UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 25, 2014

TIM HORTONS INC.
(Exact name of registrant as specified in its charter)

Canada
(State or other jurisdiction of incorporation)
001-32843
(Commission File Number)
98-0641955
(IRS Employer Identification No.)

874 Sinclair Road, Oakville, ON, Canada
(Address of principal executive offices)
L6K 2Y1
(Zip Code)

(905) 845-6511
(Registrant’s telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
Item 5.02  Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officer.

On April 25, 2014, the Board of Directors of Tim Hortons Inc. (the “Company”) appointed Peter Nowlan to succeed William Moir as the Chief Brand and Marketing Officer (“CMO”) of the Company, effective May 21, 2014.

Mr. Moir, a named executive officer of the Company, announced his retirement from the Company on April 28, 2014. Mr. Moir will assist in the effective transition of the Chief Brand and Marketing Officer position, which is expected to be completed by August 31, 2014. During this transition period, Mr. Moir will also participate in certain business initiatives currently in progress. Mr. Moir will continue as President of the Tim Horton Children's Foundation, and he will continue to be available to the Chief Executive Officer (“CEO”) for strategic initiatives and programs, as necessary, until the end of 2015.

The terms of Mr. Nowlan’s employment with the Company are set forth in an employment offer letter (“Offer Letter”), attached hereto as Exhibit 10.1, which is incorporated by reference herein. The following summary of the Offer Letter does not purport to be complete and is subject to and qualified in its entirety by reference to the attached Offer Letter.

Mr. Nowlan is expected to become a “named executive officer” for fiscal 2014. As such, the material compensatory terms of Mr. Nowlan’s employment, as set forth in the Offer Letter, are as follows:

Base Salary and Short-Term Incentive Compensation

Mr. Nowlan’s base salary and short-term incentive compensation for 2014 will be:

- **Base Salary:** annual base salary of $375,000, effective May 21, 2014, payable in accordance with the Company’s practices and procedures.
- **Target Annual Incentive Award Opportunity under the Executive Annual Performance Plan (“EAPP”):** Mr. Nowlan will be eligible to participate in the EAPP with a target amount equal to 80% of his base salary. Mr. Nowlan’s performance will be measured by a mix of the following performance objectives: (i) the Company’s net income (60%), (ii) same store sales growth (30%) weighted 80% to Canada and 20% to the U.S., and (iii) individual, strategic objectives, as determined by the President and CEO (10%).

Long-Term Incentives under the Company’s 2012 Stock Incentive Plan (“2012 SIP”)

Mr. Nowlan will be granted the following long-term incentive compensation for fiscal 2014:

- **Performance Share Units (“PSUs”):** PSUs representing a compensation value of $150,000 at target, to be granted in May 2014. PSUs will cliff vest on or about March 1, 2017 based on Company performance against Return on Asset (ROA) and Relative Total Shareholder Return (TSR) objectives over a three year period. The 2014 grant will have a minimum vesting level of 95% of the units granted. Future PSU award grants are entirely discretionary and subject to performance.
- **Stock Options with tandem Stock Appreciation Rights (“SARs”):** Stock options with tandem SARs representing an annual grant of $150,000 at target to be granted in May 2014 that will vest one-third annually beginning in March 2015. These Options/SARs will have an approximately seven-year term.
- **Welcome (Sign On) Grant of PSUs:** PSUs grant representing a compensation value of $300,000 at target, to be granted in either May or August 2014. PSUs will cliff vest on or about March 1, 2017 based on Company performance against ROA and TSR objectives.
over a three year period. This welcome grant of PSUs will also have a minimum vesting level of 95% of the units granted.

- Welcome (Sign On) Grant of Restricted Share Units (“RSUs”): RSUs representing a compensation value of $300,000 to be granted in May 2014 that will vest one-third annually beginning in March 2015.

Benefits and Perquisites

Mr. Nowlan will be eligible for substantially the same retirement and other benefits as the Company makes available to its other named executive officers. The Company also entered into an Employment and Post-Employment Covenants Agreement (the “Covenants Agreement”) with Mr. Nowlan, to be effective as of May 21, 2014, pursuant to which he has agreed to comply with certain covenants for the benefit of the Company, relating to non-disclosure, confidentiality, non-competition, non-solicitation, non-interference, non-disparagement and others. A copy of the Covenants Agreement is attached hereto as Exhibit 10.2 and is incorporated herein by reference.

In addition, the Company entered into a Change in Control Agreement with Mr. Nowlan, to be effective as of May 21, 2014. The Change in Control Agreement has the following provisions: (i) a “double trigger” provision, requiring both a change in control and termination of employment before any benefits are paid; (ii) severance equal to two times total cash compensation; and (iii) employment protection for no more than two years following a change in control. A copy of the Change in Control Agreement is attached hereto as Exhibit 10.3 and is incorporated herein by reference.

The Company also entered into a form of Indemnification Agreement with Mr. Nowlan, substantially in the form entered into with other executive officers of the Company and as previously filed with the SEC. The Company filed the form of the Indemnification Agreement on Form 8-K with the SEC on September 28, 2009.

Item 7.01 Regulation FD

A copy of the news release announcing the appointment of Mr. Nowlan and retirement of Mr. Moir is furnished as Exhibit 99 to this current report on Form 8-K and is hereby incorporated by reference.

The information set forth in this Item 7.01, including Exhibit 99.1 attached, is being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 10.1 Employment Offer Letter by and between the Company and Peter Nowlan

Exhibit 10.2 Employment and Post-Employment Covenants Agreement by and between the Company and Peter Nowlan

Exhibit 10.3 Change in Control Agreement by and between the Company and Peter Nowlan

Exhibit 99 Press Release dated April 28, 2014
SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TIM HORTONS INC.

Date: May 1, 2014

By: /s/ JILL E. SUTTON

Jill E. Sutton
Executive Vice President, General Counsel and Secretary
Peter J. Nowlan

Dear Peter:

Re:  **Offer of Employment as Chief Brand and Marketing Officer**

We are pleased to offer you a permanent, full-time position with Tim Hortons Inc. (the “Company” or “THI”) as Chief Brand and Marketing Officer, reporting to our President and Chief Executive Officer.

**Scope of Employment**

As Chief Brand and Marketing Officer, you shall undertake those duties, responsibilities and reporting requirements which are ordinarily expected of a Chief Marketing Officer of a publicly-listed company, as well as other services as are required from time to time by the President and Chief Executive Officer. You shall perform these services principally from the Head Office of the Company in Oakville, Ontario, although you acknowledge that the performance of these duties and functions may necessitate travel to other places throughout Canada, the United States and Internationally.

Throughout the term of your employment, you agree to carry out the performance of your duties in compliance with the governing documents of the Company, including all rules, policies and practices now or hereafter established and amended from time to time by the Company.

**Employment Conditions**

This offer is conditional upon satisfaction of each of the following conditions:

- Approval by the Board of Directors of the Company of your appointment as Chief Brand and Marketing Officer; and

- Execution of this Offer Letter and the attached Employment and Post-Employment Covenants Agreement (the “Covenants Agreement”) in forms satisfactory to the Company.

Subject to the satisfaction of the foregoing conditions, your employment with the Company will commence on May 21, 2014, and will be subject to the terms and conditions set forth in the table below.

All dollar amounts in this offer letter are in Canadian funds. In addition, we have separately provided to you information on the Company’s group benefits and pension plan. The signature below indicates that you have reviewed and read these materials.

Participation in and level of compensation under the following compensation arrangements and benefits programs shall be subject to the Company’s practices and procedures as they may exist from time to time.
including, without limitation, the attainment of performance objectives and other grant or award conditions. The weighting, mix and design features of compensation programs are also subject to change at the Board’s discretion.

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<tr>
<th>Provision</th>
<th>Employment Terms</th>
<th>Commentary</th>
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<tr>
<td>Position</td>
<td>• Chief Brand and Marketing Officer</td>
<td>• Reports to the President and Chief Executive Officer of the Company</td>
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<tr>
<td>Effective Date</td>
<td>• No later than May 21, 2014</td>
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<tr>
<td>Term of Agreement</td>
<td>• Open-ended employment</td>
<td>• No fixed term</td>
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<tr>
<td>Base Salary</td>
<td>• $375,000 effective May 21, 2014</td>
<td>• Base Salary will be reviewed by the Human Resource and Compensation Committee (“HRCC”) on an annual basis, and any future adjustments will be at the sole discretion of the HRCC.</td>
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| Target Annual Incentive ("EAPP") | • Target annual incentive of 80% of base salary ($300,000 for 2014) | • Your 2014 annual incentive target will not be prorated. Final payout is subject to company and individual performance.  
  • Awards under the EAPP are entirely discretionary on the part of the Company, and there is no guarantee of an award in any particular year.  
  • For 2014, your EAPP payout will be based on the following company performance metrics:  
    o THI Net Income (60%)  
    o Same Store Sales Growth (30%), weighted 80% Canada and 20% U.S.  
    o Individual/Strategic Objectives as determined by the President & CEO (10%) |
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| Performance Share Units (“PSU”)                | • Annual grant of $150,000 at target                                            | • Awards under the Stock Incentive Plan are entirely discretionary on the part of the Company, and there is no guarantee of an award or grant in any particular year.  
• PSUs vest after three years based on three-year Company performance against Return on Asset (ROA) and Relative Total Shareholder Return (TSR) objectives.  
• The 2014 grant will have a minimum vest (floor) of 95% of units granted and will vest in March 2017. Subsequent grants will have a minimum vest (floor) of 50% of units granted.  
• Further information will be provided at the time of grant. |
| Stock Options/SARs                              | • Annual grant of $150,000 at target                                            | • Awards under the Stock Incentive Plan are entirely discretionary on the part of the Company and there is no guarantee of an award or grant in any particular year.  
• Options/SARs vest annually over 3 years with a 7-year term.                                      |
| Welcome (Sign-On) Grant                         | • Welcome PSU grant of $300,000 with 95% guarantee (see commentary under PSU section)  
• Welcome Restricted Share Units (RSU) grant of $300,000  
• This award will be granted during the open trading window expected to be in either May or August 2014 | • The PSUs will vest in March 2017 based on the Company’s performance against ROA and TSR objectives (see above).  
• RSUs will vest one-third annually beginning in March 2015.                                           |
<p>| Company Allowance                               | • Eligible to participate in the Company’s car allowance program, on the same terms as offered to other employees at the executive officer level | $1,900 per month, paid bi-weekly.                                                                                                                                                                          |
| Executive Medical                               | • One Medcan Health Assessment per year                                           | Approximate value of $1,600                                                                                                                                                                             |</p>
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| Defined Contribution Pension Plan ("DCPP") | • Eligible to participate in the existing THI pension plan arrangements | • The defined contribution plan includes compulsory employee participation and employer contributions at levels determined by the Company.  
• The Company contributes 5% of your gross regular earnings on your behalf and you contribute 2% of regular earnings, subject to legislated maximum limits.  
• The Company regularly reviews these plans, and accordingly, reserves the right to, at any time, amend or terminate these plans. |
| Executive Retirement Savings Plan ("Savings Plan") | • Eligible to participate in existing THI executive retirement savings plan arrangement  
• This program, combined with the DCPP, delivers 12% of your base pay and annual incentive in retirement savings | • The Company regularly reviews these plans, and accordingly, reserves the right to, at any time, amend or terminate these plans.  
• Prorated to employment period. For 2014, this will be the prorated portion of your base salary only. For 2015, the calculation will be based on 12% of your 2015 base salary plus your 2014 bonus (paid in February 2015), less employer contributions to DCPP. |
| Group Benefits | • Eligible to participate in the Company’s benefit plans, including medical, dental, vision, life and long-term disability insurance, which are offered to other employees of the Company at the executive officer level | • The Company regularly reviews the benefit plans, as well as its insurance carriers, and accordingly, reserves the right to amend or discontinue the benefit plans and change its insurance carriers where deemed appropriate. |
| Vacation | • Entitled to five weeks of vacation | |
| Change in Control Agreement | • Provides for severance upon termination of employment after Change in Control | • Execution of our Standard Change in Control Agreement |
| Restrictive Covenants | • Confidentiality agreement  
• Non-compete clause – 1 year from notice of termination  
• Non-solicitation clause – 2 years from notice of termination  
• Other covenants as set forth in the Covenants Agreement | • Execution of our standard employment and post-employment covenant agreement will be required, i.e., the “Covenants Agreement”. |
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<tr>
<td>Policies</td>
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|           | • Acknowledgement to comply with applicable Company plans and programs | • Recoupment policy  
|           |                  | • Share ownership guidelines  
|           |                  | • Insider trading policy  
|           |                  | • Standards of Business Practices  
|           |                  | • Governance Guidelines  
|           |                  | • All other policies, as applicable to employees |

