Tim Hortons has a well-established history of community involvement. Consistent with such involvement, this policy has been adopted to provide transparency about the way in which Tim Hortons participates in public policy matters that have the potential to impact the operation of the business of Tim Hortons and the communities in which the business is located. Tim Hortons believes that public policy development requires the participation of all members of society. The exchange of relevant information, experiences and practices facilitates a constructive dialogue with public decision makers.

This policy serves the interests of Tim Hortons and its franchisees by educating elected and public officials about its business, while providing important information to its franchisees, customers, shareholders and the public at large. Conducting business in compliance with applicable laws concerning accountability of political contributions (which may include money and/or goods and services in-kind) is integral to the core values of Tim Hortons.

Tim Hortons will not pressure or coerce any employee, franchisee, or other stakeholder in any manner to contribute to or support any candidate, office holder, or proposition or take any retaliatory action against employees, franchisees, or other stakeholders who do not.

Corporate Contributions

*General Principles.* Tim Hortons may from time to time make contributions in support of national, state, provincial, or local issue advocacy efforts in such cases where the issues are deemed aligned with company interests and objectives. Contributions will not be provided by Tim Hortons in anticipation of, in recognition of, or in return for an official act.

Tim Hortons is committed to conducting business ethically, with integrity, and in accordance with the law. Part of that commitment includes compliance with rules, regulations, and standards governing our interaction with the government, including political contributions and expenditures. Set forth on Exhibit A are the Canadian and U.S. regulatory frameworks generally applicable, as updated from time to time; these are not intended as exhaustive commentary on all applicable law. Given the unique aspects of the Canadian and U.S. regulatory regimes governing political participation, the nature in which Tim Hortons may participate in these two countries differs. Prior written approval must be obtained from the Senior Vice President, Corporate Affairs before there can be any participation or contribution made by or on behalf of Tim Hortons in order to maintain compliance with regulatory requirements and this policy.

*Canada.* In Canada, Tim Hortons cannot make corporate donations to federal political parties or candidates but may support provincial and municipal political activities. Activities that are permissible to be conducted on behalf of Tim Hortons may include sponsoring and attending political fundraising activities, donating to local candidates, and providing Tim Hortons beverages, baked goods, and gift cards to campaign volunteers and/or political staff. Tim Hortons encourages its franchisees to take an active part in local, political activities with primary focus on building local relationships and educating elected officials on various aspects of their businesses in the communities in which they serve. Monetary political contributions by franchisees may not be made on behalf of Tim Hortons, however, as described below. Donations
of food and paper products by franchisees in support of local, community-building activities is permissible.

In general, to the extent practical, Tim Hortons should make political expenditures in Canada directly rather than through third party organizations. Participation in third party organizations is not prohibited, however, and may be undertaken when appropriate and in furtherance of Tim Hortons business interests.

United States. In the U.S., Tim Hortons may participate in certain federal or state industry trade associations (such as the National Restaurant Association), may sponsor a political action committee, may provide support for issue organizations or firms lobbying for particular business issues, as well as support ballot issue committees, but will not engage in independent expenditures that directly advocate for the election or defeat of particular candidates. Other than the foregoing methods for participating in the U.S. political process, corporate funds and property will not be used in support of political activities in the U.S.

Contributions by Franchisees and/or Employees on Their Own Behalf

Although employees, franchisees, and employees of franchisees are encouraged to take an active role in their communities and to participate in the political process during non-work hours to the extent they decide is appropriate, any such participation may not be purported to be activity conducted on behalf of Tim Hortons and will not involve any payment or reimbursement by Tim Hortons for costs incurred or time spent. Tim Hortons corporate resources must not be utilized in furtherance of individual political activities. In addition, the giving of money, gifts, products or services to government officials by employees, franchisees or others in exchange for official action is strictly prohibited.

Disclosure

When making any form of political contribution, Tim Hortons will comply with all requirements regarding public disclosure of such contributions.

Policy Oversight and Compliance

This policy has been recommended by the Nominating and Corporate Governance Committee and approved by of the Board of Directors of Tim Hortons. The Nominating Committee reviews this policy annually and also receives an annual report on all political expenditures over the prior fiscal year.
Exhibit A
Regulatory framework

Canada

*Federal.* Federal legislation prohibits corporations from making political contributions to federal political parties and candidates for federal office.

*Provincial.* Applicable provincial laws relating to public policy matters are not uniform and should be considered in each case. For example, legislation in Ontario permits any person or corporation to make political contributions to provincial parties and candidates for provincial office. In a non-election year, any person or corporation may contribute up to $9,300 to any provincial party and up to $1,240 to any constituency association. The total contribution to all constituency associations of the same party must not exceed $6,200. This means a person or corporation may contribute an annual maximum of $15,500 to each registered party and its constituency associations.

During an election period, any person or corporation may make additional contributions up to $9,300 to provincial parties and up to $1,240 to any candidate so long as the total contribution to all candidates of the same party does not exceed $6,200.

With respect to disclosure, a donor making a contribution in Ontario of less than $100 has the option to declare it not to be a contribution, however, amounts contributed to any one party, constituency association, candidate or leadership contestant in excess of that amount will be made public. Other provinces have disclosure limits ranging from $100 to $375. Refer to the attached Exhibit A1 for provincial disclosure requirements as of the date of this policy.

*Municipal.* Generally any person or corporation may make a political contribution to a candidate in a municipal election. Pursuant to the *Municipal Elections Act, 1996*, total contributions to any one candidate may not exceed $750 and contributions to all candidates within a single council or school board jurisdiction may not exceed $5,000. Corporations that are associated with one another are considered to be a single corporation for the purpose of political contributions.

