

Message from Paul House

To All Employees:

At the heart of Tim Hortons is a commitment to quality and a sense of honest dependability that our millions of customers have come to count on. Part of that quality reputation comes from the way we do business. All of our people should be known for always trying to do what is fair and ethical. This is one of our five Company values.

We are Fair and Ethical

We deal with our co-workers, store owners, customers and suppliers honestly. We treat them with the utmost respect, fairness, compassion and loyalty.

Our reputation as a fair and ethical Company, just like our reputation for high-quality food and service, is a valuable asset and we are all responsible for protecting and strengthening it.

Our *Standards of Business Practices*, along with our Company values, provide guidelines that we can all use to evaluate and direct our business activities worldwide. We want everyone to have a solid working knowledge of these standards, so that we can uphold our fair and ethical reputation.

Our goal in providing these resources is to reduce the possibility that ethical problems will occur. If employees become aware of such problems, even if the problem involves their co-workers or supervisors, we encourage them to inform the Company about their concerns.

If problems do arise, we want to find out about them early so we can make corrections before any serious damage results.

If you do have a concern or need advice on an ethical matter, please contact one of the following immediately:

- Your Immediate Supervisor
- Your Human Resources Representative
- The Ethics Helpline at 1-866-897-9770 or write to the Tim Hortons Ethics and Compliance Office at 874 Sinclair Road, Oakville, Ontario, Canada, L6K 2Y1

Consistent with our “open communication” philosophy, the Company is sensitive to the need for confidentiality, and we ensure that anyone coming forward in good faith will not later be penalized for reporting an ethical concern.

Working together, we will maintain Tim Hortons high-quality, ethical reputation and promote our future success.

Paul House
Chief Executive Officer and President

Introduction

The Standards of Business Practices have been developed as part of Tim Hortons' business ethics and compliance program.

The objectives of these standards are:

- To prevent the occurrence of unethical or unlawful behaviour;
- To detect and halt any unethical or unlawful behaviour, should it occur;
- To communicate the Company's expectations of ethical conduct to all directors, officers, supervisors and other employees;
- To provide our employees with additional avenues for reporting ethical violations without fear of reprisal;
- To provide additional oversight of the Company's compliance with laws, regulations and special conditions imposed on it by any licensing or regulatory authorities;
- To assist management in identifying areas of possible concern that might adversely affect the Company's good reputation and its participation in domestic and international business;
- To assist the Company in avoiding irregularities in payments and unsuitable transactions; and,
- To implement any changes in policy and procedure necessary to prevent the recurrence of a violation.

Issues or concerns in the workplace may fall into one or more of these categories:

- Compliance issues related to a specific law, regulation or policy.
- Ethics issues involving the difference between "right" and "wrong" even if not covered by a specific law, regulation or policy.
- Employment issues revolving around the terms of employment, working conditions or interactions with other employees.

Because of the importance of understanding and abiding by these standards, job-appropriate information about them will be disseminated to all employees.

These standards are intended to provide general guidelines regarding ethical business practices, and are not intended to be comprehensive. They do not supersede or replace more specific corporate policies and procedures already in effect.

These standards are not intended to, and do not, confer any rights or benefits. They do not constitute an employment contract or an assurance of continued employment, other than at will. The Company retains the right, at its sole discretion, to change any policy, procedure, term or working condition at any time and in any manner to the extent permitted by law.

Who Must Abide by These Standards

Tim Hortons employees.

These Standards of Business Practices apply to all employees (including officers) throughout the world of Tim Hortons and of other businesses and ventures controlled by it (the "Company"). These Standards are intended to also constitute the code of conduct applicable to our principal executive officer, principal financial officer and principal accounting officer or controller or persons performing similar functions under the rules of the U.S. Securities and Exchange Commission.

Subsidiaries and other controlled affiliates.

Subsidiaries and other controlled affiliates throughout the world must adopt and follow corresponding policies. A controlled affiliate is a subsidiary or other entity in which Tim Hortons owns, directly or indirectly, more than 50 percent of the voting rights, or in which the power to control the entity is possessed by or on behalf of Tim Hortons Inc.

Non-controlled affiliates.

Employees serving as directors (or in equivalent positions) of non-controlled affiliates should, to the extent possible, encourage such affiliates to adopt and follow corresponding policies.

Third parties.

All businesses controlled by Tim Hortons Inc., must encourage third parties such as consultants, agents, sales representatives, distributors and independent contractors to adhere to these standards in their dealings with the Company.

Officers, management and employees must:

- Identify those persons and companies outside Tim Hortons whose activities on its behalf may involve issues to which these standards apply;
- Require those persons and companies to agree to adhere to these standards;
- Provide those persons and companies with appropriate education on the requirements imposed by these standards; and,

- Take necessary action, up to and including terminating a contract with anyone representing the Company, after learning that the person failed to honour his or her commitment to abide by these standards.

Knowing and Doing What's Right and Fair

Business can present us with complex ethical issues. Sometimes it is difficult to know what is right and what is wrong.

The following list of simple questions might help in these situations:

1. Are my actions legal?
2. Am I being fair and honest?
3. Will my actions be right in the long run and not be just a short-term solution?
4. Will I feel good about myself afterwards?
5. Would I feel okay if my actions appeared on the front page of my local newspaper?
6. Am I sure my actions won't embarrass or damage either the Company or others?
7. Have I avoided actions which, even if they're proper, might be perceived as improper?

If you can answer "yes" to each of these questions, then what you are doing is probably okay.

If you cannot, then you need to re-evaluate your actions and get some guidance from your supervisor, the appropriate department head, your Human Resources Department or the Ethics Helpline before proceeding.

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This booklet is intended to provide general guidelines regarding ethical business practices, and is not intended to be comprehensive. More detailed information on many of these topics can be found in other Company publications.

Products

Product Quality

Our customers deserve the highest quality products and services, in surroundings that are clean, attractive and comfortable. Our goal is to exceed our customers' expectations every day in every restaurant.

As a Company, we continually monitor our products and services and work hard to improve them. We expect all our employees to assist in this process by reporting anything which might compromise our quality.

This commitment to product quality, by every employee and by everyone we do business with, is the key to keeping our quality promise.

Food Safety

Food safety is a primary responsibility of the Company, and nothing, including cost, is allowed to interfere with this responsibility.

To ensure that our customers receive safe, wholesome food, we must:

- Maintain strict specifications for raw products that meet or exceed government requirements.
- Adhere to a strict food safety testing program.
- Follow rigid food handling and preparation procedures in the restaurants.
- Train store management and staff in proper food handling procedures and personal hygiene practices.
- Continually monitor and improve procedures and practices to maintain product safety.

The responsibility for food safety is shared by everyone in our system:

- Everyone, including employees, franchisees and vendors, is expected to immediately report any problem with food safety to his or her supervisor or the next level of management.
- Any product suspected to be unsafe must immediately be pulled from distribution until a food safety review can be completed.

If, at any time, your own health or that of anyone serving in the restaurant might negatively impact food safety, you should immediately notify your supervisor and determine the proper course of action.

Our customers expect the same quality experience that you expect when you are the customer!

Relationship with Employees

We are committed to dealing fairly with our employees and customers and providing employees with a workplace and customers with an experience free from discrimination and harassment based on race, colour, gender, religion, national origin, age, disability, sexual orientation, or gender identity or any other status protected by law. This policy applies to all personnel actions and to participation in Company-administered activities.