**Corporate Plans and Policies**

By signing this Offer Letter, you acknowledge and agree that:

(a) the Company has provided you with copies of all of the Company’s policies and programs relevant to your employment, including but not limited to those described in the Company’s management information circular dated March 11, 2014 in the sections entitled “Corporate Governance Principles and Practices”, “Compensation Discussion and Analysis” and “Executive and Director Compensation” (collectively, the “Company Policies”);

(b) you have read and understood the Company Policies, and agree that your employment, as well as your entitlement to compensation, benefits and incentives, will be governed by the Company Policies; and

(c) the Company may, from time to time, amend, alter, change or delete policies and programs including, without limitation, the Company Policies, to meet the business needs of the enterprise and that, upon receiving notice of such policies or programs (or any amendments, alternations, changes or deletions thereof), your employment, as well as your entitlement to compensation, benefits and incentives, will be governed by such revised policies and programs.

In addition, by signing this Offer Letter, you acknowledge and agree that:

(a) as an officer of the Company, you will be held to equity ownership guidelines equal to three times your annual base salary, from time to time, and you have until the end of 2019 to satisfy the guidelines; and

(b) the Company’s Recoupment Policy Relating to Performance-Based Compensation is binding on you as a “Senior Executive” under such policy, and that all performance-based compensation awarded to you in accordance with the terms and conditions of this Offer Letter or otherwise under any incentive, bonus or other plan of the Company or its affiliates are subject to the Recoupment Policy.

**Eligibility to Perform Services**

By signing this Offer Letter, you represent, warrant and covenant that:

(a) you are legally eligible to work in Canada and will continue to be legally eligible to work in Canada;
(b) you are not bound by any agreement or subject to any legal obligations to any third party, including but not limited to any person with whom the Company may be in competition, that would prohibit you from negotiating or accepting employment with the Company or would otherwise conflict with any of your obligations to the Company under this Offer Letter or the Covenants Agreement including but not limited to any confidentiality, non-competition, non-solicitation or non-interference agreement with respect to any third party; and

(c) the information provided by you, both verbally and on any resume, application form or questionnaire is complete and accurate in every respect.

You acknowledge that the Company has relied upon the representations outlined above, and you agree to indemnify and hold the Company, its directors, officers, employees, agents and/or consultants harmless against any and all claims, liabilities, losses, damages, costs, fees and/or expenses including reasonable legal fees incurred by the Company, its directors, officers, employees, agents and/or consultants by reason of your violation of any of the representations set forth above.

**Privacy Consent**

By accepting employment with the Company, you hereby consent to the Company and any affiliate collecting, using and disclosing your personal information to establish, manage, terminate and/or otherwise to administer the employment relationship, including, but not limited to:

(a) providing for proper remuneration for your services to the Company, which may include disclosure to third party payroll providers;

(b) administering and/or facilitating the provision of any benefits to which you are or may become entitled, including benefits coverage, registered retirement savings plan and incentive plans; this shall include the disclosure of your personal information to the Company’s third party service providers and administrators;

(c) enabling the Company to comply with any regulatory, reporting and withholding requirements relating to your employment, including but not limited to insider trading requirements;

(d) performance and promotion reviews and consideration;

(e) monitoring your access to and use of the Company’s electronic media services to confirm that the use of such services is in compliance with the Company’s policies and procedures and is not in violation of any applicable laws;

(f) complying with the Company’s obligations to report improper or illegal conduct by any director, officer, executive or agent of the Company under any applicable securities, criminal or other law;

(g) acquiring, selling or transferring any or all of the Company’s business; and

(h) complying with all applicable laws relating to public disclosure or otherwise.

You also agree to the terms of the enclosed Covenants Agreement which forms part of this offer of employment, and which expands upon several of the terms and conditions of employment set forth herein.

Congratulations on joining the Company. We are confident you will find your new position both challenging and rewarding.
Tim Hortons Inc.

Per: _/s/ MARC CAIRA_

Marc Caira
President and Chief Executive Officer

The undersigned hereby accepts the above offer of employment upon the terms and conditions set out therein. The undersigned acknowledges that he was given the opportunity to obtain independent legal advice prior to accepting the said offer of employment. The parties hereto shall be entitled to rely on delivery of a facsimile/electronically scanned copy of this executed document and such copy shall be legally effective to create a valid and binding agreement.

_/s/ PETER J. NOWLAN_
Peter J. Nowlan

Dated: April 13, 2014
EMPLOYMENT AND POST-EMPLOYMENT COVENANTS AGREEMENT

THIS AGREEMENT (“Agreement”) made effective as of May 21, 2014 (the “Effective Date”),

BETWEEN:

TIM HORTONS INC.,
a corporation governed by the Canada Business Corporations Act

(hereinafter referred to as the “Corporation”),

- and -

Peter Nowlan (hereinafter referred to as the “Executive”),
of the City of North York, in the Province of Ontario.

WHEREAS the Executive has been appointed the Chief Brand and Marketing Officer of the Corporation, effective as of May 21, 2014;

AND WHEREAS the parties wish to set forth terms and conditions upon which the Corporation will employ the Executive after the Effective Date hereof;

NOW THEREFORE, in consideration of the premises and the covenants and agreements contained herein, and for other good and valuable consideration, including the consideration described in Section 3.1 hereof (the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto), the parties hereby agree that the foregoing recitals are incorporated herein by reference and as follows:

ARTICLE 1
INTERPRETATION

1.1 Defined Terms

For the purposes of this Agreement, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

“Affiliate” means any person under control of the Corporation; any person that controls the Corporation; any person under control of the Corporation jointly (or severally) with any other person; and, any person under common control with the Corporation under the control of another person; in each foregoing case, “control” shall mean the power to direct the voting, management, and/or material determinations of such person, whether by ownership interest, management agreement, voting agreement, or any other means by which control of the person (by commercial standards) is exercised;
“Change in Control” shall have the meaning attributed to such concept under the then-current equity compensation plan in place for Tim Hortons Inc. in which the Executive participates on the Date of Termination (e.g., as of the Effective Date, the definition of Change in Control under the 2012 Tim Hortons Inc. Stock Incentive Plan would apply); or, if applicable, the definition of “Change in Control” under a change in control (employment) agreement to which the Executive is a party with the Corporation (the “Change in Control Agreement”), shall control over any conflicting definition in the 2012 Tim Hortons Inc. Stock Incentive Plan or any amendment, restatement or successor thereof;

“Confidential Information” has the meaning set out in Section 2.1;

“Date of Termination” means the effective date of any notice of termination of the Executive’s employment with the Corporation for any reason whatsoever, whether voluntary or involuntary and whether with or without cause or good reason, and whether or not associated with a Change in Control;

“Non-Disclosure Period” has the meaning set out in Section 2.1;

“Offer Letter” means the Letter dated April 11, 2014 between the Corporation and the Executive;

“person” includes, without limitation, an individual, corporation, partnership, joint venture, association, trust, firm, unincorporated organization or other legal or business entity;

“Prescribed Competitor” means the list of competitors set forth on Exhibit A, attached hereto and incorporated herein by reference, as may be updated from time-to-time hereafter upon the agreement of both the Corporation and the Executive;

“Prohibited Activities” means to directly or indirectly operate, manage, control, participate in, carry on, be employed by, be engaged in, perform services in respect of, be concerned with, advise or consult with, be a director of, be financially interested in, financially assist, or permit one's name to be used in connection with, a Prescribed Competitor, except as otherwise expressly permitted herein;

“Prohibited Area” means any province, territory or state in Canada or the United States and any other country in which the Corporation or any of its Affiliates conducts business, or to the knowledge of the Executive is reasonably likely to conduct business during the Executive’s employment with the Corporation and for the one-year period thereafter, except for any Prohibited Areas that may be limited in scope with respect to certain Prescribed Competitors, if applicable, as may be set forth on Exhibit A;

“Restricted Period” means, for the covenants set forth in Sections 2.4, 2.5 and 2.6, the period beginning on the Date of Termination and ending on the second anniversary of the Date of Termination; for the covenants set forth in Section 2.2, the period beginning on the Date of Termination and ending on the first anniversary of the Date of Termination; and, for the covenants set forth in Sections 2.1, 2.3, 2.7 and 2.8, during the period of the Executive’s employment extending through the Date of Termination and for an unlimited/indefinite time thereafter. Each of the foregoing Restricted Periods shall be extended by any time during which the Executive is in breach of any applicable covenant in Article 2, as provided in Section 2.9;
ARTICLE 2
EXECUTIVE'S COVENANTS

2.1 Non-Disclosure; Confidentiality

The Executive acknowledges and agrees that:

