

**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): March 28, 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 1.01 Entry into a Material Definitive Agreement.

The information provided in Item 2.03 of this Form 8-K is incorporated by reference into this Item 1.01.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On March 28, 2014, Tim Hortons Inc. (the “Corporation”) completed its Canadian private placement transaction of \$450 million of senior unsecured 5-year notes, for net proceeds of approximately \$448 million (net of agent commissions), which was priced at \$999.72 per \$1,000 principal amount of notes, to yield 2.856%. RBC Dominion Securities Inc., TD Securities Inc., Scotia Capital Inc. and Citigroup Global Markets Canada Inc. acted as agents in the sale of the 2.85% Senior Unsecured Notes, Series 3, due April 1, 2019 (the “Notes”), in reliance upon exemptions from the prospectus requirements under applicable Canadian securities legislation. The Notes were issued pursuant to a Trust Indenture dated June 1, 2010 (the “Master Indenture”) between the Corporation and BNY Trust Company of Canada, as trustee (the “Trustee”), as supplemented by a Third Supplemental Trust Indenture dated March 28, 2014 (the “Third Supplemental Trust Indenture” and, together with the Master Indenture, the “Indenture”). The net proceeds will be used to repay the amount of revolving indebtedness outstanding under the senior revolving facility credit agreement dated as of October 4, 2013, among certain parties, including the Corporation, as borrower, and the “Lenders” from time to time that are parties thereto (the “2013 Senior Bank Facility”), and for general corporate purposes. The proceeds of the 2013 Senior Bank Facility are available for general corporate purposes, including the purchase by the Corporation of its common shares under any substantial or normal course issuer bid, by private agreement, or otherwise, or a cash distribution to shareholders of the Corporation.

The Notes will be senior unsecured obligations of the Corporation and are initially guaranteed by the Corporation’s wholly-owned subsidiary, The TDL Group Corp. (“TDL”), subject to subsequent release and/or replacement under the terms of the Indenture. TDL executed a Supplement to Guarantee dated March 28, 2014, confirming that the Notes are subject to the guarantee from TDL in favor of the Trustee made on June 1, 2010.

The Corporation may, at its option, redeem the Notes, in whole or in part, at any time, upon not less than 30 days’ and not more than 60 days’ notice, at a redemption price provided for in the Indenture, together with accrued and unpaid interest, if any, to the date fixed for redemption.

For certain change of control transactions, the Corporation (or identified third party) must offer to repurchase the Notes at a purchase price payable in cash equal to 101% of the outstanding principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

The Notes provide for interest to be paid at 2.85% per annum, payable in cash in semi-annual installments, in arrears, on April 1 and October 1 in each year until maturity. The first interest payment is due October 1, 2014 and will be in the amount of \$14.56232878 per \$1,000 principal amount (long first coupon).

The Indenture provides for customary events of default. If an event of default under the Indenture occurs and is continuing, the Trustee, or holders of at least 51% of the aggregate principal amount of the outstanding notes issued under the Indenture (or, if applicable, notes issued under the Indenture of a particular series) may declare the principal amount of all such notes and interest accrued thereon to be due and payable immediately.

The Notes have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act") or any other state securities laws and were not and may not hereafter be offered, sold or delivered within the United States of America or its territories or possessions or to U.S. persons absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities law.

A copy of the Third Supplemental Indenture (including the form of Note) is attached hereto as Exhibit 4.1, and is incorporated by reference to this Item 2.03. The information provided in this Item 2.03 is qualified in its entirety by reference to the full text of the Third Supplemental Indenture contained in Exhibit 4.1, and by Item 2.03 of the Corporation's Form 8-K filed June 1, 2010, which is incorporated by reference into this Item 2.03.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 4.1 Third Supplemental Trust Indenture, dated March 28, 2014, by and between the Corporation and BNY Trust Company of Canada, as trustee

Exhibit 4.2 Supplement to Guarantee, dated March 28, 2014, from The TDL Group Corp. in favor of BNY Trust Company of Canada, as trustee

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: March 28, 2014

By: /s/ JILL E. SUTTON

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

TIM HORTONS INC.