It is important to be aware not only of what the law prohibits, but also of what it allows. For example, we may:

- Select only qualified applicants for a job regardless of race, colour, gender, religion, national origin, age, disability, sexual orientation, gender identity or any other status protected by law. The Company must be able to document the reasons for its decision;
- Differentiate in pay and promotions on the basis of merit;
- Pay different amounts based on length of service to the Company, or in a particular position; and,
- Pay different amounts for jobs that are different.

Differential treatment is allowed, but not on the basis of any of the prohibited factors mentioned above. In addition to subjecting the Company to potential liability, employees who engage in any type of improper discrimination or harassment, and others who condone or permit it, may also be subjecting themselves to personal liability.

Harassment

Apart from being unlawful, harassment and discrimination are extremely disruptive and contrary to our mission and culture. The Company takes action to see that harassment and discrimination do not occur. Violations of this policy may result in disciplinary action, including termination of employment, where appropriate.

Sexual harassment in any form is strictly prohibited. Sexual harassment includes unwelcome sexual flirtations, advances or propositions; verbal abuse of a sexual nature; subtle pressure or requests for sexual activities; unnecessary touching of an individual; graphic or verbal comments about an individual's body; sexually

degrading words to describe an individual; a display in the workplace of sexually suggestive objects or pictures; sexually explicit or offensive jokes; or physical assault.

Similarly, racial and other forms of harassment, including racially derogatory language or conduct, may create a hostile or offensive workplace and will not be tolerated.

The Ethics of a Performance-Driven Culture

We value the role each employee plays in satisfying our customers. We want to be the “Employer of Choice” in our industry, so we create a culture that allows us to attract, train, develop and retain the highest quality talent available.

1. Performance is the key.

Aspects of the employment process, whether hiring, promotions or disciplinary procedures, are based solely and objectively on the performance and/or behaviour of the individual. We seek to provide a work environment that enables every employee to perform at peak capacity. “Equal opportunity” and harassment-free” working conditions are essential to this environment.

2. Investing in our employees.

Another vital ingredient of our performance-driven culture is an investment in our employees. We are committed to providing competitive pay and benefits. We develop our compensation programs to reward the attainment of performance goals. Also, our training programs ensure employees have the skills and knowledge required to perform their jobs and develop their future potential.

Our commitment to providing career growth and opportunities for advancement to our employees is an important dimension of being an “Employer of Choice.” Keeping the Company on track as a profitable, growing business helps make this possible.

3. Setting challenging, but realistic goals.

We set aggressive, challenging goals for our employees, but only goals which we believe are realistic and attainable. Company managers and supervisors are to set clear expectations for their employees, to coach employees on improving their performance and to provide regular, ongoing feedback in addition to periodic performance appraisals.

4. Job-Specific Compliance Training.

We are committed to ensuring that all of our employees understand and strictly comply with the policies set forth in these Standards of Business Practices, and with all applicable laws and regulations. To that end, the Company will provide appropriate, job-specific compliance training that shall be mandatory for all

employees. This training may be refreshed or updated as necessary to achieve its purpose. The Company shall provide more specialized training and education to some employees as appropriate to their job responsibilities. New employees will receive job-specific compliance training as part of their employment orientation.

5. Encouraging open communications.

We promote open, two-way communications throughout our system. All employees are encouraged to bring questions to the Company's attention. There are a number of ways to do this.

We always suggest that you first seek answers to your questions from your immediate supervisor or from your Human Resources Department staff. However, if you are uncomfortable in doing so, you may go directly to the Ethics Hotline.

Fraternization and Employment of Relatives

We place great importance on teamwork. To build a strong team, everyone must feel they are being treated fairly and consistently. Otherwise, team morale suffers.

When there is a personal or family relationship between employees, especially if there is also a reporting relationship, it can create a perception that one employee might receive preferential treatment or favouritism. That is why we prohibit personal relationships between employees that improperly influence sound, objective business or personal decisions. If such a reporting relationship exists or develops, it must be disclosed to your Human Resources representative, who will work with your management team to determine whether a change in reporting relationship or other action is required.

No family member should be hired in a position where he or she has direct decision-making authority over another family member. We discourage employment relationships even if the reporting relationship between family members is indirect. Prior human resources authorization must be obtained before making any such hiring decision.

Workplace Safety

We want to promote and maintain a safe, secure, healthy environment for our employees and our customers. That is a critical responsibility. To meet that responsibility, all employees must:

- Follow safe working procedures. This includes observing posted safety-related signs and markings, using all prescribed safety and protective equipment related to their job, and actively working to prevent accidents to themselves and others;
- Observe all restaurant security procedures and use all security equipment as appropriate;

- Immediately report any environmental, health, safety or security problems to their supervisor or the next level of management;
- Consider opportunities to improve environmental, health and safety programs; and,
- Be prepared to observe emergency preparedness plans if necessary. Firearms are not permitted on Company premises at any time.

Workplace Violence

All violent behaviour and verbal threats of violence are unacceptable and should be reported to your supervisor or the Human Resources Department. Every report of aggressive behaviour or threat will be investigated. Employees who engage in violence or threats of violence will be subject to disciplinary action, up to and including termination of employment as well as criminal prosecution.

Theft or Similar Conduct

Theft, fraud, embezzlement, misappropriation or wrongful taking of any property, including that of the Company, is prohibited, whether or not the act could result in a criminal proceeding. This includes unauthorized use of our Company assets, proprietary information, trade secrets, and computer and communications systems.

Wiretapping and Eavesdropping

Our policy is to comply fully with all laws governing wiretapping, videotaping, eavesdropping and other forms of electronic surveillance. Without express permission from the legal department, no employee may use any type of device to acquire the contents of any wire, oral or electronic communication, to secretly audiotape or videotape others, or to perform surreptitious electronic surveillance of any kind.

Duties of Supervisors and Managers

Compliance Culture

Compliance with these standards, and with all applicable laws and regulations, is part of our culture. All supervisors and managers are expected to set an example for other employees by conducting their duties in compliance with these Standards of Business Practices. It is the responsibility of all supervisors and managers to ensure that all employees understand and comply with these standards. To that end, employees are encouraged to consult their supervisors with any questions regarding these standards.

Response to Reports of Non-Compliance

Supervisors should respond promptly to any inquiry concerning these standards and/or any compliance issue. If the supervisor does not know or is unsure of the

appropriate response, the supervisor should refer the question to the appropriate legal department. Further, like all other employees, supervisors are responsible for immediately reporting any violations or suspected violations in the manner provided in these standards. Supervisors and managers should feel free to consult with the appropriate legal department about any questions regarding the interpretation of these standards.

Care in Delegation of Authority

Any employee authorized to act on behalf of the Company must be familiar with these Standards of Business Practices.

Managers must not delegate substantial authority or responsibility to act on behalf of the Company to parties who are known to have a propensity to engage in, condone, or authorize others to engage in unlawful conduct or conduct inconsistent with these standards.

Before delegating substantial authority or responsibility, managers have a duty to consider a person's history of business conduct and behaviour, both as an employee and an individual.

Conflicts of Interest

As a Company employee, you make business decisions every day. It is important that each decision, and any related action, be based on the needs of the Company in the exercise of sound business judgment, and not on personal interests or relationships. Even the appearance of a conflict of interest could negatively impact the Company. You should therefore avoid situations where your personal interests conflict with, or appear to conflict with, the interests of the Company.

The potential for a conflict of interest exists when an individual's position with the Company presents an opportunity for personal gain apart from the normal benefits of employment and compensation. It also exists when an employee's personal interests are (or appear to be) inconsistent with those of the Company (e.g. the employee is or appears to be in competition with the Company or is using a Company opportunity for personal gain). Such conflicts may cause (or appear to cause) an employee to give preference to personal interests in situations where responsibilities to the Company should come first.