(a) in the course of performing his duties and responsibilities for the Corporation or any Affiliate, he will have access to, and will be entrusted with, detailed confidential information and trade secrets concerning past, present, future and contemplated plans; products; new product introduction programs, plans, or strategies; services; operations processes or results; technology; intellectual property; financial (including sales) and budgetary information; methodologies, operational procedures and manuals; site development plans or new store development strategies and number of new stores under consideration; models, engineering, architectural plans and designs; analyses; compilations; forecasts; studies and other records relating to the business; know-how; accounting methods and procedures; negotiations; contracts; designs; customers; franchisees; computer records and test data; building and site plans; strategic plans and initiatives; recipes (including but not limited to the coffee blend, roasting time, and other input factors for coffee products) and proprietary business processes and procedures of the Corporation or its Affiliates, whether in written, printed, pictorial, diagrammatic, electronic or any other form or medium, including, without limitation, information relating to names, addresses, contact persons, preferences, needs and requirements of past, present and prospective clients, customers, franchisees, suppliers, goods and service providers, and employees of the Corporation and its Affiliates (collectively, “Confidential Information”), the disclosure of any of which to competitors of the Corporation or of any of its Affiliates, to the general public, or the use of any of which by the Executive (outside of his duties and responsibilities to the Corporation), or by any competitor of the Corporation or of any of its Affiliates, would be highly detrimental to the interests of the Corporation and its Affiliates;

(b) the right to maintain the confidentiality of the Confidential Information, the right to preserve the goodwill of the Corporation and its Affiliates, and the right to the benefit of the contacts and connections developed by the Executive with clients, customers, suppliers, goods and service providers, franchisees and others, and any relationships that will be developed between the Executive and the customers, clients, suppliers, goods and service providers and franchisees of the Corporation and its Affiliates by virtue of the Executive's employment with the Corporation or an Affiliate, constitute proprietary rights of the Corporation and/or its Affiliates, which the Corporation and its Affiliates are entitled to protect; and

(c) while employed by the Corporation and at all times thereafter, the Executive will not, without the prior written consent of the Corporation, install, copy or receive any Confidential Information into his own or any other computer or computer system not owned and controlled by the Corporation. Where an Executive has received permission from the Corporation to so install, copy or receive Confidential Information, the Executive shall be solely responsible to the Corporation for the security of such Confidential Information and shall follow any and all directions given by the Corporation regarding same.

In accordance with the matters acknowledged and agreed to by the Executive above, the Executive hereby covenants and agrees with the Corporation that he will not, except with the specific prior written
consent of the President and Chief Executive Officer, either during the term of his employment or at any
time thereafter for an unlimited period (the “Non-Disclosure Period”), directly or indirectly, disclose to any
person or in any way make use of (other than for the benefit of the Corporation or its Affiliates), in any
manner, any of the Confidential Information; provided, however, that such Confidential Information shall
be deemed not to include information which is or becomes generally available to the public other than as a
result of disclosure by the Executive.

2.2 Non-Competition

The Executive further acknowledges and agrees that:

(a) the Executive will acquire skills and experience, and gain special knowledge, during the
course of his employment with the Corporation or an Affiliate, which, if utilized by the
Executive in the performance of Prohibited Activities, would be extremely harmful to the
Corporation’s or an Affiliate’s competitive positioning and, further, there would be a high
probability of inevitable disclosure of Confidential Information, notwithstanding any
intention that may exist on the part of the Executive to abide by the provisions of Section
2.1; and

(b) the provisions of Sections 2.1, 2.3, 2.4, 2.5, 2.6, 2.7 and 2.8 are insufficient to protect the
Corporation’s and its Affiliates’ proprietary interest in the Confidential Information in the
event that the Executive engages in Prohibited Activities.

In accordance with the matters acknowledged and agreed to by the Executive above and in
consideration of the payments and other benefits to be received by the Executive in connection with his
employment as Chief Brand and Marketing Officer, the Executive hereby agrees that he shall not (without
the prior written consent of the Corporation), during the Restricted Period, within the Prohibited Area whether
on his own account or in conjunction with or on behalf of any other person, and whether as an employee,
director, officer, shareholder, partner, principal, agent, franchisee, consultant or in any other capacity
whatsoever, engage in Prohibited Activities; provided, however, that the Executive may accept employment
with a Prescribed Competitor that is a diversified company, so long as such employment pertains solely to
that part of the Prescribed Competitor’s business which is not in competition with any business of the
Corporation or one of its Affiliates.

The provisions of this Section 2.2 shall apply only in respect of those aspects of the business of the
Corporation or one of its Affiliates (i) with or for which the Executive had oversight responsibility, contributed
to strategic plans, or otherwise had special knowledge or other significant interaction or interface while
employed by the Corporation or one of its Affiliates, or (ii) in respect of which the Executive had access to
any Confidential Information belonging to the Corporation or any of its Affiliates during the term of his
employment.

Notwithstanding the foregoing restrictions, the Executive may acquire securities (i) of a class or
series that is traded on any stock exchange or over the counter if such securities represent not more than 2%
of the issued and outstanding securities of such class or series, (ii) of a mutual fund or other investment entity
that invests in a portfolio the selection and management of which is not within the control of the investor,
or (iii) held in a fully managed account where the Executive does not direct or influence in any manner the
selection of any investment in such securities.
2.3 **Fiduciary**

Notwithstanding any other provisions of this Agreement, the Executive acknowledges and agrees that:

(a) the Executive is a fiduciary of the Corporation and its Affiliates and is bound by fiduciary duties to the Corporation and its Affiliates, including to act in the best interests of the Corporation and its Affiliates, and all other such duties as arise at law and, as such, and not by way of limitation of the foregoing, he will not take any action as a result of which relations between the Corporation or its Affiliate(s) and their consultants, franchisees, investors, customers, clients, suppliers, distributors, employees or others may be impaired or which might otherwise be detrimental to the business interests or reputation of the Corporation or its Affiliates;

(b) he will not take advantage of, derive a benefit or otherwise profit from any business opportunities that the Executive became aware of in the course of employment with the Corporation even if the Corporation does not take advantage of or exploit such opportunities; and

(c) the fiduciary duties owing by the Executive to the Corporation and its Affiliates shall survive termination of his employment, howsoever occurring.

2.4 **Non-Solicitation of Franchisees and other Business Associates**

The Executive hereby agrees that he shall not during the Restricted Period, whether on his own behalf or in conjunction with or on behalf of any other person, directly or indirectly, solicit, or assist in soliciting, offer, or entice, consult, provide advice to, or otherwise be involved with:

**Solicitation of Franchisees Regarding Competitive Activities**

(a) a franchisee of (or operator under an operating/license agreement with) the Corporation or one of its Affiliates as of the Date of Termination to: (a) engage in any act or activity that (whether independently or jointly with other persons) would be a breach of the franchise or operating/license agreement in place with the Corporation or one of its Affiliates if undertaken by the franchisee/operator during the term of the franchise or operating/license agreement; or (b) during the entire term of the franchise or operating/license agreement, become a franchisee, operator or licensee, or business partner of, or otherwise be associated in a business venture or arrangement, after the expiration or termination (for any reason) of the franchisee/operator/licensee’s agreement with the Corporation or one of its Affiliates, that (A) offers, purchases, sells, manufactures, processes or promotes any products or services that are the same or substantially similar to, the principal products and/or services offered by the Corporation or one of its Affiliates as of the Date of Termination or that the Executive knows or should reasonably know, as of the Date of Termination, are expected to be principal products or services offered or provided by the Corporation or one of its Affiliates during the Restricted Period (collectively, the “competitive products and/or services”); or (B) would result in a breach of the franchise, license or operating agreement if undertaken while such agreement were still in effect.
A “principal product” or “principal service” means any product or service comprising greater than 2% of average gross sales for U.S., Canadian, or International restaurants, considered respectively.

**Solicitation of Business Contacts re: Competitive Activities**

(b) any joint venture, affiliate, business partner, or other person, entity or association who has an agreement with the Corporation or one of its Affiliates as of the Date of Termination to:

(A) offer, purchase, sell, manufacture, process or promote, directly or indirectly, any competitive products and/or services; or

(B) enter into a joint venture, strategic alliance, or other business venture or arrangement including, but not limited to, new restaurant development activities (all of the foregoing, a “venture”), that would result, directly or indirectly, in such venture offering, purchasing, selling, manufacturing, processing or promoting, directly or indirectly, any competitive products and/or services.

**General Solicitation Activities**

(c) a franchisee of (or operator under an operating/license agreement with) the Corporation or one of its Affiliates to engage in any act or activity, whether individually or collectively with other franchisees, operators, or persons, that is adverse or contrary to the direct or indirect interests of the Corporation or its Affiliates’ business, financial or general relationship with such franchisees and/or operators.

(d) the organization or facilitation of, or provision of management services to, an association or organization of franchisees (or operators under operating/license agreements) with respect to the business or any other relationship that such franchisees (or operators under operating/license agreement) have with the Corporation or one of its Affiliates.

For greater clarity, such prohibited activities include but are not limited to the organization or facilitation of, or provision of management services to, an association or organization of franchisees (or operators under operating/license agreements) with respect to the business or any other relationship that such franchisees (or operators under operating/license agreements) have with the Corporation or one or more of its Affiliates, including but not limited to any such organization or association that would act as an additional layer of required negotiations between the Corporation and/or one or more of its Affiliates and its (or their) franchisees (or operators under operating/license agreements).

### 2.5 Non-Solicitation of Employees

The Executive hereby agrees that he will not, during the Restricted Period, either on his own behalf or in conjunction with or on behalf of any other person, directly or indirectly, except with the prior written consent of the Corporation, induce, solicit, entice or procure, any person who is employed by, or is under contract as a permanent, full-time agent of, the Corporation and/or any of its Affiliates, to leave such employment if:

(a) the Executive had personal contact, involvement, or dealings with such employee or agent in performing his duties;

(b) the employee or agent reported to the Executive;
(c) the Executive gained knowledge of the quality of work performance or abilities of the employee or agent during his tenure with the Corporation or one or more of the Corporation’s Affiliates; or

(d) the employee or agent has participated in strategic business plans, projects, or activities for the Corporation or one or more of the Corporation’s Affiliates that would be detrimental to the Corporation’s interest (or the interest of one or more of the Corporation’s Affiliates) if disclosed to a competitor of the Corporation (or one or more of the Corporation’s Affiliates).

Without limiting the foregoing, the Executive will not, directly or indirectly, release names of any “salaried” employees of the Corporation or its Affiliates to recruiters, headhunters or employment agencies.

2.6 Non-interference with Suppliers

The Executive hereby agrees that he will not, during the Restricted Period, either on his own behalf or in conjunction with or on behalf of any other person, directly or indirectly, interfere, seek to interfere, induce and/or incite another person to interfere, or take steps to interfere with the continuance of supplies (or the terms relating to such supplies) from any suppliers who have been supplying products, materials or services to the Corporation or any of its Affiliates, franchisees, joint ventures, or other person with whom the Corporation or any of its Affiliates have engaged in a business relationship at any time during the term of the Executive’s employment.

