

**TIM HORTONS INC.**  
**Board of Directors**  
**Principles of Governance - Philosophy, Role and Mission**

Adopted September 28, 2009

Tim Hortons Board of Directors assumes accountability for the success of the enterprise by taking responsibility for the Corporation's failure and success. The Board's overall goals are to maximize long-term shareholder value and provide oversight and support such that the Corporation conducts its business in a highly ethical manner; to create an environment that respects and values all employees; and, to promote corporate responsibility.

Specifically, the Board's responsibilities include:

- Approving a corporate philosophy and mission
- Selecting, monitoring, evaluating, compensating, and - if necessary - replacing the CEO and other senior executives, and overseeing management succession
- Providing guidance for, reviewing and approving management's strategic and business plans, including developing in-depth knowledge of the businesses being served, understanding and questioning the assumptions upon which such plans are based, and reaching an independent judgment as to the probability that the plans can be realized, including but not limited to potential risk exposures in connection with such strategic plans and objectives
- Reviewing and approving the Corporation's financial objectives, plans, and actions, including significant capital allocations and expenditures and the Corporation's liquidity needs
- Reviewing the principal risk exposures of the Corporation and, if applicable, reviewing mitigation plans in connection therewith during at least one Board meeting each year
- Reviewing and approving material transactions not in the ordinary course of business
- Monitoring corporate performance against the strategic and business plans, including overseeing the operating results on a regular basis to evaluate the extent to which the business is being properly managed, the business and liquidity are sufficiently stable, and management is prepared for contingencies in the Corporation's industry and the economy
- Requiring ethical behavior and compliance with laws and regulations, auditing and accounting principles, and the Corporation's own governing documents
- Performing such other functions as are prescribed by law or assigned to the Board in the Corporation's governing documents

The Board strives to be a strategic asset of the Corporation. It must continuously monitor and confirm that it has the right people to address the right issues with the right information in a culture that fosters teamwork.

Tim Hortons Board - in a spirit of continuous improvement - will periodically assess its performance against governance “best practices” and hold itself accountable both as individual directors and as a Board for adhering to the highest standards of board professionalism and performance.