Conflicts of interest can take many forms. The following are some examples of conflicts of interest:

Personal Financial Interest

An employee should not participate in or attempt to influence any action where the employee's own interest may be in conflict with the Company's interests.

For example:

- The employee has a substantial interest in, or a relationship with, an outsider (e.g. a supplier, vendor, independent contractor, agent, consultant or competitor), or with a person in a position to influence the outsider, which is unethical or which might:
 - Make possible personal gain or favour for the employee or his or her family due to the employee's power to influence dealings between the Company and the outsider;
 - Render the employee partial toward the outsider for personal reasons, or influence the employee's judgment in making business decisions for the Company; or
 - Place the employee or the Company in an embarrassing or ethically questionable position in the eyes of the public or reflect adversely on the integrity of the employee or the Company.
- The employee has an outside interest (including employment) that prevents the employee from devoting full time to the performance of job duties and/or otherwise fulfilling his or her responsibilities to the Company.

Situations which will ordinarily create a conflict of interest include, without limitation:

- The employee holds a second job or other position which affects the employee's job performance; and
- The employee receives compensation or other financial benefits from a supplier, vendor, independent contractor, agent, consultant, customer or competitor.

Conducting Business with Relatives

With the growth of two-career families, employees may find themselves in situations where their spouse or other family member is a competitor or supplier of the Company, or is employed by one. Everyone is entitled to choose and pursue a career; however, such situations call for an extra sensitivity to actual, potential or perceived conflicts of interest. There are several factors to consider in assessing such a situation. Among them are the relationship between the Company and the vendor or competitor, and the nature of the individual's responsibilities as a Company employee. Conducting Company business with an immediate family member or other relative may create an actual or perceived conflict of interest and should be avoided, if possible. If it is determined that such business with relatives is in the best interest of the company, then appropriate steps should be taken to minimize any actual or perceived conflict of interest.

If, for any reason, you anticipate conducting business on behalf of the Company with an immediate family member or other relative, you must report this situation to a member of the Ethics and Compliance Office so a determination to the appropriateness of the activity can be made.

Working for Vendors, Suppliers, Contractors or Distributors

If you have decision-making authority related to a supplier, vendor, contractor or distributor, you must avoid any action that could create either an actual or a perceived conflict of interest. This means it would be inappropriate for you or a family member to be employed by, or have a financial interest in, such a supplier, vendor, contractor or distributor or a related entity. Where you are unsure of the impact of your situation on your obligations to the Company, you should contact a member of the Ethics and Compliance Office in order that a determination as to the appropriateness can be made.

Working for or Having a Financial Interest in a Competitor

It creates a conflict of interest for a Company employee to work for, or have a significant financial interest in, a direct competitor. This would include being a silent partner, a leaseholder or landlord, or a supplier to a competitive operation. Accordingly, an employee must not make a personal investment if that investment could create or be perceived to create a conflict of interest with the Company. Any such conflict of interest should be reported to a member of the Ethics and Compliance Office.

This does not prevent an employee from owning nominal amounts of our competitors' publicly traded stock provided that amount does not create or cannot be perceived to create a conflict of interest with the Company. Similarly, nothing in these standards prohibits a corporate restaurant employee from working for a competitor's restaurant.

Working for or Having Financial Interest in Franchisees

We at Tim Hortons have a special relationship with our franchisees. Our franchisees form an integral part of the business family at Tim Hortons. Franchisees are chosen based upon a number of criteria, including entrepreneurial drive, management skills, financial means and dedication. We are proud that a number of our employees' family members have chosen to become franchisees, and that a number of our employees are in fact former franchisees themselves. However, it is important that all dealings with franchisees where such personal relationships exist (be they either family members or former employees), must be handled honestly and ethically. Such relationships must be managed in accordance with this policy and with the best interests of the Company in mind, in order to avoid any actual or perceived conflict of interest.

Liaising or conducting business with franchisees with whom an employee has a personal relationship as described above (either a family member or a former work associate) must be done in accordance with these guidelines. Employees have a potential conflict of interest if they stand to benefit from a direct or even indirect interest in a franchisee. To discourage such conflicts, Company employees are prohibited from being franchisees, working for franchisees, serving as suppliers to franchisees, or engaging in other financial interests with franchisees (e.g. loans) while employed with the Company. Likewise Company employees are prohibited from beneficially owning stock, owning a partnership interest or having other interests that would put that employee in an equity position with a franchisee.

This does not prevent an employee from owning nominal amounts of a franchisee's publicly traded stock.

Employees who loan money, or who loan or lease real property or other tangible assets used for the operation of a franchise, must disclose those dealings in advance for approval by the Company.

Conducting a Personal Business Venture at the Company

The Company provides a salary and benefits package and the other facilities and resources its employees need to do their best work for the Company. In return, the Company expects its employees to focus their complete attention on Company business while on the job.

Conducting a personal business venture while at work creates a conflict of interest because it divides your loyalty between your personal interests and those of the Company.

To avoid such a conflict, employees will not:

1. Use Company equipment, personnel, facilities or supplies to conduct a personal business venture.
2. Personally take advantage of a business opportunity that is discovered through the use of Company property or information, or otherwise as a result of an employee's position with the Company.
3. Conduct personal business while at work in a way that would negatively impact the employee's or their co-worker's ability to perform their Company jobs.
4. Use their position with the Company to advance their personal business or financial interests.
5. Work independently as a supplier or vendor to the Company or its franchisees.

Accepting Gifts and Entertainment

We recognize the importance of building and maintaining relationships with the Company's vendors, suppliers, professional advisors, customers and others. However, even the innocent exchange of gifts or provision of entertainment can be misinterpreted. Depending upon the relationships involved, such gestures can be seen as attempts to influence an employee into directing business to a particular supplier, vendor, customer or competitor. To avoid both actual and perceived conflicts of interest, employees must observe the following rules:

1. Gifts

It is important that gifts or promotional items exchanged in the normal course of business be appropriate. Any such gift or promotional item, either given or received by the recipient, must be legal and must be such that it would not obligate or appear to obligate the recipient or otherwise be intended to influence business decisions. In this regard, employees shall not solicit, either on their own behalf, or on behalf of family, friends or fellow employees (including departments and other working groups), any gift, gratuity, discount or other personal benefit or favour of any kind from a current or anticipated supplier, vendor, independent contractor, agent, consultant, customer or competitor.

Employees are strictly prohibited from accepting or offering monetary gifts.

In circumstances where it would not create an appearance of impropriety, employees may give and accept unsolicited non-monetary gifts, but only if all of the following apply:

- The gift, having regard to (i) the recipient's position in the Company and accepted ethical business customs and practices; and (ii) the form and nature of such gift, may not reasonably be construed as a bribe or payoff;
- Public disclosure of the gift would not embarrass the Company.

The value of any gift must not raise any questions regarding any obligation on the part of the employee who receives it. Where a gift is of greater than \$50, the employee who receives or desires to give such gift should contact his or her supervisor at the director level or above or a member of the Ethics and Compliance Office in order to determine whether or not it is appropriate for the employee to accept the gift.

Employees and their families shall not give or accept any form of "under-the-table" or secret payment, kickback, bribe, discount, rebate or other improper payment in connection with any purchase or sale of goods or services.