2.7 Non-Disparagement

During the Restricted Period and thereafter, the Executive agrees not to make, publish or provide, or encourage or induce others to make, publish or provide, any statements, comments, or remarks, whether oral, in writing or electronically transmitted, that are, or would reasonably be considered to be disparaging, derogatory or defamatory, or that criticize, malign, harm, prejudice, result in loss or injury to, ridicule, disparage or which are otherwise derogatory of, the Corporation (including, but not limited to, any processes or policies thereof) or any of its Affiliates, agents, executives, employees, officers, directors, shareholders or restaurant owners. The Executive further will not take, or encourage or induce others to take, any action or authorize any pattern of conduct which could reasonably be expected to adversely affect the personal or professional reputation of the Corporation or any of its Affiliates, agents, executives, employees, officers, directors, shareholders or restaurant owners. For greater certainty, the restrictions contained in this Section 2.7 shall apply, without limitation, to any statements, comments or remarks made to the press or media, in interviews, in public communications, at speaking engagements and at meetings of shareholders of the Corporation. Nothing in this Section 2.7 shall be construed as an implied waiver of the other terms of this Agreement that limit the Executive’s ability to make any such statements or remarks.

2.8 Quiet Period

The Executive agrees that, without in any way limiting or modifying the covenants and other obligations set forth in this Agreement, during the Restricted Period and thereafter, he will not make any public statements to the press or media regarding the Corporation or its Affiliates, agents, executives, employees, officers, directors, restaurant owners or products; his employment with the Corporation and/or its Affiliates; or the termination and resignation of his positions with the Corporation; all of the foregoing without the prior written approval of the Corporation. For the avoidance of doubt, during the Restricted Period and thereafter, the Executive shall not grant interviews, make public communications, take speaking opportunities, publish or provide any information or materials regarding the Corporation or its Affiliates, agents, executives, employees, officers, directors, restaurant owners or products in any way either on his
own initiative or in response to any inquiry from the press, public media or other similar third parties, without the prior written approval of the Corporation as to the nature of the communication and the express substance of the communication to be made.

2.9 **Suspension of Time Periods During Breach**

If the Executive is in breach of any of the terms of this Article 2, the running of the Non-Disclosure Period or respective Restricted Period, as applicable, shall be stayed and shall recommence upon the date the Executive ceases to be in breach thereof, whether voluntarily or by injunction, with the time period not reduced by the duration of the “stay.”

2.10 **Disclosure**

During the Non-Disclosure Period and the Restricted Period, the Executive shall inform, and consents to the Corporation in its sole discretion informing, any prospective employer or actual employer of the existence of this Agreement and the obligations which it imposes upon the Executive under all sections of this Article 2.

2.11 **Return of Materials**

All files, forms, brochures, books, materials, written correspondence, memoranda, documents, manuals, computer disks, software products and lists (including financial and other information and lists of customers, suppliers, products and prices) pertaining to the Corporation or to any of its Affiliates which may come into the possession or control of the Executive (whether furnished by the Corporation, an Affiliate, or any customer, franchisee, investor, supplier, distributor, employee or consultant), shall at all times remain the property of the Corporation or such Affiliate, as the case may be. Upon termination of the Executive's employment for any reason, the Executive agrees to immediately return all such property of the Corporation or of any of its Affiliates in the possession of the Executive or directly or indirectly under the control of the Executive. The Executive agrees not to make, for his personal or business use or that of any other person, reproductions or copies of any such property or other property of the Corporation or of any of its Affiliates.

2.12 **Trading Pre-clearance**

The Executive shall be required to pre-clear with the senior attorney in the Corporation’s securities practice group (the “Senior Attorney”), or his/her designee, any trades in the securities of the Corporation of which the Executive is the legal or beneficial owner, or any securities of any successor of the Corporation for a period of 12 months following the Date of Termination. The Executive may not effectuate trades where the Senior Attorney or his/her designee has not provided a permissive trading recommendation. It is the Executive’s obligation and responsibility to comply with all applicable securities laws, including but not limited to insider reporting requirements, for so long as, and to the extent, applicable.

2.13 **Intellectual Property**

(a) All worldwide rights, title and interest in any and all advances, computer programs, concepts, compositions, data, database technologies, designs, discoveries, domain names, drawings, formulae, ideas, improvements, integrated circuit typographies, inventions, know-how, mask works, sketches, software, practices, processes, research materials, trade secrets, work methods, patents, trade-marks, copyright works and any other intellectual property (whether registrable or not) produced, made, composed, written, performed, or designed by the Executive, either alone or jointly with others, in the course of the Executive’s employment
with the Corporation and/or its Affiliates and in any way relating to the business of the Corporation and/or its Affiliates (the “Intellectual Property”), shall vest in and be the exclusive property of the Corporation.

(b) Both during the term of this Agreement and following termination of employment with the Corporation, the Executive will fully and promptly disclose to the Corporation, complete details of any Intellectual Property right arising in connection with the Executive’s employment, with the intention that the Corporation shall have full knowledge and ownership of the working and practical applications of such right.

(c) At the expense of the Corporation, the Executive will co-operate in executing all necessary deeds and documents and shall co-operate in all other such acts and things as the Corporation may reasonably require in order to vest such Intellectual Property rights in the name of the Corporation.

(d) The Executive hereby waives any and all author’s moral and proprietary rights that the Executive may now or in the future have in any Intellectual Property developed in the course of the Executive’s employment with the Corporation.

(e) The Corporation shall have the sole and exclusive ownership of and right of control over any and all business, customers, and goodwill created or developed by the Executive in the course of the Executive’s employment with the Corporation, including all information, records, and documents concerning business and customer accounts and all other instruments, documents, records, data, and information concerning or relating to the Corporation’s and/or its Affiliates’ business activities, interests and pursuits.

ARTICLE 3
CONSIDERATION

3.1 Consideration

The Executive acknowledges and agrees that the consideration supporting the Executive’s covenants and obligations set forth herein, particularly including but not limited to those set forth in Article 2 hereof, consists of his initial employment by the Corporation, and the compensation and other benefits delivered in connection therewith. In the event that any such consideration consists of a payment that would be made or is due and payable after a Date of Termination, such payment is subject to forfeiture and set-off if the Executive is in breach of this Agreement at such time as the payment is otherwise due, as further described in Section 4.4 hereof.

ARTICLE 4
GENERAL

4.1 Reasonableness of Restrictions and Covenants

The Executive hereby confirms and agrees that the covenants and restrictions pertaining to the Executive contained in this Agreement, including, without limitation, those contained in Article 2, are reasonable and valid and hereby further acknowledges and agrees that the Corporation and its Affiliates would suffer irreparable injury in the event of any breach by the Executive of his obligations under any such covenant or restriction. Accordingly, the Executive hereby acknowledges and agrees that damages would
be an inadequate remedy at law in connection with any such breach and that the Corporation and its Affiliates shall therefore be entitled, in addition to any other right or remedy which they may have at law, in equity or otherwise, to temporary and permanent injunctive relief enjoining and restraining the Executive from any such breach.

4.2 **Representations and Acknowledgements**

The Executive represents and acknowledges that:

(a) the Executive has had sufficient time to review and consider this Agreement thoroughly;

(b) the Executive has read and understands the terms of this Agreement and the Executive's obligations hereunder, including his obligations under Article 2;

(c) the Executive has been given the opportunity to consult, and has in fact consulted independent legal counsel regarding his rights and obligations under this Agreement, as well as its interpretation and effect, and has been given an opportunity to obtain such other advice as the Executive may desire in connection with entering into this Agreement;

(d) this Agreement is entered into voluntarily and without any pressure; and

(e) a court of competent jurisdiction may, to the extent allowable under applicable law, modify, revise, or change the covenants set forth in Article 2 hereof to the extent required to render any or all (or any part) of such covenants binding on, and legally enforceable against, the Executive, as further described in Section 4.3 hereof.

4.3 **Severability**

If any provision of this Agreement, including the breadth or scope of the provisions contained in Article 2 (whether as to the Non-Disclosure Period, the Prohibited Activities, the respective Restricted Period, the Prohibited Area, or otherwise), shall be held by any court of competent jurisdiction to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining provisions, or part thereof, of this Agreement and such remaining provisions, or part thereof, shall remain enforceable and binding. In addition, should a court determine that any provision or portion of any provision of this Agreement is not reasonable or valid, the parties hereto agree that such provision should be interpreted and enforced to the maximum extent which the court deems reasonable or valid and the parties agree to request that the court apply notional severance to give effect to the restrictions in this Agreement to the fullest extent deemed reasonable or valid by the court. In particular, if such court determines that the duration of the Non-Disclosure Period and/or the respective Restricted Period and/or the scope of the Prohibited Activities or the Prohibited Area is unreasonable, the parties agree to reduce such duration and/or scope to such extent as may be necessary to ensure that the covenants in this Agreement are reasonable in the circumstances, as determined by the court.

4.4 **Entire Agreement; Forfeiture and Set-Off Remedies**

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral, except for the Offer Letter and the Change in Control Agreement, the terms of which also apply. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof, except as may be
provided herein, in the Change in Control Agreement, or in the Offer Letter. The terms of this Agreement shall survive the termination of either or both of the Change in Control Agreement and the Offer Letter.

Notwithstanding anything set forth in the Change in Control Agreement, the Offer Letter, or in any other offer or promotional letter agreement(s); benefit plans, programs or otherwise, including but not limited to any equity incentive plan, bonus or short-term incentive plan; any termination or severance agreement; or, any other employment or change in control agreement under which the Executive either participates or is a party (collectively, the “other agreement(s)”), all payments (whether in equity or cash) under such other agreement(s) that are to be paid to the Executive after the Date of Termination, shall be forfeited by the Executive in the event that the Executive is in breach of any of the terms of this Agreement at the time payment is due and owing under such other agreement(s). The foregoing remedy in favour of the Corporation and its Affiliates shall operate notwithstanding any contrary term or provision of any other agreement(s), and is not an exclusive remedy to the Corporation and its Affiliates. Rather, it is in addition to any other remedy available to the Corporation and its Affiliates at law or in equity as a result of the Executive’s breach of this Agreement.