and

BNY TRUST COMPANY OF CANADA

THIRD SUPPLEMENTAL TRUST INDENTURE

Dated as of March 28, 2014

**Supplementing the Trust Indenture dated as of June 1, 2010
between Tim Hortons Inc. and BNY Trust Company of Canada**

and

**providing for the issue of
2.85% Senior Unsecured Notes, Series 3, due April 1, 2019
in the aggregate principal amount of Cdn.\$450,000,000**

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	1
1.1 To be Read with Master Indenture	1
1.2 Third Supplemental Indenture	2
1.3 Definitions	2
ARTICLE 2 THE SERIES 3 NOTES	4
2.1 Creation and Design	4
2.2 Limitation on Aggregate Principal Amount	4
2.3 Attributes of Series 3 Notes	4
2.4 Form of Series 3 Notes	4
2.5 Location of Registers	4
2.6 Additional Amounts	4
2.7 Trustee, etc.	5
2.8 Redemption and Repurchase	5
ARTICLE 3 OFFER TO REPURCHASE SERIES 3 NOTES	5
3.1 Offer to Repurchase Series 3 Notes on Change of Control Triggering Event	5
ARTICLE 4 MISCELLANEOUS	7
4.1 Acceptance of Trust	7
4.2 Confirmation of Master Indenture	7
4.3 Counterparts	7

THIS THIRD SUPPLEMENTAL TRUST INDENTURE dated as of March 28, 2014

BETWEEN:

TIM HORTONS INC., a corporation incorporated under the laws of Canada

(the “**Issuer**”)

-and-

BNY TRUST COMPANY OF CANADA, a trust company existing under the laws of Canada

(the “**Trustee**”)

RECITALS:

- A. The Issuer and the Trustee have entered into a trust indenture dated as of June 1, 2010 (the “**Master Indenture**”, together with this Third Supplemental Indenture, the “**Trust Indenture**”), an indenture supplemental to the Master Indenture dated as of June 1, 2010, an indenture supplemental to the Master Indenture dated as of December 1, 2010 and an indenture supplemental to the Master Indenture dated as of November 29, 2013.
- B. Pursuant to Section 2.2 and Section 14.1 of the Master Indenture, the Issuer may issue one or more series of senior unsecured notes containing such terms, provisions and conditions as may be set forth in a Supplemental Indenture pertaining to the notes of such series.
- C. This Third Supplemental Indenture is entered into for the purpose of providing for the issue of 2.85% Senior Unsecured Notes, Series 3, due April 1, 2019, in the aggregate principal amount of Cdn.\$450,000,000 pursuant to the Master Indenture, and establishing the terms, provisions and conditions of the Series 3 Notes to be issued under this Third Supplemental Indenture.

NOW THEREFORE THIS THIRD SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1 INTERPRETATION

1.1 To be Read with Master Indenture

This Third Supplemental Indenture is a Supplemental Indenture within the meaning of the Master Indenture. The Master Indenture and this Third Supplemental Indenture shall be read together and shall have effect so far as practicable as though all the provisions of both indentures were contained in one instrument.

1.2 Third Supplemental Indenture

The terms “**this Third Supplemental Indenture**”, “**this indenture**”, “**herein**”, “**hereof**”, “**hereby**”, “**hereunder**”, and similar expressions, unless the context otherwise specifies or requires, refer to the Master Indenture, as amended and supplemented by this Third Supplemental Indenture and not to any particular Article, section, subsection or clause or other portion thereof, and include every instrument supplemental or ancillary to this Third Supplemental Indenture. For clarity and avoidance of doubt, the provisions of this Third Supplemental Indenture shall only be applicable to the Series 3 Notes issued hereunder and shall not be applicable to any other notes currently outstanding or hereafter issued.