Some examples of gifts and how to resolve issues are as follows:

You are offered cash, bonds, negotiable securities, etc.	Do not accept it. This is clearly unacceptable. Such an offer should be reported to your supervisor immediately.
A supplier offers to pay all of your expenses, including travel, to a trade show or to view a product	You must obtain approval from the Ethics and Compliance Office.
A holiday gift basket arrives for you, either at work or at home	The basket should be shared among other Company employees or donated to charity.
You understand that a Company supplier is willing to provide gifts or supplies to support either (a) a Company function or (b) the Tim Horton Children's Foundation	In both cases, you should obtain the approval of a member of the Ethics and Compliance Office prior to accepting the gift/supplies.
You are asked to solicit support or sponsorship of a local sports team or local event by using your position at the Company	You should not use your position at the Company to influence others. Any requests for support or sponsorship should be handled through the standard procedures established through the Marketing Department.
You are offered promotional items from a supplier (e.g. a cap)	You may accept promotional items with a value of \$50 or less. Acceptance of more expensive promotional items should be cleared with your supervisor at the director level or above.

2. Meals and Entertainment

Accepting and extending invitations to sporting, social or business events is permissible. You should recognize, however, the potential conflicts of interest that may arise from these invitations. Knowing where to draw the line when giving and receiving entertainment requires common sense and good judgment. You should avoid situations that may give rise to questions later or create an appearance of conflict of interest.

It is important to understand the difference between gifts and entertainment. To be considered entertainment, both individuals offering and accepting the invitation to an event must attend. The idea is that a business decision or enhancement of a business relationship will be involved. Simply receiving a set of tickets to an event from a supplier would be a gift, not entertainment, and would be subject to our rules for receiving gifts.

Employees may accept unsolicited business entertainment, such as occasional meals or social events, but only if all of the following apply:

- The entertainment arises in the ordinary course of business;
- The value of the entertainment is reasonable, having regard to the recipient's position in the Company and accepted ethical business customs and practices;
- The entertainment takes place in a setting that is appropriate in light of its business purpose;
- Public disclosure of the entertainment would not embarrass the Company;
- The entertainment occurs irregularly or infrequently; and
- When the value of the entertainment is greater than \$50, appropriate approval is granted/obtained.

Some examples of entertainment and how to resolve issues regarding same are as follows:

You are offered tickets to a cultural or sporting event by a supplier	If the supplier will attend the event with you and the purpose is to develop or enhance a business relationship and not to obligate you to future action, then you may accept, provided that you obtain approval from your supervisor at a director level or above. If the supplier will not be attending with you, then the tickets are a gift, and you should contact either your supervisor at the director level or above or a member of the Ethics and Compliance Office to determine whether or not it is appropriate for you to accept them.
An out-of-town supplier's representative calls and offers to take you and your spouse out to a luxury dinner to discuss their new products	You must obtain approval from your supervisor at a director level or above or a member of the Ethics and Compliance Office to determine whether or not it is appropriate for you to accept them.
You are invited to attend a golf tournament, where the invitor is paying the fees	You must obtain approval from your supervisor.

Outside Employment – Generally

An employee may maintain outside employment provided it does not interfere with the employee's responsibilities to the Company and its customers. Any such employment must be disclosed to the employee's immediate supervisor, who must then decide whether approval at a higher level is appropriate. To avoid the possibility of a conflict of interest, such outside employment must not in any way conflict with these standards.

Accuracy of Books and Records

Complete, accurate and timely records are essential for the effective management of the Company. Certain legal reporting requirements also demand that our books and records accurately reflect the transactions of the Company.

Each employee plays a role in ensuring the accuracy of all records in his or her own area of responsibility, including such items as:

- Expense reports
- Project reports
- Timecards
- Employment applications
- Profit and Loss Statements (P&Ls)
- Marketing research reports
- Accordingly, employees must: keep books, records and accounts that accurately and fairly reflect all transactions and disposition of assets. Books, records and accounts must reflect, accurately and fairly and within our normal system of accountability, all transactions and other events that are the subject of specific regulatory record-keeping requirements.
- Execute transactions only in accordance with proper authority.
- Record all transactions as necessary to permit the preparation of financial statements in conformity with generally accepted accounting principles and other applicable rules, and to ensure accountability for all of the Company's assets and activities. All assets and liabilities must be properly recorded.
- Support all transactions with appropriate invoices, receipts, expense reports or related documents. All receipts and disbursements must be fully and accurately described on our books and records, and must be supported by appropriate documentation accurately describing their purposes.

Employees will not:

- Knowingly make false, misleading, inaccurate or otherwise improper entries in official Company books.
- Maintain secret “off-book” or unrecorded funds or assets for any purpose.
- Make any payment with the intention, understanding or awareness that it will be used for any purpose other than that described in the documents supporting the payment.
- Sign or ask another employee to sign documents they know to be inaccurate, untruthful or misleading.

Accounting and Internal Controls

Employees who have complaints regarding accounting, internal accounting controls or auditing matters or who wish to raise concerns regarding questionable accounting or auditing matters may do so by calling the Ethics Helpline on a confidential and anonymous basis.

Records Retention

From time to time, the Company establishes retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance, and to accomplish other objectives, such as the preservation of intellectual property and cost management. All employees are required to comply fully with all such records retention or destruction policies and schedules provided, however, documents that are, or may be, relevant to any pending, threatened or anticipated litigation, investigation or audit should not be destroyed for any reason until expressly authorized in writing by the responsible representative of the legal department.

Proper Use of Company Assets

Because it is publicly held, the Company has a responsibility to maximize the return on all of its assets.

Company assets, such as information, materials, supplies, time, intellectual property, software, hardware, and facilities, among other property, are valuable resources owned, licensed, or otherwise belonging to the Company. Safeguarding Company assets is the responsibility of all directors, officers and employees.

Company assets should not be used for any purpose that limits their full use for the business needs of the Company. The unauthorized personal use of Company assets without permission is prohibited. Similarly, the Company expects its employees to focus all their attention on Company business while on the job.

Here are some guidelines:

- Stealing cash, food or other Company property is strictly prohibited and is grounds for immediate termination.
- Any employee with knowledge of theft must advise his or her manager or a representative of the Human Resources Department.
- Employees will not, without the prior approval of their supervisor, use Company equipment, supplies, products, facilities or personnel for activities not related to Company business.
- Because it can lead to inappropriate use of personnel, we discourage Company employees from hiring other Company employees to do non-Company work. However, if you feel you have a special case, you may seek prior approval from the Human Resources Department through your supervisor.
- Employees will not sell, trade, loan or give away Company property, regardless of condition or value, without written authorization from their supervisor.
- Products, equipment, procedures or intellectual property developed by, or in the possession of, an employee for Company business purposes becomes and remains the property of the Company, even if the employee subsequently leaves the Company.

Use of Company Computers

The Company is committed to providing an environment that encourages the use of computers and electronic information as essential tools to support its business. All of the Company's resources, including Company-issued computers, applications and programs, are Company property and you are accountable for use and misuse of those resources. It is the responsibility of each employee to ensure that this technology, including internet, e-mail and on-line services is used primarily for business purposes and in a manner that does not compromise the confidentiality of proprietary or other sensitive information.

- You may not use the internet, e-mail and online services to transmit copyrighted documents that are not authorized for reproduction, or, without permission, transmit trade secrets or any other confidential information belonging to the Company.
- Any communication or use of Company computers or software which identifies the sender as a Company employee is capable of being read by others as having special significance which it does not deserve. Therefore, you are responsible for exercising appropriate caution and sound judgment in the use of your Company computer.