4.5 Notices

All payments required or permitted to be made under the provisions of this Agreement, and all notices and other communications required or permitted to be given or delivered under this Agreement to the Corporation or to the Executive, which notices or communications must be in writing, shall be deemed to have been given if delivered by hand, or mailed by first class mail, addressed as follows:

If to the Corporation, to:

President and Chief Executive Officer
Tim Hortons Inc.
874 Sinclair Road
Oakville, ON L6K 2Y1

With a copy to:

General Counsel
Tim Hortons Inc.
874 Sinclair Road
Oakville, ON L6K 2Y1

If to Executive, to:


The Corporation or the Executive may, by notice given to the other from time to time, designate a different address for making payments required to be made, and for the giving of notices or other communications required or permitted to be given, to the party designating such new address. Any payment, notice or other communication required or permitted to be given in accordance with this Agreement shall be deemed to have been given if and when placed in the U.S. or Canadian Mail (as applicable), addressed and mailed as provided above.
4.6 **Governing Law**

(a) This Agreement shall be interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable in that province.

(b) Each of the parties irrevocably and unconditionally: (i) submits to the non-exclusive jurisdiction of the courts of the Province of Ontario over any action or proceeding arising out of or relating to this Agreement, (ii) waives any objection that it might otherwise be entitled to assert to the jurisdiction of such courts, and (iii) agrees not to assert that such courts are not a convenient forum for the determination of any such action or proceeding.

4.7 **Amendments and Waivers**

No amendment or waiver of any provision of this Agreement shall be binding on any party unless consented to in writing by such party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

4.8 **Successors and Assigns**

The Executive acknowledges that the services to be rendered pursuant to this Agreement are unique and personal. Accordingly, the Executive may not assign any of the Executive’s rights or delegate any of the Executive’s duties or responsibilities under this Agreement. The Executive hereby consents to the Corporation assigning its rights, duties and obligations under this Agreement to an Affiliate or to a purchaser or transferee of the Corporation upon a Change in Control. This Agreement shall inure to the benefit of and shall be binding on and enforceable by and against the heirs, executors, administrators and legal personal representatives of the Executive and the successors and assigns of the Corporation.

4.9 **Counterparts**

This Agreement and all documents contemplated by or delivered under or in connection with this Agreement may be executed and delivered in any number of counterparts, with the same effect as if all parties had signed and delivered the same document, and all counterparts shall be construed together to be an original and will constitute one and the same agreement.

4.10 **Cooperation**

The Executive agrees to provide the Corporation with such assistance as it may reasonably require, following the Date of Termination, to transfer all existing mandates, and/or job duties, responsibilities and accountabilities, to his/her successor, without additional compensation. The Executive further agrees that he shall cooperate with the Corporation (or, for all purposes of this paragraph, any Affiliate) and the Corporation’s (or Affiliate’s) designated agents and counsel in connection with any litigation or arbitration, or any potential litigation or arbitration, and/or in connection with any investigation, inquiry or other proceeding, including, but not limited to, regulatory or law enforcement investigations, inquiries or proceedings concerning or relating to matters in which he was involved as an employee. This cooperation shall include, but is not limited to, providing the Corporation, or the Corporation’s designated agents and counsel, with all requested information or documents; meetings with the Corporation’s designated agents or counsel, government representatives, or other third parties at the Corporation’s request at mutually agreed times and locations; and testifying. The Corporation agrees to reimburse the Executive for any
reasonable travel or other expenses reasonably incurred by him in connection with his cooperation in accordance with the Corporation’s then-applicable officer expense reimbursement policy. The Executive will not be entitled to any fees, payments, or compensation in connection with providing cooperation in connection with litigation or other matters described in this section.

4.11 **Headings**

The headings and section references in this Agreement are for convenience only and will not affect the interpretation of this Agreement.

4.12 **Language**

This Agreement originally will be written in the English language, and all questions of interpretation of this Agreement shall be resolved by reference to the same as written in English. All communications between the parties arising out of or in connection with this Agreement shall be in English. Les parties aux présentes conviennent expressément que le Contrat qu’ils concluront entre eux, ainsi que tous les pièces à conviction, documents et révélations précontractuels connexes ou qui s’y rattachent, soient entièrement rédigés, signés et distribués en Anglais seulement.

IN WITNESS WHEREOF this Agreement has been executed by the parties as of the date first above written.

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**TIM HORTONS INC.**

by  /s/ STEVE WUTHMANN

Name:  Steve Wuthmann  
Title:  EVP, Human Resources

by  /s/ PETER NOWLAN

Name:  Peter Nowlan
Exhibit A

Prescribed Competitors

1. Bruegger’s
2. Burger King
3. Cara Operations Ltd.
4. Coffee Culture
5. Coffee Time
6. Country Style
7. Dunkin Brands
8. Green Mountain Coffee Roasters
9. McDonald’s
10. Panera
11. Peet’s Coffee and Tea
12. The Second Cup Ltd.
13. SIR Corp.
14. Starbucks
15. Subway
16. Timothy’s Coffee
17. The Wendy’s Company
18. Yum! Brands

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TIM HORTONS INC.

by  /s/ STEVE WUTHMANN
    Name:  Steve Wuthmann
    Title:  EVP Human Resources

by  /s/ PETER NOWLAN
    Signature
    Peter Nowlan
CHANGE IN CONTROL AGREEMENT

Between

TIM HORTONS INC.

And

PETER NOWLAN

This Agreement is made and entered into effective as of May 21, 2014, by and between TIM HORTONS INC., a corporation governed by the Canada Business Corporations Act (the "EMPLOYER") and Peter Nowlan, an individual (the "EXECUTIVE"), who are the parties to this Agreement.

RECITALS

(1) The EMPLOYER and certain of its subsidiaries are engaged in the business of owning, operating and franchising Tim Hortons retail outlets and carrying on ancillary activities incident thereto (the “Business”).

(2) The EXECUTIVE possesses unique skills, knowledge and experience relating to the Business.

(3) The EXECUTIVE desires to be employed by the EMPLOYER, and the EMPLOYER desires to retain the EXECUTIVE as the Chief Brand and Marketing Officer of the EMPLOYER.

(4) The EMPLOYER desires to be assured of the continued services of the EXECUTIVE and to afford him the job security this Agreement provides without, however, increasing the compensation he would otherwise obtain were it not for the occurrence of events foreseen by this Agreement, and the EXECUTIVE desires to be assured that, in the event of a substantial change in the control of the EMPLOYER, the terms, conditions and environment of his employment will not be unreasonably affected.

(5) This Agreement is intended to be in addition to any other agreements the parties may have entered into concurrently with, or prior to the date hereof, or may enter into prior to a CHANGE IN CONTROL as defined herein, regarding the EXECUTIVE’s employment.

(6) The EMPLOYER desires to be assured of the objectivity of the EXECUTIVE in evaluating a potential offer, the effect of which would be a change of control of the EMPLOYER, and advising whether or not he believes a potential change of control is in the best interests of the EMPLOYER and its shareholders. The EMPLOYER further desires to be assured of the dedication of the EXECUTIVE to maximizing the value to be received by the shareholders of the EMPLOYER in the circumstances of negotiating or otherwise responding to a proposed change of control, and to
be assured of the continuity of services of the EXECUTIVE during such time as a proposed change of control is under negotiation or otherwise pending.

(7) The EXECUTIVE acknowledges and agrees that the consideration supporting the EXECUTIVE’s covenants and obligations set forth herein, consists of initial employment by the EMPLOYER.

In consideration of their mutual covenants expressed herein and for other consideration described herein and as otherwise given by the parties, the parties, intending to be legally bound hereby, agree as follows:

Section 1. EXECUTIVE’s Rights to Continued Employment in the event of a CHANGE IN CONTROL of the EMPLOYER.

For purposes of this Agreement a “CHANGE IN CONTROL” shall mean the occurrence of:

(a) An acquisition (other than directly from the EMPLOYER) of any common shares or other voting securities of the EMPLOYER entitled to vote generally for the election of directors (the “Voting Securities”) by any Person (as the term “person” is used for purposes of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), immediately after which such Person has “Beneficial Ownership” (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of thirty percent (30%) or more of the EMPLOYER’s then outstanding common shares or the combined voting power of the EMPLOYER’s then outstanding Voting Securities; provided, however, in determining whether a CHANGE IN CONTROL has occurred, common shares or Voting Securities which are acquired in a “Non-Control Acquisition” (as hereinafter defined) shall not constitute an acquisition which would cause a CHANGE IN CONTROL. A “Non-Control Acquisition” shall mean an acquisition by (i) an employee benefit plan (or a trust forming a part thereof) maintained by (A) the EMPLOYER or (B) any corporation or other Person of which a majority of its voting power or its voting equity securities or equity interest is owned, directly or indirectly, by the EMPLOYER (a “Subsidiary”), (ii) the EMPLOYER or its Subsidiaries, or (iii) any Person in connection with a “Non-Control Transaction” (as hereinafter defined);

(b) The individuals who, as of September 1, 2013, are members of the Board of the EMPLOYER (the “Incumbent Board”), cease for any reason to constitute at least seventy percent (70%) of the members of the Board; provided, however, that if the election, or nomination for election by the EMPLOYER’s shareholders, of any new director was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall, for purposes of this Agreement, be considered as a member of the Incumbent Board; provided further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (a “Proxy Contest”) including by reason of any agreement intended to avoid or settle any Proxy Contest; or

(c) The consummation of:
(i) a merger, consolidation, amalgamation or reorganization with or into the EMPLOYER or in which securities of the EMPLOYER are issued (a “Merger”), unless such Merger is a “Non-Control Transaction.” A “Non-Control Transaction” shall mean a Merger where:

(A) the shareholders of the EMPLOYER immediately before such Merger own directly or indirectly immediately following such Merger at least seventy percent (70%) of the combined voting power of the outstanding voting securities of the corporation resulting from such Merger (the “Surviving THI”) in substantially the same proportion as their ownership of the Voting Securities immediately before such Merger,

(B) the individuals who were members of the Incumbent Board immediately prior to the execution of the agreement providing for such Merger constitute at least two-thirds of the members of the board of directors of the Surviving THI, or a corporation beneficially directly or indirectly owning a majority of the voting securities of the Surviving THI, and

(C) no Person other than (i) the EMPLOYER, (ii) any Subsidiary, (iii) any employee benefit plan (or any trust forming a part thereof) that, immediately prior to such Merger was maintained by the EMPLOYER or any Subsidiary, or (iv) any Person who, immediately prior to such Merger had Beneficial Ownership of thirty percent (30%) or more of the EMPLOYER’s then outstanding common shares or the combined voting power of the EMPLOYER’s then outstanding Voting Securities, has Beneficial Ownership of thirty percent (30%) or more of the then outstanding common shares of the Surviving THI or the combined voting power of the Surviving THI’s then outstanding voting securities;

(ii) a complete liquidation or dissolution of the EMPLOYER; or

(iii) the sale or other disposition of all or substantially all of the assets of the EMPLOYER to any Person (other than a transfer to a Subsidiary).

