

TIM HORTONS INC.
Board of Directors
Code of Business Conduct

Adopted February 2006
(Most Recently Revised: February 2008)

The Board of Directors (the "Board"), in its Principles of Governance, recognizes that its responsibilities include ensuring ethical behavior and compliance with laws and regulations, auditing and accounting principles and the Company's other governing documents. Consistent with that recognition, in its Governance Guidelines, the Board approves the Company's *Standards of Business Practices* and the Audit Committee, among others, monitors that its provisions are being met. The *Standards* are applicable to the officers and employees of the Company. This Code of Business Conduct ("Code") is applicable to members of the Board.

The Board's primary responsibilities are to maximize long-term shareholder value, ensure that the Company conducts its business in a highly ethical manner, create an environment that respects and values all employees and promote corporate responsibility. The Company is founded upon 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 responsibilities to oversee and monitor ethical behavior of the employees, officers and directors of the Company.
- Directors who are officers of the Company or its affiliates will comply with the principles articulated in both the *Standards* and this Code.
- 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 promptly disclosed to shareholders.
- 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 Company 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 Company work 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 Company. This Code prohibits such conflicts of interest. The reporting and treatment of conflicts of interest are provided for in the Board's Governance Guidelines. Unlawful extensions of credit by the Company, in the form of personal loans, to directors or executive officers are prohibited.

- **Corporate opportunities.** Except as set forth in the Company's Certificate of Incorporation, 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 Company. Directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.
- **Confidentiality.** Directors must maintain the confidentiality of information entrusted to them by the Company, except when disclosure is authorized or legally mandated. Confidential information is described in the *Standards* and includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed.
- **Fair dealing.** Each director should endeavor to deal fairly with the Company's 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 Company assets.** All directors should protect the Company's assets and promote their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. Company 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 the laws, rules and regulations, including insider trading laws. 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 Company and its directors proactively promote ethical behavior. 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 Company's Compliance Officer. Reports will be investigated in accordance with established procedures outlined as part of the Company's Compliance Program.

This Code is, and any amendments thereto will be, displayed on the Company's website and a printed copy will be made available to any shareholder of the Company who requests such.