- The Company monitors its e-mail system and internet use in the ordinary course of business. Disruptive communications, such as chain letters, or messages that demean the Company business generally or that may be offensive to any other employees are prohibited.
- You may not make duplicate copies or install any software without authorization. The Company has the right to remove any unlicensed software from any Company-issued computer.
- You may not use your Company computer to access such sites as "Facebook", "MySpace" or similar websites. Your Company computer must not be used for the purpose of social networking or: "blogging" at any time.
- If you are aware of another employee misusing his or her computer or other Company resources, you should immediately bring such misuse to the attention of your supervisor or the Ethics and Compliance Office.

Keep these things in mind:

- When forwarding e-mail messages, use common sense. If you would not forward a copy of a paper memo with the same information, do not forward the e-mail.
- E-mail is a lasting and recoverable written record. It can easily be replicated and distributed worldwide without your knowledge or consent. Therefore, like all Company communications, e-mail should be used with discretion, and only for legitimate purposes.
- Each of us has access to information which is proprietary and sensitive to the Company.

More detailed policies regarding the use of Company computers and e-mail are available through your IT group.

Inappropriate Internet Use and "Blogging"

Inappropriate internet use can result in the inadvertent disclosure of Company confidential information. One example of internet usage which may place such information at risk is "blogging." Employees should remember that their obligation to maintain the confidentiality of all Company information extends beyond the workplace. Internet "blogging" pages, as well as social networking websites such as "Facebook" or "MySpace", create the potential for the public dissemination of information which may be confidential, illegal or otherwise inappropriate for a forum of that nature. Employees must exercise care and discretion when using such websites, and must act at all times in a lawful manner and in accordance with the terms of these Standards of Business Practices.

Protecting Company Confidential Information

In today's business world, information is one of a Company's most valuable assets. Often, it is the data, the strategies, the new ideas, and the timing which gives a Company its competitive edge.

Disclosure of confidential corporate information can be harmful and constitute the basis for legal action against the Company and/or the employee responsible for the disclosure.

Examples of Confidential Corporate Information

Confidential corporate information may include various kinds of information, but certainly includes internal, confidential, proprietary or other non-public information related to our business that, if disclosed, might be useful to our competitors or harmful to us or our customers or franchisees. Some examples of confidential corporate information are:

- Personnel records
- Wage, salary and other personnel information
- Internal telephone lists and directories
- Passwords
- Organizational charts
- Engineering data
- Financial data
- Sales figures
- Planned new products
- Advertising or marketing programs and promotions
- Lists of actual or potential suppliers or franchisees
- Capital investment programs
- Projected earnings
- Changes in management or policies
- Test data

- Suppliers' pricing
- Contract terms
- Budget
- Compensation data

The Company sometimes receives confidential information from other companies or individuals in the course of its business. Employees must not disclose such information to anyone outside the Company without specific authorization.

Areas of Concern

There are four primary areas of concern:

1. Our Obligations as a Publicly Held Company.

Because we are a public Company, we must follow strict guidelines about the release of information. Financial or other material information must not be released to an outside individual or organization unless it has been disclosed in a report or other document we file with the US Securities and Exchange Commission, the Ontario Securities Commission, and any other relevant securities regulators, or has otherwise been made public through an official press release or other authorized Company communication. Compliance with the Company's Disclosure Policy is required, and you should refer to that policy for additional information.

It is the Company's policy to make full, fair, accurate and timely disclosure in the reports and other documents that the Company files with the U.S. Securities and Exchange Commission, the Ontario Securities Commission, and other relevant securities regulators and in other public communications. All employees are responsible for reporting material information known to them to higher management so that the information will be available to senior executives responsible for making disclosure decisions. Compliance with the Company's Disclosure Controls and Procedures Policy is required, and you should refer to that policy for additional information.

2. Proprietary Competitive Information.

Employees are frequently aware of Company information such as marketing plans, new product performance, restaurant sales results, and pending real estate deals which would be very beneficial to our competitors. Protecting this information helps us keep our competitive edge.

Employees must not discuss such information with people, whether inside or outside the Company, who do not have a clear "need to know." It is particularly important to protect such confidential information from media organizations, which might distribute it to the general public.

Such proprietary competitive information may be disclosed only pursuant to a confidentiality agreement that has been approved by the legal department.

3. Protecting Employee Information.

We are also obligated to protect the confidential information of our employees and restrict distribution solely to those with a "need to know."

This applies to all employee information, including but not limited to:

- Salary
- Reasons for termination
- Performance appraisals
- Disciplinary matters
- Health/medical data
- Employment verification
- Complaints

Group Insurance Privacy Practices

We respect your privacy and will protect your health information responsibly and professionally. Protected health information is health information that identifies you and relates to your medical history and that is created or obtained by the Company health plan. This could include medical, dental, prescription drug, vision, and, to the extent possible, applicable health savings accounts and health care flexible spending accounts.

4. Licensed Software

Copying and dissemination of some kinds of material, such as licensed software, is restricted by law. Employees are prohibited from copying Company-owned, or licensed software for personal or business purposes.

Requests for Information

If you are asked questions, either directly or through another person, do not attempt to answer them unless you are certain that you are authorized to do so. If there is a designated spokesperson or coordinated approach to dealing with that information, refer the person to the appropriate source. Requests for information from financial and security analysts or investors should all be referred to Tim Hortons Investor Relations Department. Requests for information from the media should also be

referred to the appropriate communications/marketing department. Requests from an attorney for information or to interview an employee, officer or director should be directed to the legal department.

Philanthropy

We are committed to maintaining good will and to being a good civic neighbour. Directors, officers and employees are encouraged to serve on non-profit boards and in other volunteer capacities. However, if a director, officer or employee serves in any capacity with a not-for-profit organization, such person may not represent either the Company or the organization in any transactions between them. Prior to serving on any board, the person in question must receive written permission from the applicable Company Human Resources Department.

The Company may also offer employees the opportunity to help sponsor or participate in charitable programs that it supports. Any resulting donations or other support must be strictly voluntary. No one will place undue influence on our employees or our suppliers to contribute to charitable organizations. Furthermore, no employee or supplier shall be subject to any criticism or discipline for preferring not to support a Company-sponsored program.

Relationship with Franchisees

A positive, strategic partnership with our franchisees is an essential and highly valued element of our success. We count on every employee to nurture this important relationship.

The relationship is characterized by:

- Fairness and honesty in our dealings with existing and potential franchisees.
- Open communication between the Company and its franchisees.
- An objective assessment of their performance.
- A commitment to do what is best for the entire system.

Additionally, we respect the privacy of franchisees and take steps to protect their confidential information.

Franchisees and prospective franchisees must divulge confidential personal and business financial information to the Company in the course of obtaining or expanding their business.

This information should be kept strictly confidential and used only for legitimate business purposes. Even within the Company, such information should be communicated only on a "need to know" basis.

Relationship with Vendors, Suppliers, Contractors and Distributors

Building Long-Term Vendor Relationships

Like the value of building solid relationships with franchisees, another essential component of a strong Company is a core of loyal vendors, suppliers, contractors and distributors. We work hard to make our vendor community feel like family.

Our objective is to develop long-lasting, mutually beneficial relationships with our vendors. The foundation of this relationship is having open, fair and up-front dealings.

Employees who purchase goods or services for the Company, or who might influence such purchases, must observe the following guidelines:

- We treat all vendors equally, basing purchasing decisions solely on objective criteria such as price, quality, availability of adequate supplies and competent, and timely service.
- We respect and maintain the confidentiality of all vendors' proprietary information, including prices and terms and conditions contained in bids and contracts.
- We do not purchase goods from a vendor for personal use, or take advantage of vendor discounts, unless such goods or discounts are generally available to all employees.
- No matter what they are called, we do not accept or offer bribes or kickbacks in any form.
- We do not engage in deceptive trading practices, and we immediately correct any errors or misunderstandings that might affect a negotiation or vendor relationship.