Notwithstanding the foregoing, a CHANGE IN CONTROL shall not be deemed to occur solely because any Person (the “Subject Person”) acquired Beneficial Ownership of more than the permitted amount of the then outstanding common shares or Voting Securities as a result of the acquisition of common shares or Voting Securities by the EMPLOYER which, by reducing the number of common shares or Voting Securities then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Person, provided that if a CHANGE IN CONTROL would occur (but for the operation of this sentence) as a result of the acquisition of common shares or Voting Securities by the EMPLOYER, and after such acquisition by the EMPLOYER, the Subject Person becomes the Beneficial Owner of any additional common shares or Voting Securities which increases the percentage voting power of the then-outstanding Voting Securities Beneficially Owned by the Subject Person, then a CHANGE IN CONTROL shall occur.
If the EXECUTIVE’s employment is terminated by the EMPLOYER without CAUSE prior to the date of a CHANGE IN CONTROL but the EXECUTIVE reasonably demonstrates that the termination (A) was at the request of a third party who has indicated an intention or taken steps reasonably calculated to effect a CHANGE IN CONTROL or (B) otherwise arose in connection with, or in anticipation of, a CHANGE IN CONTROL which has been threatened or proposed, such termination shall be deemed to have occurred after a CHANGE IN CONTROL for purposes of this Agreement provided a CHANGE IN CONTROL shall actually have occurred.

1.1 From and after the date of occurrence of a CHANGE IN CONTROL, the EMPLOYER shall cause the EXECUTIVE to be employed, and the EXECUTIVE shall accept employment, with the duties, nature and place of such employment as described in Section 2 of this Agreement. Solely for purposes of this Agreement, the term of such employment, referred to hereinafter as the “EMPLOYMENT TERM,” shall commence on the date when the CHANGE IN CONTROL shall have occurred and shall end on the earlier of:

(a) the second anniversary of the first to occur of:

(i) the date when the occurrence of an event described in subparagraph (a) of Section 1 hereof shall be disclosed in (A) a Schedule 13D or other such similar or successor form promulgated by the Securities and Exchange Commission or Ontario Securities Commission, filed with the Securities and Exchange Commission of Washington, D.C. or (B) an insider report filed with the Ontario Securities Commission in Toronto, Ontario, Canada, and the duplicate of which is actually received by the EMPLOYER, or

(ii) the date on which a transaction described in subparagraph (c) of Section 1 of this Agreement (other than a Non-Control Transaction) shall be consummated, or

(iii) the first date on which at least thirty percent (30%) of the members of the Board of Directors of the EMPLOYER are not members of the Incumbent Board as described in subparagraph (b) of Section 1 of this Agreement; or

(b) the date when the EMPLOYMENT TERM shall be terminated by the EMPLOYER for CAUSE or by the EXECUTIVE without GOOD REASON (as such terms are defined in Section 4 of this Agreement); or

(c) the death of the EXECUTIVE.

Section 2. Duties, Nature and Place of Employment. During the EMPLOYMENT TERM, the EXECUTIVE shall provide the EMPLOYER with such executive, financial, administrative, and consulting services in managing and directing the EMPLOYER’s business, which includes the provision of services on behalf of the EMPLOYER to the EMPLOYER’s Subsidiaries in respect of the Business, as may be required by the EXECUTIVE’s job description, as provided to EXECUTIVE upon commencement of employment, or as amended by the agreement of the parties hereafter, or reasonably requested and directed from time to time by action of the EMPLOYER’s President and Chief Executive Officer or Board of Directors, as applicable. The EXECUTIVE shall at all times faithfully, industriously and to the best of his ability and talent perform all of the duties that may be required or requested of him pursuant to the express terms and conditions of this Agreement. Such duties shall be performed in Oakville, Ontario and, on a periodic basis, at such other place or places
as the interests, needs, business and opportunities of EMPLOYER, or the EMPLOYER’s other Subsidiaries, shall reasonably require.

Section 3. Remuneration during the EMPLOYMENT TERM. During the EMPLOYMENT TERM, the EXECUTIVE shall receive from the EMPLOYER, the salary, benefits and perquisites being paid to or afforded him immediately prior to the date of occurrence of the CHANGE IN CONTROL, subject to annual review in the normal course of business as described in subsection 3.1 herein. Such salary shall be paid to the EXECUTIVE on the same days of each month as the EMPLOYER pays its other employees. The EXECUTIVE shall also be eligible to participate in an annual bonus plan, not less favourable than such plan that EXECUTIVE was eligible for immediately prior to the date of occurrence of the CHANGE IN CONTROL. The EXECUTIVE shall also be entitled to all rights afforded him under the terms of any outstanding stock options granted him by the EMPLOYER and all incentive compensation and deferred compensation programs maintained by the EMPLOYER in which the EXECUTIVE was entitled to participate immediately preceding the CHANGE IN CONTROL, or successors to such programs.

3.1 During the EMPLOYMENT TERM, the EMPLOYER’s Board of Directors, or a duly authorized committee thereof shall review annually the performance of the EXECUTIVE, the results of operations and financial condition of the EMPLOYER, together with prevailing economic conditions and other factors, and consider and determine whether to accept or vary a recommendation of the EMPLOYER:

(a) whether the EMPLOYER should increase EXECUTIVE’s salary, and

(b) whether the EXECUTIVE should be paid a bonus pursuant to the applicable bonus plan.

3.2 During the EMPLOYMENT TERM, the EMPLOYER shall cause the EXECUTIVE, his spouse and dependent children (in each case, if applicable) to be enrolled in and covered by group life, hospitalization, major medical and disability income insurance coverages under insurance plans and executive physical examination plans not less favourable to the EXECUTIVE than the plans of such description in effect immediately prior to the date of occurrence of the CHANGE IN CONTROL.

3.3 During the EMPLOYMENT TERM, the EMPLOYER shall cause the EXECUTIVE to be a participant in one or more retirement income (pension) plans which afford participation and benefits to the EXECUTIVE on a basis not less favourable to the EXECUTIVE than the plans of such description in effect immediately prior to the date of occurrence of the CHANGE IN CONTROL.

3.4 During the EMPLOYMENT TERM, the EMPLOYER shall cause reimbursement to be paid promptly to the EXECUTIVE for all expenses reasonably incurred by him in connection with performing his duties pursuant hereto.

3.5 During the EMPLOYMENT TERM, in the event that the insurance and physical examination plan benefits required by paragraph 3.2, above, or the retirement income (pension) plan benefits required by paragraph 3.3, above, are not actually available to the EXECUTIVE under the terms of the plan(s) or applicable law, then the EMPLOYER shall make available to the EXECUTIVE an equivalent benefit, or an amount of cash consideration sufficient to fund or purchase an equivalent benefit, computed as if he had received a full year of service (for vesting and benefit purposes) for each of his years of service with EMPLOYER, or any other affiliate or Subsidiary of the EMPLOYER,
including any years for which he is entitled to payment under Section 3 during the EMPLOYMENT TERM.

Section 4. Termination of Employment of the EXECUTIVE during the EMPLOYMENT TERM. The EXECUTIVE’s employment hereunder may be terminated during the EMPLOYMENT TERM under the following circumstances:

4.1 Cause. The EMPLOYER may terminate the EXECUTIVE’s employment under this Agreement for “CAUSE.” A termination for CAUSE is a termination by reason of the good faith determination by the EMPLOYER’s Board of Directors, that the EXECUTIVE (a) willfully and continually failed to substantially perform his duties with the EMPLOYER (other than a failure resulting from the EXECUTIVE’s incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to the EXECUTIVE by the EMPLOYER, with the prior approval of the EMPLOYER’s Board of Directors, which specifically identifies the manner in which the EMPLOYER believes that the EXECUTIVE has not substantially performed his duties and such failure substantially to perform continues for at least fourteen (14) days, or (b) has willfully engaged in conduct which is demonstrably and materially injurious to the EMPLOYER, monetarily or otherwise, or (c) has otherwise materially breached this Agreement (including, without limitation, a voluntary termination of the EXECUTIVE’s employment by the EXECUTIVE during the EMPLOYMENT TERM). No act, nor failure to act, on the EXECUTIVE’s part, shall be considered “willful” unless he has acted, or failed to act, with an absence of good faith and without a reasonable belief that his action or failure to act was in the best interest of the EMPLOYER. Notwithstanding the foregoing, the EXECUTIVE’s employment shall not be deemed to have been terminated for CAUSE unless and until (1) there shall have been delivered to the EXECUTIVE a copy of a written NOTICE OF TERMINATION (as defined in Section 4.3 below), which, with respect to termination under this Section 4.1 only, sets forth that the EXECUTIVE was guilty of conduct set forth above in clause (a), (b) or (c) of the first sentence of this Section 4.1 and specifies the particulars thereof in detail, and (2) the EXECUTIVE shall have been provided an opportunity to be heard by the Board of Directors of the EMPLOYER (with the assistance of the EXECUTIVE’s counsel).

4.2 (a) Good Reason. The EXECUTIVE may terminate his employment for “GOOD REASON.” For purposes of this Agreement, GOOD REASON shall mean the occurrence after a CHANGE IN CONTROL of any of the events or conditions described in Subsections (1) through (5) hereof without the EXECUTIVE’s express written consent:

(1) a change in the EXECUTIVE’s status, title, position or responsibilities (including reporting responsibilities) which, in the EXECUTIVE’s reasonable judgment, does not represent a promotion from his status, title, position or responsibilities as in effect immediately prior thereto; the assignment to the EXECUTIVE of any duties or responsibilities which, in the EXECUTIVE’s reasonable judgment, are inconsistent with such status, title, position or responsibilities; or any removal of the EXECUTIVE from or failure to reappoint or reelect him to any of such positions, except in connection with the termination of his employment for DISABILITY, CAUSE, as a result of his death, or by the EXECUTIVE other than for GOOD REASON;

(2) a reduction by the EMPLOYER in the EXECUTIVE’s base salary as in effect immediately prior to the CHANGE IN CONTROL or as the same may be increased from time to time thereafter;
(3) the EMPLOYER requiring the EXECUTIVE to be based at any place outside a 50 kilometre radius from the EXECUTIVE’s business office location immediately prior to the CHANGE IN CONTROL, except for reasonably required travel on the EMPLOYER’s behalf, or on behalf of a Subsidiary of the EMPLOYER (or its successor’s) business (or the business of any successor to the EMPLOYER or a subsidiary of the EMPLOYER as the controlling voting shareholder (whether direct or indirect) of the EMPLOYER) which is not materially greater than such travel requirements prior to the CHANGE IN CONTROL;

(4) the failure by the EMPLOYER to continue to provide the EXECUTIVE with compensation and benefits substantially similar (in terms of benefit levels and/or reward opportunities) to those provided for under this Agreement and those provided to him under any of the employee benefit plans in which the EXECUTIVE becomes a participant, or the taking of any action by the EMPLOYER which would directly or indirectly materially reduce any of such benefits or deprive the EXECUTIVE of any material fringe benefit enjoyed by him at the time of the CHANGE IN CONTROL; or

(5) any material breach by the EMPLOYER of any provision of this Agreement.