Special attention should be paid at the municipal level as some Canadian cities, such as Toronto, Ontario and Lethbridge, Alberta, have by-laws prohibiting contributions from corporations to political candidates. For example, City of Toronto By-law 1177-2009 provides that (i) candidates for Mayor or councillor cannot accept contributions from corporations or trade unions, (ii) contributions over $25 must be by way of cheque, money order, bank draft or credit card, (iii) contributions must be from contributor’s own funds, and (iv) contributions can only be made after a candidate files nomination papers.

United States

*General Federal Prohibitions.* Corporations are prohibited from making monetary or in-kind contributions to federal candidates and committees that support or oppose federal candidates. In addition, foreign citizens and foreign corporations are prohibited from making contributions to
federal candidates and political committees that support or oppose candidates for election (this prohibition applies to all candidate elections at the federal, state and local levels).

**Federal Political Action Committee.** Corporations are permitted to sponsor a federal Political Action Committee ("PAC") to make contributions to candidates and political committees. The sponsoring corporation must register its PAC with the U.S. Federal Election Commission ("FEC"), must designate a treasurer, and must submit periodic reports of contributions and expenditures to the FEC. A federal PAC sponsored by a corporation is permitted to solicit individual contributions into the PAC from the corporation’s officers, employees and shareholders, who may each contribute up to $5,000 per year to the PAC. The sponsoring corporation is permitted to pay certain establishment, administration and solicitation expenses on behalf of the PAC, but all the funds used to make political contributions must come from individuals. A Federal PAC may contribute up to $5,000 per election period (primary and general) to federal candidates. Federal PACs are also authorized to make contributions to candidates in state and local elections, subject to state-specific registration and reporting requirements.

**Issue Organizations.** Corporations may contribute corporate dollars to organizations that advocate on issues as opposed to supporting or opposing candidates for election. Issue organizations are not required to register and submit reports to the FEC, and there are no limits on the amount that corporations may contribute to issue organizations. Issue organizations are generally not required to disclose their contributors, but in some cases may do so voluntarily or may be required in certain jurisdictions or as a result of engaging in specified political activities.

**Independent Expenditures.** As a result of a recent decision of the United State Supreme Court, corporations may now make certain “independent expenditures” in support of or in opposition to candidates that were previously prohibited, although independent expenditures cannot be made at the request of, or in coordination with, a candidate. For example, a corporation may fund a television advertisement directly advocating the election of a candidate in the weeks leading up to an election. There are reporting requirements for independent expenditures in some jurisdictions and additional federal and state laws regulating this activity may be forthcoming.

**State Provisions.** Most U.S. states prohibit corporate monetary and in-kind contributions.

States generally permit corporations to sponsor PACs in similar fashion to the federal requirements discussed above. For example, the State of Ohio prohibits corporate monetary and in-kind contributions to candidates. Corporations are permitted to form a state PAC sponsored by a corporation in similar fashion to the federal PAC requirements. State PACs must register and submit periodic reports with the Office of the Ohio Secretary of State. Federal PACs are permitted to register in Ohio and make contributions in Ohio in accordance with state and local contribution limits. Officers, employees, and shareholders of the sponsoring corporation may contribute $11,395.56 per year to a state PAC. State PACs may contribute up to $11,395.56 per election period (primary and general) to a statewide or legislative candidate. This limit also applies to individual contributors.

States generally permit corporate contributions in support of issue campaigns and ballot issue committees. At the statewide level, these issues often concern a proposed amendment to a state’s constitution or state legislation proposed by citizen initiative. At the local level, issues
often centre on municipal and school district tax levies and zoning and land-use proposals. In some jurisdictions, such as Ohio, there is no limit on the amount corporations may contribute to ballot issue committees. However, ballot issue committees are generally subject to registration and reporting requirements similar to those required for PACs.

*Municipal.* Municipalities and other political subdivisions of U.S. states have enacted varying campaign finance contribution limits and reporting requirements that supplement or differ in some respects from federal and state law requirements.

*Individual Contributions.* Individuals not acting on behalf of a corporation are permitted to contribute $2,400 per election period (primary and general) to federal candidates. Individual contributors are not required to report their contributions themselves, but the candidate or political committee that receives the contribution must report the name, address, employer / occupation, and amount for each contribution received.
# Exhibit A1

## Canadian Provincial Disclosure Limits

<table>
<thead>
<tr>
<th>Province</th>
<th>Public Disclosure of Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newfoundland and Labrador</td>
<td>Records of contributions over $100 are on the Elections Newfoundland &amp; Labrador website</td>
</tr>
<tr>
<td>Prince Edward Island</td>
<td>Records of contributions over $250 are on the Elections PEI website</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>Records of contributions over $50 are on the Elections Nova Scotia website</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>Records of contributions over $100 are available in paper at Elections NB offices</td>
</tr>
<tr>
<td>Quebec</td>
<td>The province does not accept political donations</td>
</tr>
<tr>
<td>Ontario</td>
<td>Records of contributions over $100 are on the Elections Ontario website</td>
</tr>
<tr>
<td>Manitoba</td>
<td>Records of contributions over $250 are on the Elections Manitoba website</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>Records of contributions over $250 are publicly available in paper at Elections Saskatchewan</td>
</tr>
<tr>
<td>Alberta</td>
<td>Records of contributions over $375 are on the Elections Alberta website</td>
</tr>
<tr>
<td>British Columbia</td>
<td>Records of contributions over $250 are on the Elections B.C. website</td>
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