Socializing with Business Partners

In some instances, employees will participate in social activities with business partners that may or may not extend past normal business hours. In these circumstances, you are still expected to use sound business judgment in your behaviour so as not to tarnish the valued image and reputation of the Company.

Use of Agents, Representatives and Consultants

On occasion, the Company will employ agents or consultants to represent it.

In most cases, the Company can be held accountable for the actions of its agents. For that reason, we insist on the highest standards of conduct and business integrity from anyone representing us. Consultants or agents are never to be used to engage

in activities that violate the law or accepted business practices. In other words, agents cannot be used to do indirectly what the Company itself cannot or should not do.

Neither an employee nor agent of the Company may make payments for services knowing that the payments are for purposes other than those stated.

Similarly, the Company will not conceal payments by means of passing money through the books and accounts of third-party agents or consultants.

Relationship with Competitors

The Company competes vigorously in the restaurant industry. But, we always compete fairly. Competing fairly means that we avoid:

- Making false or deceptive statements about a competitor's product, business practice, financial status or reliability.
- Making disparaging remarks about a competitor with the intention of damaging that competitor.
- Raiding key employees to drive a competitor out of business.
- Using coercion, intimidation or scare tactics.
- Promoting a breach of contract between a competitor and its supplier(s).
- Producing or airing false or misleading advertising.

Gathering Competitive Information

As a leader in the highly competitive restaurant business, we have an obligation to keep up with developments in our industry, and we diligently review all public information concerning competitive products, strategies and financial conditions. However, we do not use, and we never encourage or condone our employees to use, improper means to obtain our competitors' confidential or proprietary information or their trade secrets.

Improper means include industrial espionage, burglary, theft, and wiretapping things that everyone would agree are wrong. But it is also improper to obtain confidential, competitive information through more subtle methods, such as:

- Relationships with our competitors' suppliers.
- Consultation with current or former employees of a competitor.
- Misrepresentation of our identity, such as pretending to be a reporter or a student seeking information for a report.

In general, employees should refuse to receive any confidential or proprietary information not released through normal, publicly accessible channels. Ethics and the law are involved here and take precedence over competitive advantage.

Additionally, as individuals, each of us is obligated to respect the confidentiality of people with whom we have previously worked. Just as you are obligated to protect our information, even after you leave the Company, we expect employees to protect the confidences of their former employers.

If you have questions about the appropriateness of a piece of competitive information, you should ask your supervisor or call the Ethics Hotline.

Relationship with Governments and Government Representatives

Like any large Company, we regularly interact with government agencies and representatives. These dealings fall into several categories:

The Law

We insist that the Company's business dealings comply with all applicable laws and regulations everywhere we operate.

Political Influence

From time to time, the Company has business and regulatory contacts with federal, provincial, state, local and foreign government agencies and representatives. Special prohibitions apply to the offering of anything of value to employees, agents or other representatives of government entities.

- Employees shall not offer, give or transfer anything of value to, or accept anything of value from, any official, employee, or agent of any government entity with which the Company does business, is seeking to do business, or has a regulatory relationship. For these purposes, items of value include both tangible and intangible benefits, including money, goods, services, entertainment, or promises of future beneficial treatment given or offered as an inducement to contract or to obtain a particular outcome. If such favors are solicited from you, or if you have questions, contact the Compliance and Ethics Office.
- The Company will not make illegal political contributions, and will not reimburse employees, agents or representatives for their personal political contributions.

Employee Political Rights

We support our employees' rights to fully exercise their individual political obligations as they see fit. Decisions by our employees whether or not to contribute time, money or resources of their own to any political activity are entirely personal and

voluntary. Employees may of course participate in the political process and engage in their choice of political activities; however, while doing so employees must make it clear that their views and actions are their own and not those of the Company. Employees may make personal political contributions, however they shall not represent that personal contributions are being made on behalf of the Company.

We do not:

- Coerce our employees in any manner to contribute to or support any candidate, office holder or proposition.
- Jeopardize an employee's employment status because of his or her participation or non-participation in lawful political activities.

To protect our employees from unsolicited political pressure, we do not allow active campaigning for candidates or issues not related to our business on Company premises or on Company time. Occasionally, if the Company has a business interest in a political matter, such as a bill that would affect our restaurants, we might ask like-minded employees to express their views on behalf of the Company. However, we cannot permit employees to represent their own political views as if they were those of the Company unless specifically authorized. For example, we will not allow an employee to write a letter to a government official on Company letterhead to express purely personal political views.

Anti-Trust

Open, fair competition is essential to a free-market economy. "Anti-trust" is a blanket term for the various laws that help keep markets free and that protect businesses and individuals from unfair and predatory trade practices.

Generally, anti-trust laws make it illegal for an individual or a Company to do anything that would restrain free trade. For example, competitors who work together (form a trust) to fix prices would be restraining trade and would be violating anti-trust laws.

Violators of anti-trust laws, both companies and individual employees, may face heavy penalties, including fines and restrictions for the Company, and direct financial penalties and imprisonment for individual employees. There are varying laws and levels of enforcement of anti-trust laws in the countries where we do business. The Company is committed to full compliance with both the spirit and the letter of anti-trust laws.

Here are some guidelines we follow to ensure compliance with anti-trust laws:

- We always compete vigorously, but independently.
- We avoid unnecessary contact with competitors and their employees that may lead to unlawful understandings or even the appearance of unlawful

understandings. It is particularly important to avoid discussion of prices, costs, suppliers, marketing and other sensitive subjects with a competitor.

- No employee shall enter into any type of agreement, understanding or arrangement with any competitor without the prior written consent of the general counsel of the legal department.
- We avoid disparaging remarks or comments which could mislead the public about a competitor.
- We compete vigorously against all competitors, but avoid zeroing in on just one. A "direct aim" at a single competitor could be interpreted by anti-trust authorities or a competitor of the Company as a strategy to eliminate competition.
- We avoid setting prices at a point designed to destroy a competitor.

Anti-Trust and Our Relationship with Franchisees

Being a Company that franchises its concept and trademarks, the Company faces some special anti-trust challenges. We usually like to think of ourselves as one big family, but anti-trust laws require us to always deal with our franchisees as independent business people who must be free to exercise their own judgment in matters affecting their business.

While the Company can and must enforce strict compliance with the standards set forth in the franchise agreement, in all matters outside that agreement, the franchisee must be free to make independent business judgments.

The Company may communicate to its franchisees information concerning anticipated costs and recommended pricing strategies. However, subject to the terms of their franchise agreements and in accordance with the law, franchisees are free to determine their own prices based on their own business needs.

Anti-Trust and Our Relationship with Vendors

To protect its trademarks, the Company is obligated to set and enforce product and service standards, and we approve only those vendors who can meet those standards.

- We make our decisions about who will and will not be approved vendors independently, based solely and objectively on their ability to meet our current business needs. We do not discuss our choice of vendors with competitors.
- Our policy is to provide, where feasible, multiple approved vendors for each item purchased by the system. This gives our franchisees the freedom to choose among various approved vendors.

- We do not enter into unlawful agreements with vendors whereby the Company will grant approval on the condition the vendor will pay, even indirectly, a fee, allowance, commission, or other item of value to the Company for the privilege of selling to the system.