(b) The EXECUTIVE’s right to terminate his employment pursuant to this Section 4.2 shall not be affected by his incapacity due to physical or mental illness.

4.3 Notice of Termination. Any purported termination by the EMPLOYER or by the EXECUTIVE shall be communicated by written NOTICE OF TERMINATION to the other. For purposes of this Agreement, a “NOTICE OF TERMINATION” shall mean a notice which indicates the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the EXECUTIVE’s employment under the provision so indicated. If the EXECUTIVE’s employment is terminated by the EMPLOYER for any reason, NOTICE OF TERMINATION must be given at least 30 days prior to the EXECUTIVE’s TERMINATION DATE (as defined below). For purposes of this Agreement, no such purported termination, other than due to the EXECUTIVE’s death, shall be effective without such NOTICE OF TERMINATION.

4.4 Termination Date, Etc. “TERMINATION DATE” shall mean, (a) the date of the EXECUTIVE’s death or (b) if the EXECUTIVE’s employment is terminated for any reason other than due to death, the date specified in the NOTICE OF TERMINATION.

Section 5. Compensation Upon Termination. Subject to Section 8.4, upon termination of the EXECUTIVE’s employment during the EMPLOYMENT TERM, the EXECUTIVE shall be entitled to the following benefits:

5.1 If the EXECUTIVE’s employment shall be terminated by the EMPLOYER for CAUSE or by the EXECUTIVE other than for GOOD REASON, the EMPLOYER shall pay the EXECUTIVE his full base salary and accrued vacation pay through the TERMINATION DATE, plus any benefits or awards which pursuant to the terms of any compensation or benefit plan have been earned or become payable, but which have not yet been paid to the EXECUTIVE, and the EMPLOYER shall have no further obligations to the EXECUTIVE under this Agreement. The EXECUTIVE’s benefits thereafter shall be determined in accordance with the EMPLOYER’s employee benefit plans and other applicable programs and practices then in effect.
5.2 If the EXECUTIVE’s employment terminates by reason of the EXECUTIVE’s death, the EMPLOYER shall pay the EXECUTIVE’s beneficiaries his full base salary and accrued vacation pay through the TERMINATION DATE, plus any benefits or awards which pursuant to the terms of any compensation or benefit plan have been earned or become payable, but which have not yet been paid to the EXECUTIVE and a pro rata portion of any bonus or incentive award that the EXECUTIVE would have been entitled to receive in respect of the calendar year in which the EXECUTIVE’s TERMINATION DATE occurs had he continued in employment until the end of such calendar year, payable at the same time that such bonuses or awards are payable to other employees of the EMPLOYER. In the case of the EXECUTIVE’s death, the EXECUTIVE’s beneficiaries’ benefits shall be determined in accordance with the EMPLOYER’s employee benefit plans and other applicable programs and practices then in effect.

5.3 If the EXECUTIVE’s employment shall be terminated (i) by the EMPLOYER other than for CAUSE or death, or (ii) by the EXECUTIVE for GOOD REASON, then the EXECUTIVE shall be entitled to the benefits provided below:

(a) the EMPLOYER shall pay the EXECUTIVE his full base salary and accrued vacation pay through the TERMINATION DATE, plus the benefits or awards which pursuant to the terms of any of the EMPLOYER’s compensation or benefit plans have been earned or become payable as if all objectives including the completion of the award cycle thereunder had been met, but which have not yet been paid to the EXECUTIVE, and a pro rata portion of any bonus or incentive award that the EXECUTIVE would have been entitled to receive in respect of the calendar year in which the EXECUTIVE’s TERMINATION DATE occurs had he continued in employment until the end of such calendar year, calculated as if all performance targets under the applicable plan had been fully met at the target level by the EMPLOYER and/or by the EXECUTIVE, as applicable; provided, however, that the bonus payment provided for in this Section 5.3(a) shall be reduced (but not below zero) by the amount, if any, payable to the EXECUTIVE in respect of the year in which the EXECUTIVE’s TERMINATION DATE occurs under the provisions of any other bonus or incentive plan, as applicable.

(b) as severance pay and in lieu of any further salary for periods subsequent to the TERMINATION DATE, the EMPLOYER shall pay to the EXECUTIVE in a single payment an amount in cash equal to two times the greater of (I) the sum of (A) the EXECUTIVE’s annual base salary at the rate in effect at the time NOTICE OF TERMINATION is given and (B) annual target bonus amount in effect at the time NOTICE OF TERMINATION is given, or (II) the sum of (A) the average of the EXECUTIVE’s annual base salary at the rate in effect at the time NOTICE OF TERMINATION is given and the EXECUTIVE’s annual base salary for each of the two years prior thereto; and (B) the average of the annual target bonus amount in effect at the time NOTICE OF TERMINATION is given and the EXECUTIVE’s annual target bonus amount for each of the two years prior thereto.

(c) as additional severance, the EMPLOYER shall pay to the EXECUTIVE in a single payment an amount equal to the present value of the employer contributions the EXECUTIVE would have accrued under the EMPLOYER’s registered pension plan and supplemental plan, if any, if he had remained an employee for two years following the TERMINATION DATE. For purposes of this determination, the base
salary of the EXECUTIVE over this period shall be equal to his base salary in effect at the TERMINATION DATE, and the employee contribution rate of the EXECUTIVE under the registered pension plan shall be equal to the contribution rate in effect at the TERMINATION DATE. Present values shall be determined using a discount rate equal to the interest rate recommended by the Canadian Institute of Actuaries for the computation of transfer values from a registered pension plan.

(d) for the two years following the TERMINATION DATE, the EMPLOYER shall at its expense continue on behalf of the EXECUTIVE and his dependents and beneficiaries the life insurance, disability, medical, dental and hospitalization benefits which were being provided to the EXECUTIVE at the time NOTICE OF TERMINATION is given. The benefits provided in this Section 5.3(d) shall be no less favourable to the EXECUTIVE, in terms of amounts and deductibles and costs to him, than the coverage provided the EXECUTIVE under the EMPLOYER’s plans providing such benefits at the time NOTICE OF TERMINATION is given. The EMPLOYER’s obligation hereunder with respect to the foregoing benefits shall be limited to the extent that the EXECUTIVE obtains any such benefits pursuant to a subsequent employer’s benefit plans, in which case the EMPLOYER may reduce the coverage of any benefits it is required to provide the EXECUTIVE hereunder as long as the aggregate coverage of the combined benefit plans is no less favourable to the EXECUTIVE in terms of amounts and deductibles and costs to him, than the coverage which would be provided hereunder by the EMPLOYER to the EXECUTIVE at the time the NOTICE OF TERMINATION is given. Except as expressly set forth above, this paragraph (d) shall not be interpreted so as to limit any benefits to which the EXECUTIVE or his dependents may be entitled under any of the EMPLOYER’s employee benefit plans, programs or practices following the EXECUTIVE’s termination of employment. Where such benefits as contemplated in this section 5.3(d) are not available to EXECUTIVE as a result of EXECUTIVE not being employed by the EMPLOYER, the EMPLOYER shall pay, in a lump sum, the present value of the cost of such benefits, had they been available under the same terms and conditions and the EMPLOYER benefit plans, and net of any required contribution by the EXECUTIVE.

(e) for the two years following the TERMINATION DATE, the EMPLOYER shall pay to the EXECUTIVE a monthly allowance equal to a pre-determined monthly amount for the car payment, gas, maintenance and insurance for the grade level of the EXECUTIVE, established by the EMPLOYER from time to time, to replace the benefit of the car being used by the EXECUTIVE prior to the TERMINATION DATE. The EXECUTIVE shall return the car being used by such EXECUTIVE to the EMPLOYER upon the TERMINATION DATE.

5.4 The amounts provided for in Sections 5.1, 5.2 and 5.3(a), (b) and (c) shall be paid within ten days after the EXECUTIVE’s TERMINATION DATE.

5.5 The EXECUTIVE shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise and no such payment, except as otherwise set forth in Section 5.3(d) hereof, shall be offset or reduced by the amount of any compensation or benefits provided to the EXECUTIVE in any subsequent employment.
Section 6. **Effect of a Change in Control on Equity Awards.** If, during the EMPLOYMENT TERM, the EXECUTIVE’s employment shall be terminated (i) by the EMPLOYER other than for CAUSE or death or (ii) by the EXECUTIVE for GOOD REASON, (a) any options to purchase shares of the EMPLOYER and any stock appreciation rights or restricted stock units, or other equity awards granted by the EMPLOYER to the EXECUTIVE, which are not yet fully vested and exercisable, shall become fully vested and exercisable, and (b) any restrictions remaining at that time on any stock award to the EXECUTIVE by the EMPLOYER shall lapse. If, during the EMPLOYMENT TERM, the EXECUTIVE’s employment is terminated by the EMPLOYER for CAUSE, by the EXECUTIVE’s death, or by the EXECUTIVE other than for GOOD REASON, the treatment of any options to purchase shares of the EMPLOYER, any stock appreciation rights or restricted stock units, or other equity awards granted by the EMPLOYER to the EXECUTIVE, or any stock award to the EXECUTIVE by the EMPLOYER shall be determined pursuant to the terms of the applicable EMPLOYER Stock Incentive Plan, which shall be in effect, as amended, supplemented or restated, as of the applicable time, that governs the treatment of such options, stock appreciation rights, restricted stock units, stock awards or other equity awards.

Section 7. **Fees and Expenses.** The EMPLOYER shall pay all reasonable legal fees and related expenses (including the costs of experts, evidence and counsel) incurred in good faith by the EXECUTIVE as a result of (a) the termination of the EXECUTIVE’s employment by the EMPLOYER or by the EXECUTIVE for GOOD REASON (including all such fees and expenses, if any, incurred in contesting, defending or disputing the basis for any such termination of employment), or (b) the EXECUTIVE seeking to obtain or enforce any right or benefit provided by this Agreement or by any other plan or arrangement maintained by the EMPLOYER under which the EXECUTIVE is or may be entitled to receive benefits in accordance with the terms hereof; provided, however, that such payments by EMPLOYER of reasonable legal fees and related expenses of EXECUTIVE shall be required only to the extent that the EXECUTIVE is determined, by non-appealable order of a court of competent jurisdiction or through a properly conducted arbitration proceeding, to be the prevailing party in any claim, dispute or action relating to matters described in items (a) or (b) above.