1.3 Definitions

All terms which are defined in the Master Indenture and used but not defined in this Third Supplemental Indenture shall have the meanings ascribed to them in the Master Indenture, as such meanings may be amended by this Third Supplemental Indenture. In the event of any inconsistency between the terms in the Master Indenture and this Third Supplemental Indenture, the terms in this Third Supplemental Indenture shall prevail. Subject to the foregoing, in this Third Supplemental Indenture and in the Series 3 Notes the following terms have the following meanings:

“**Board of Directors**” means the board of directors of the Issuer;

“**Canada Yield Price**” means a price equal to the price of the Series 3 Notes calculated to provide a yield to maturity (calculated from the redemption date), compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the Business Day preceding the day on which the Issuer gives notice of redemption pursuant to Section 5.4 of the Trust Indenture, plus 0.285%;

“**Change of Control**” means the occurrence of any one of the following: (a) the direct or indirect sale, transfer, conveyance, lease or other disposition (other than by way of consolidation, amalgamation or merger), in one or a series of related transactions, of all or substantially all of the property and assets of the Issuer and its Subsidiaries, taken as a whole, to any Person or group of Persons acting jointly or in concert for purposes of such transaction (other than to the Issuer or its Subsidiaries or other related entity (not involving a Third Party) formed for the purpose of completing a corporate reorganization); (b) the consummation of any transaction including any consolidation, amalgamation, merger or issue of voting shares the result of which is that any Person or group of Persons acting jointly or in concert for purposes of such transaction (other than the Issuer and its Subsidiaries) becomes the beneficial owner, directly or indirectly, of more than 50% of the voting shares of the Issuer, measured by voting power rather than number of shares (but shall not include the creation of a holding company or similar transaction that does not involve a change in the beneficial ownership of the Issuer); or (c) the first day on which a majority of the members of the Board of Directors are not Continuing Directors;

“**Change of Control Offer**” has the meaning set out in Section 3.1(a);

“**Change of Control Payment**” has the meaning set out in Section 3.1(a);

“**Change of Control Payment Date**” has the meaning set out in Section 3.1(b);

“**Change of Control Triggering Event**” means the occurrence of both a Change of Control and a Rating Event;

“**Continuing Director**” means, as of any date of determination, any member of the Board of Directors who: (a) was a member of such Board of Directors on the date of the issuance of the Series 3 Notes; or (b) was nominated for election, elected or appointed to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination, election or appointment (either by a specific vote or by approval of the Issuer’s proxy statement in which such member was named as a nominee for election as a director, without objection to such nomination);

“**Government of Canada Yield**” on any date means the yield to maturity on such date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the remaining term to maturity of the Series 3 Notes, such yield to maturity being the average of the yields provided by two Canadian investment dealers specified by the Issuer;

“**Investment Grade Rating**” means a rating equal to or higher than BBB (low) (or the equivalent successor rating category of DBRS) by DBRS, or the equivalent investment grade credit rating from any other Specified Rating Agency;

“**Master Indenture**” has the meaning set out in Recital A;

“**Rating Event**” means the rating on the Series 3 Notes is lowered to below an Investment Grade Rating by the Specified Rating Agency on any day within the 60-day period (which 60-day period will be extended so long as the rating of the Series 3 Notes is under publicly announced consideration for a possible downgrade by the Specified Rating Agency, but only to the extent that, and for so long as, a Change of Control Triggering Event would result if such downgrade were to occur) after the earlier of (a) the occurrence of a Change of Control and (b) public notice of the occurrence of a Change of Control or of the Issuer’s intention or agreement to effect a Change of Control;

“**Redemption Price**” means, with respect to a Series 3 Note to be redeemed in whole, at any time, or in part from time to time, the greater of (i) the Canada Yield Price and (ii) par, together, in each case, with accrued and unpaid interest, if any, to the date fixed for redemption;

“**Series 3 Notes**” means the notes referred to in Section 2.1 hereof;

“**Specified Rating Agency**” shall mean DBRS, as long as such entity has not ceased to rate the Series 3 Notes or failed to make a rating of the Series 3 Notes publicly available for reasons outside of the Issuer’s control; provided that if DBRS ceases to rate the Series 3 Notes or fails to make a rating of the Series 3 Notes publicly available for reasons outside of the Issuer’s control, the Issuer may select any other “designated rating organization” within the meaning of National Instrument 41-101 of the Canadian Securities Administrators as a replacement agency; and

“**Trust Indenture**” has the meaning set out in Recital A.

ARTICLE 2 THE SERIES 3 NOTES

2.1 Creation and Design

The Issuer is authorized in accordance with the Trust Indenture to issue under this Third Supplemental Indenture a series of notes designated as “Senior Unsecured Notes, Series 3”.