Compliance with Copyright and other Laws

Intellectual Property

Various laws govern the use of material or information that may be the subject of a trademark, patent or copyright or that may be treated as a trade secret. We have rights to many trademarks, patents, copyrights and trade secrets that are vital to our success. To protect our rights, use of all such intellectual property by employees must be in accordance with applicable laws and our policies. Certain of these matters are described below. For further information concerning all aspects of intellectual property requirements, contact the legal department.

Copyright Compliance

Written materials, such as books, articles, magazines, drawings, computer software, photographs and advertising are covered by copyright law. It is a violation of law and of our policy to make unauthorized copies of these materials. Violations can subject both the employee and the Company to substantial penalties. The copyright law and our policy also prohibit illegal duplication of computer software. Copyright law does, however, permit copying of copyrighted material under limited circumstances. You should contact the legal department if you have any questions about this.

Trademark Protection

A trademark is a word, symbol, name, device or combination thereof used to identify a product or line of products or services and to distinguish them from the products and services of other companies. We use a number of trademarks that are recognized by the public and are extremely valuable. Employees are prohibited from using our trademarks without permission from the legal department. Employees must clear new trademarks through the legal department, and should notify the legal department of any unauthorized use of our trademarks.

Patent Protection

Our policy is to respect the valid patents of our competitors and other parties. No employee should intentionally infringe the patented technology of others.

Environmental Protection

The Company is committed to the preservation and protection of our natural environment and to promoting and maintaining a safe workplace. In this regard, all aspects of its operations shall be conducted in strict conformance with all applicable federal, provincial and state laws and regulations, as well as with these standards

and all other Company policies and procedures, pertaining to protection of the environment.

If you become aware of any violation or possible violation of any environmental law, regulation or permit, any providing of false information or data, any bypassing of any environmental control or monitoring device, or any adverse health or safety incidents or conditions, you must report such information immediately to your supervisor, and then, if the situation is not remedied, to the department.

False Statements and Fraud

It is a violation of our policy, and potentially a criminal offence, to knowingly and willfully make or cause to be made a false statement, whether oral or written to a government official. It is also improper to omit a material fact called for in a government report, application or inquiry. You can get into trouble even if you do not personally make the false statement or conceal any facts. For example, you cannot provide false information to another employee knowing that, or under circumstances making it likely that, the information will be provided to the government. These prohibitions extend to all communications with any federal, state, local or foreign government agency. If you have any questions about this, contact the legal department.

In addition, any scheme to defraud anyone, including customers, suppliers, or the Company itself, out of money, property, or honest services is prohibited. Transactions must be properly documented, and the creation of false or misleading documentation or the reporting of false, misleading or non-existent transactions is prohibited.

Shareholders

A primary obligation of the Company is to provide value to our shareholders, by protecting and increasing the value of their investment.

We are obligated to manage the Company in a manner that is in our shareholders' long-term best interests.

We keep our shareholders informed about the Company and we strive to be open to their questions, concerns and suggestions.

More detailed policies regarding securities-related issues are contained in specifically identified securities policies.

Insider Information

Employees often have information about the Company that is not generally known to the investing public and which could impact the value of the Company's stock.

To protect our shareholders, the Company prohibits any employee or director from buying or selling Company stock while in possession of material, non-public information about the Company, or from disclosing such information to another person (including relatives and friends) except when such disclosure is necessary to fulfill a business objective of the Company.

Directors and employees with such inside information are generally permitted to engage in transactions involving Company securities only during a "window" period, which follows the public release of the Company's quarterly financial results.

Employees who trade Company securities or exercise stock options based on material information that has not been made public, even during a window period, may be in violation of insider trading laws. Similarly, an employee may incur personal liability if he or she provides such inside information to other persons who then trade Company securities. The penalties for insider trading are serious, both for the Company and for the individual. There can be both civil and criminal penalties, which may include treble damages and imprisonment.

Any employee who feels he or she might have access to such insider information should consult with the general counsel prior to trading Company securities. More detailed policies regarding the use of such insider information, and the restrictions on such use, are contained in the Company's Insider Trading Policy and Window Trading Policy.

International Activities

International Business Practices

Doing business around the globe, we must operate in a variety of legal, ethical and cultural environments.

The Company expects its employees to be aware of and comply with these standards of Business Practices, as well as the legal and ethical requirements of each country in which the Company does business. At the same time, we must also be sensitive to different cultural practices in these locations. These differences often create special situations.

For example, in some countries, good business manners oblige senior executives of companies to exchange valuable gifts. Failing to give or refusing to accept such a gift might violate the cultural norms of that country and have negative business and social consequences. In such circumstances, the exchange of gifts would be permissible, but only with full disclosure to and written approval from the Company's General Counsel.

But while we may exercise some judgment, we still must maintain our ethical principles overseas. Thus, making corrupt payments in any form, violating a country's laws, or engaging in unethical business conduct as a means of furthering the Company's business, is prohibited. Further, it is inconsistent with this policy to

advise, approve or condone unethical business conduct by franchisees or agents of the Company.

Compliance with the U.S. Foreign Corrupt Practices Act

The Foreign Corrupt Practices Act prohibits giving, offering, or promising money or anything of value to an official of a foreign government or to a foreign political party, an officer of a foreign political party, or a candidate for foreign officer with the intent of encouraging them to use their influence or to fail to perform their official duties, to obtain or retain business or secure any improper advantage for the Company.

It is the intent of the Company to comply strictly with the Foreign Corrupt Practices Act and the Company prohibits all payments in contravention of that Act.

These types of payments are prohibited even if they are indirect. An indirect payment is one that is made through a third-party where there is a reasonable belief that the third-party will give part or all of the payment to a government representative or agent.

Under certain circumstances, the making of so-called "facilitating payments" is permitted by the Foreign Corrupt Practices Act. However, this is a very complex area and is subject to broad interpretation. Because of this, and because the penalties for violating the Foreign Corrupt Practices Act are significant, "facilitating payments" may not be made without the prior written approval of the General Counsel.

Compliance with Economic Embargoes

We conduct our business based on policies relating to international trade, national security and law enforcement. For example, federal law prohibits United States citizens and businesses from engaging in transactions of all kinds with certain countries, government officials of those countries, and businesses and individuals located in those countries. Federal law also prohibits transactions of all kinds with certain individuals who have been determined to be engaged in narcotics trafficking and other unlawful activities, and entities owned or controlled by such individuals. Violations of such laws and embargoes may subject both the Company and the individuals involved to severe civil penalties and/or criminal prosecution.

The prohibited parties are ordinarily identified in lists maintained by the United States Departments of State, Commerce and the Treasury. Those lists are subject to change at all times and do change frequently. This may affect imports, exports, sales, franchise agreements, travel, assets and accounts, especially those involving business outside the United States.

Our policy is to comply strictly with all such economic embargoes and related laws and regulations. From time to time, the Company may establish specific guidelines to implement this policy through the exercise of due diligence, especially in the conduct of business outside the United States. All employees are required to comply fully with

all such embargoes and our policies pertaining to them, and to exercise due diligence to prevent such prohibited transactions from occurring.

Contact the legal department with any questions about these embargoes or their applicability to our business activities.

Discipline

When Violations Occur

We hope that serious violations of these standards never occur. Through communication and education, the Company wants to avoid problems rather than deal with their consequences.

Failure to comply with these standards can have severe consequences for both the Company and the people involved. In addition to damaging our good name, conduct that violates these standards may also violate the law. This can subject those involved to civil suits and/or criminal prosecution.

Employees who fail to comply with these standards (including officers, managers and supervisors who condone or fail to prevent improper conduct) are subject to appropriate disciplinary action, up to and including termination of employment.

Some violations may result in our referring individual misconduct to government authorities and seeking reimbursement for loss from the employee responsible.