Section 8. **Protection of Business.** Notwithstanding anything to the contrary in this Agreement:

8.1 At all times during the EMPLOYMENT TERM while the EXECUTIVE is employed by the EMPLOYER, the EXECUTIVE will not participate as a partner, joint venturer, officer, director, employee, or representative, or have any direct financial interest in, any business or enterprise conducting a quick service restaurant business in the United States or Canada, other than a business or enterprise engaged in operating restaurants under a franchise granted by the EMPLOYER, or any affiliated person; provided, that the ownership by EXECUTIVE of securities of a public corporation shall not be a violation of this subparagraph so long as (a) the EXECUTIVE does not own, directly or indirectly, more than five percent (5%) of any class of the securities of such corporation, and (b) the value of such securities does not exceed ten percent (10%) of the net worth of the EXECUTIVE; and provided further that ownership by EXECUTIVE of securities of the EMPLOYER or any successor to the EMPLOYER by merger or other form of transaction contemplated by subparagraph (a) or (c) of Section 1 hereof shall not be a violation of this subparagraph.

8.2 Notwithstanding anything to the contrary contained in this Agreement, the EXECUTIVE shall be required to pre-clear with the senior attorney in the EMPLOYER’s securities practice group (the “Senior Attorney”), or his/her designee, any trades in the securities of the EMPLOYER of which the EXECUTIVE is the legal or beneficial owner, or any securities of any successor of the
EMPLOYER following a CHANGE IN CONTROL, for a period of 12 months following the TERMINATION DATE. The EXECUTIVE may not effectuate trades where the Senior Attorney or his/her designee has not provided a permissive trading recommendation. It is the EXECUTIVE’s obligation and responsibility to comply with all applicable securities laws, including but not limited to insider reporting requirements, for so long as, and to the extent, applicable.

8.3 Notwithstanding anything to the contrary contained in this Agreement, the restrictions on competition and other restrictions imposed upon the EXECUTIVE by this Section 8 may be enforced by the EMPLOYER or any of its Subsidiaries by an action for an injunction, it being agreed (in view of the general practical impossibility of determining by computation or legal proof of the exact amount of damages, if any, resulting to the EMPLOYER or any of its Subsidiaries from a violation by the EXECUTIVE of the provisions of this Section 8) that there would be no adequate remedy at law for any breach by the EXECUTIVE of any such restriction.

8.4 Notwithstanding anything set forth herein to the contrary, the EXECUTIVE acknowledges and agrees that the EMPLOYER’s Recoupment Policy Relating to Performance-Based Compensation originally adopted by the Board of Directors of Tim Hortons Inc., a Delaware corporation, on February 19, 2009 and assumed and adopted by the Board of Directors of the EMPLOYER on September 28, 2009, as may be amended from time to time thereafter (the “Recoupment Policy”) (a) is binding on the EXECUTIVE, (b) the EXECUTIVE is a “Senior Executive” under such Recoupment Policy, (c) all performance-based compensation awarded to the EXECUTIVE in accordance with the terms and conditions of this Agreement or otherwise under any incentive, bonus or other plan of the EMPLOYER or its Subsidiaries are subject to the Recoupment Policy and (d) the EXECUTIVE acknowledges having received a copy of the Recoupment Policy.

Notwithstanding anything to the contrary contained herein, all payments, awards, and other amounts payable or due to the EXECUTIVE hereunder are subject to the EMPLOYER’s (or an affiliate of the EMPLOYER’s) right to reclaim, or require forfeiture of, such payments or other amounts in accordance with the terms of any separate agreement, understanding, or arrangement between the EXECUTIVE and the EMPLOYER, or any affiliate of the EMPLOYER, including but not limited to any employment agreement, offer letter for initial employment, promotional letter setting forth the terms of the EXECUTIVE’s promotion, change in control agreement, and/or post-employment covenant agreement, including but not limited to the Covenants Agreement (as hereinafter defined).

Section 9. Notices and Payments. All payments required or permitted to be made under the provisions of this Agreement, and all notices and other communications required or permitted to be given or delivered under this Agreement to the EMPLOYER or to the EXECUTIVE, which notices or communications must be in writing, shall be deemed to have been given if delivered by hand, or mailed by first class mail, addressed as follows:

9.1 if to the EMPLOYER, to:

President and CEO
Tim Hortons Inc.
874 Sinclair Road
Oakville, ON L6K 2Y1
With a copy to:

General Counsel
Tim Hortons Inc.
874 Sinclair Road
Oakville, ON L6K 2Y1

9.2 if to EXECUTIVE, to:

________________________
________________________

The EMPLOYER or the EXECUTIVE may, by notice given to the others from time to time, designate a different address for making payments required to be made, and for the giving of notices or other communications required or permitted to be given, to the party designating such new address. Any payment, notice or other communication required or permitted to be given in accordance with this Agreement shall be deemed to have been given if and when placed in the U.S. or Canadian Mail (as applicable), addressed and mailed as provided above.

Section 10. Payroll Taxes. Any payment required or permitted to be made or given to the EXECUTIVE pursuant to this Agreement shall be subject to the withholding and other requirements of applicable laws, and to the deduction requirements of any benefit plan maintained by the EMPLOYER in which the EXECUTIVE is a participant, and to all reporting, filing and other requirements in respect of such payments, and the EMPLOYER shall promptly satisfy all such requirements.

Section 11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

Section 12. Duplicate Originals. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, taken together, shall constitute a single instrument.

Section 13. Captions. The captions contained in this Agreement are included only for convenience of reference and do not define, limit, explain or modify this Agreement or its interpretation, construction or meaning.

Section 14. Severability. If any provision of this Agreement or the application of any provision to any person or any circumstances shall be determined to be invalid or unenforceable, then such determination shall not affect any other provision of this Agreement or the application of said provision to any other person or circumstance, all of which other provisions shall remain in full force and effect. It is the intention of the EMPLOYER and the EXECUTIVE that if any provision of this Agreement is susceptible of two or more constructions, one of which would render the provision enforceable and other or others of which would render the provision unenforceable, then the provision shall have the meaning which renders it enforceable.

Section 15. Number and Gender. When used in this Agreement, the number and gender of each pronoun shall be construed to be such number and gender as the context, circumstances or its antecedent may require.
Section 16. **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon the successors and assigns (including successive, as well as immediate, successors and assigns) of the EMPLOYER; provided, however, that the obligations of this Agreement may not be transferred by the EMPLOYER, except in accordance with the following proviso: provided further, however, that if the EMPLOYER transfers to any other person substantially all of its assets and/or business by merger, amalgamation, consolidation, sale of assets or otherwise, the EMPLOYER must transfer its obligations hereunder to such other person and such other person must accept such transfer and assume the obligations of the EMPLOYER imposed hereby, resulting in a permissible assignment and transfer of this Agreement by the EMPLOYER. The EMPLOYER shall notify the EXECUTIVE in writing within thirty (30) days following any transfer of business and assets that the transferee has accepted the transfer and assumption of the EMPLOYER’s obligations under this Agreement. This Agreement shall inure to the benefit of and be binding upon the heirs and assigns (including successive, as well as immediate, assigns) of the EXECUTIVE; provided, however, that the rights of the EXECUTIVE under this Agreement may be assigned only to his personal representative or by will or pursuant to applicable laws of descent and distribution.

Section 17. **Arbitration.** All matters in difference between the parties in relation to this Agreement shall be referred to the arbitration of a single arbitrator if the parties agree upon one, otherwise to three arbitrators, one to be appointed by each party and a third to be chosen by the first two named before they enter upon the business of arbitration. Such arbitration shall take place in the City of Toronto, or as the parties may otherwise agree in writing. The award and determination of the arbitrator or arbitrators or any two of the three arbitrators shall be binding upon the parties and their respective heirs, executors, administrators and assigns. During the pendency of such arbitration proceedings, the EXECUTIVE shall be entitled to the full benefits provided by the Agreement.

Section 18. **Additional Terms Set Forth in Employment and Post-Employment Covenants Agreement.** The EXECUTIVE and the EMPLOYER have entered into the Employment and Post-Employment Covenants Agreement, dated effective as of July 2, 2013 (the “Covenants Agreement”), which sets forth obligations on the EXECUTIVE regarding confidentiality, non-competition, non-solicitation and others. The terms of the Covenants Agreement shall apply in addition to all of the terms set forth herein (and not in replacement of any of the terms hereof), and a breach of the terms of the Covenants Agreement shall result in a breach of the terms of this Agreement as well.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed to be effective as of the date first above written.

EXECUTIVE:

/s/ PETER NOWLAN
Peter Nowlan
THE EMPLOYER:
TIM HORTONS INC.

By: /s/ STEVE WUTHMANN

Name: Steve Wuthmann
Title: EVP, Human Resources
Tim Hortons Inc. appoints veteran marketer
Peter Nowlan as Chief Brand and Marketing Officer

OAKVILLE, ONTARIO, (April 28th, 2014): Tim Hortons Inc. (NYSE:THI, TSX: THI) today announced the appointment of Molson Coors® veteran Peter Nowlan as Chief Brand and Marketing Officer, effective May 21st, 2014.

Nowlan will succeed Bill Moir, whose planned retirement was disclosed in August of 2012. Moir will assist in an effective transition which will be completed by August 31, 2014, and he will continue to be involved with the brand as President of the Tim Horton Children's Foundation until the end of 2015, as well as be available to the CEO for strategic initiatives and programs as required.

"We are indebted to Bill for his nearly 25 years of leadership in stewarding the unique and privileged brand position we enjoy today, and we believe Peter is ideally positioned to support our ongoing growth and evolution in the future," said Marc Caira, president and CEO.

Nowlan is currently Chief Commercial Officer of Molson Coors Canada, where he is responsible for all sales and marketing activity, and prior to that he was Chief Marketing and Strategy Officer for the organization. Nowlan has a proven track record in food and beverage marketing. He has led breakthrough advertising and marketing at Molson Coors and is well-known for his innovative approaches and as a catalyst for new ideas.

Prior to joining Molson Coors Canada, he was vice-president of Marketing and Strategy for Kraft's U.S. Grocery sector. He also held senior roles for Kraft in Asia and Canada across various product categories. Nowlan started his career with Nabisco and held a variety of roles including heading up marketing for their Snacks division.

"Peter is a highly respected and proven marketing leader with a track record of success in every role he has had, with experience that spans Canada, the U.S. and International markets. We are delighted to welcome Peter to the Tim Hortons team, where he will apply his considerable talents and energy toward our continued growth as one of our industry's most trusted and consumer-centric brands," added Caira.

"Tim Hortons enjoys incredible brand trust and equity. Helping to steward and build upon the brand's special consumer connection is a tremendous opportunity and I am looking forward to working across the organization and with Tim Hortons restaurant owners to enhance our brand leadership even further," said Nowlan.

For more information: Scott Bonikowsky, (905) 339-6186 or bonikowsky_scott@timhortons.com
Chief Brand and Marketing Officer
Tim Hortons Inc.
May 21st, 2014