doubt or question as to any matter contemplated by this Code, he or she should discuss it with the Corporate Secretary or the General Counsel.