It is the Human Resources Department's responsibility to see that disciplinary processes and sanctions are enforced on a fair and consistent basis. Employees will be evaluated on business integrity and compliance in annual performance reviews. Although these standards will be an important part of that evaluation process, neither they, nor the Company's other compliance policies and procedures, are intended to confer, or do confer, any procedural or substantive rights on employees for purposes of any personnel action or any other proceeding.

Reporting Your Own Mistakes

We strongly encourage people to voluntarily report their own errors. A voluntary report demonstrates the kind of integrity and character that we want to foster. If you are involved in a violation, your reporting of it, the degree of your cooperation, and whether the violation is deliberate or unintentional will be considered in any resulting disciplinary action. An unintentional error made in good faith that is voluntarily and promptly reported may or may not be punishable, and your prompt report may help avoid more serious problems.

Business Ethics

The overriding goal of the Company's ethics and compliance program is to ensure that we operate as an ethical Company.

The program is a resource for employees, franchisees, vendors and others with whom we do business. It provides guidance and clarification about using our Standards of Business Practices.

To encourage employees to seek guidance before engaging in behaviour that is inconsistent with these standards and to report violations, the following principles apply:

- **Anonymity:** Employees reporting violations have the option of remaining anonymous. If you request anonymity, no steps will be taken to identify you. However, employees should be aware that in instances where they insist on anonymity, it may be more difficult (if not impossible) for the Company to follow up and investigate possible wrongdoing as thoroughly as it would otherwise like to.
- **Confidentiality:** All practical steps will be taken to safeguard confidentiality. However, confidentiality may not be possible, for example, in reporting harassment or certain violations of the law.
- **Thorough and Fair:** Reports of wrongdoing must be investigated thoroughly, appropriately and fairly. Every effort will be made to achieve consistency and fairness in both the manner and outcome of investigations, including any discipline imposed. Where a report is not anonymous, the results of the inquiry may be communicated back to the reporting employee.

Your inquiries will receive immediate attention.

All files of inquiries generated by reports of non-compliance will be marked "confidential" and maintained on a confidential basis.

No one will be penalized for reporting information in good faith to the Company.

Who to Call with Questions and About Matters of Concern or Problems

If you are an employee, and you are uncertain about what would be proper conduct in a particular situation, or have questions about our policies or standards, or reasonably suspect or become aware that a coworker may have violated these Standards of Business Practices, or any law, rule or regulation applicable to us or our business, you must contact at least one of the following:

- Your Immediate Supervisor
- Your Human Resources Representative
- The toll-free Ethics Helpline at 1-866-897-9770; or write to the Tim Hortons Ethics and Compliance Office at 874 Sinclair Road, Oakville, Ontario, Canada L6K 2Y1.

If you do not want to discuss your questions through normal Company channels, you may call The Ethics Helpline hosted by FGI World. FGI World is an independent organization which helps businesses like ours maintain high ethical standards. FGI World allows you to share questions or concerns with the Company on an anonymous basis. FGI World operates 24 hours a day, 7 days a week in both French and English.

If you need to contact the legal department regarding a compliance or ethics issue, please call 905-339-6268.

If you receive a request from a financial and security analyst or investors, please refer them to Investor Relations at 905-339-6186.

If you receive a request from the media, please refer them to 905-339-6176.

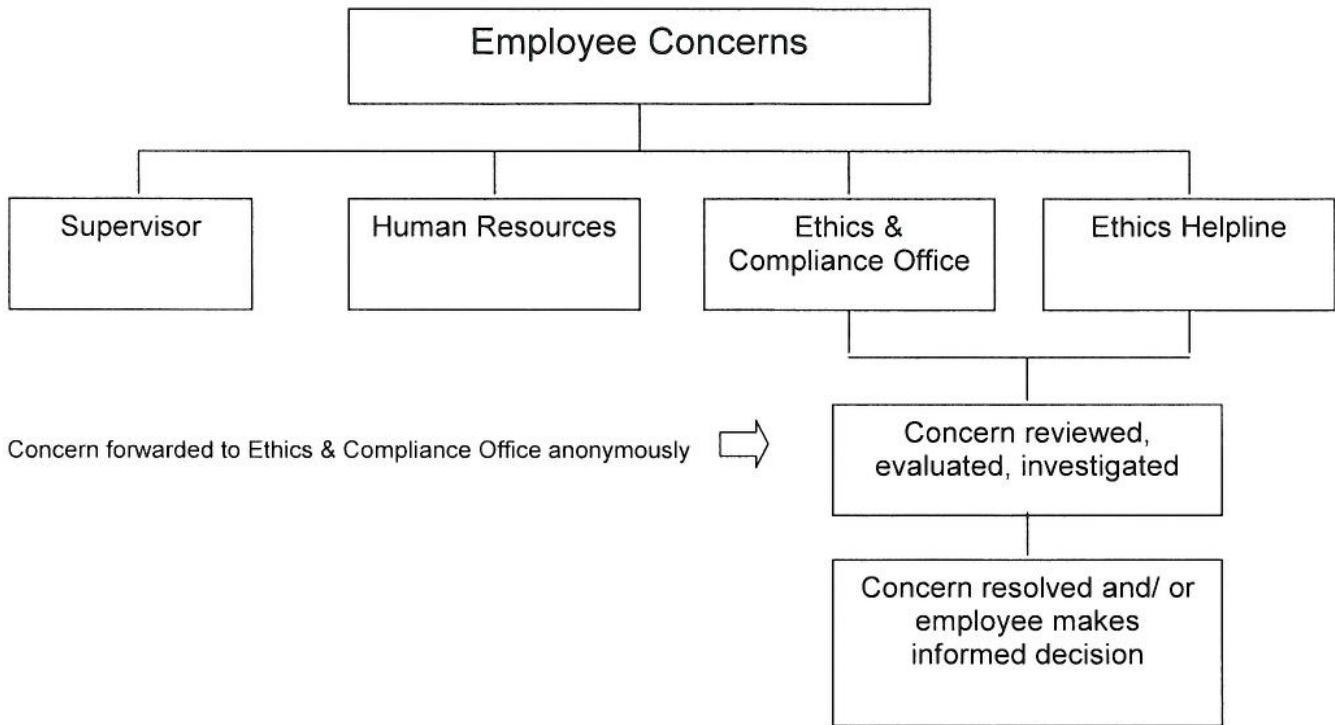
The Ethics Resolution Process

Standards of Business Practices

If you desire:

- Interpretation
- Clarification
- To Report an Issue
- To Ask a Question

Choose the path that is right for you:



Franchisees, Vendors and Other Business Associates

We also encourage franchisees, vendors and other business associates to contact the Ethics Hotline if they need clarification regarding our Standards of Business Practices or if they become aware of an ethical problem or violation.

Your assistance allows management to quickly respond to any problems, thereby reducing the risk of negative consequences for the Company, for our employees and for all the people we do business with.

STANDARDS OF BUSINESS PRACTICES

Acknowledgment of Receipt and Declaration

I will read and familiarize myself with the Standards of Business Practices ("standards"). I understand that each employee is responsible for knowing and adhering to the principles of these standards. Questions regarding these standards should be directed to my supervisor, human resources staff member, the Ethics and Compliance Officer or the Ethics Helpline.

I will comply with these standards, and agree to conduct myself accordingly in the future.

DECLARATION

I am aware of the following events or matters which may pose a conflict with the standards:

Print Name:

Department:

Employee's Signature:

Date:

PLEASE RETURN SIGNED FORM TO YOUR HUMAN RESOURCES