2.2 Limitation on Aggregate Principal Amount

The aggregate principal amount of Series 3 Notes which may be issued under this Third Supplemental Indenture is unlimited provided that the initial issuance hereunder shall be in the aggregate principal amount of Cdn.\$450,000,000.

2.3 Attributes of Series 3 Notes

The Series 3 Notes shall have the attributes as set out in Schedule “A” attached hereto.

2.4 Form of Series 3 Notes

The Series 3 Notes shall be issuable initially as one Global Note held by, or on behalf of, CDS Clearing and Depository Services Inc., as depository, for its participants and registered in the name of the Depository or its Nominee. The Global Note will be substantially in the form set out in Schedule “B” hereto with such appropriate additions, deletions, substitutions and variations as the Trustee and the Issuer may approve and shall bear such distinguishing letters and numbers as the Trustee may approve, with such approval in each case to be conclusively deemed to have been given by the Trustee certifying such Series 3 Notes.

2.5 Location of Registers

With respect to the Series 3 Notes, the Registers referred to in Section 3.1 of the Trust Indenture shall be kept by and at the principal offices of the Trustee and may be kept in such other place or places, if any, by the Trustee or by such other Registrar or Registrars (if any) as the Issuer, with the approval of the Trustee, may designate.

2.6 Additional Amounts

The Issuer will not be required to pay any additional amounts on the Series 3 Notes in respect of any tax, assessment or government charge withheld or deducted, or any other cost, charge or payment of any nature or type other than as expressly contemplated by the Trust Indenture or this Third Supplemental Indenture.

2.7 Trustee, etc.

The Trustee will be the trustee, authenticating agent, Paying Agent, transfer agent and Registrar for the Series 3 Notes.

2.8 Redemption and Repurchase

- (a) The Issuer may, at its option, redeem the Series 3 Notes upon not less than 30 days' and not more than 60 days' notice to the holders of the Series 3 Notes to be redeemed, in whole, at any time, or in part from time to time, at the Redemption Price. The Issuer will otherwise carry out the redemption of the Series 3 Notes in accordance with Article 5 of the Trust Indenture. Less than all of the Series 3 Notes may be redeemed, and if so redeemed, shall be redeemed in accordance with Section 5.3 of the Trust Indenture.
- (b) The Issuer shall be entitled at any time and from time to time to purchase for cancellation Series 3 Notes (which may include purchases from or through an investment dealer or firm holding membership on a recognized stock exchange or by tender or by private contract at any price). In accordance with Section 5.6 of the Master Indenture, Series 3 Notes that are so purchased will be cancelled and will not be re-issued. Less than all of the Series 3 Notes may be purchased, and if so purchased, shall be purchased for cancellation in accordance with Section 5.1 of the Master Indenture.

ARTICLE 3 OFFER TO REPURCHASE SERIES 3 NOTES

3.1 Offer to Repurchase Series 3 Notes on Change of Control Triggering Event

- (a) If a Change of Control Triggering Event occurs, unless the Issuer has exercised its right to redeem all of the Series 3 Notes pursuant to Section 2.8 of this Third Supplemental Indenture, the Issuer will be required to make an offer to repurchase all or, at the Holder's option, any part (equal to Cdn.\$1,000 or an integral multiple thereof) of each Holder's Series 3 Notes on the terms set forth in this Section 3.1 (the "**Change of Control Offer**"). In the Change of Control Offer, the Issuer shall be required to offer payment in cash equal to 101% of the outstanding principal amount of Series 3 Notes together with accrued and unpaid interest thereon, if any, to the date of purchase (the "**Change of Control Payment**").
- (b) Within 30 days following any Change of Control Triggering Event, the Issuer shall give written notice to each Holder, with a copy to the Trustee, describing the transaction or transactions which constitute the Change of Control Triggering Event and offering to repurchase the Series 3 Notes on the payment date set out in the notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is given (the "**Change of Control Payment Date**"), pursuant to the procedures required by this Section 3.1 and described in such notice. The Issuer (or, as applicable, the Third Party referred to in Section 3.1(e)) shall comply with the requirements of applicable securities laws and regulations in connection

with the repurchase of the Series 3 Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any such applicable securities laws or regulations conflict with the provisions of this Section 3.1, the Issuer (or, as applicable, the Third Party) shall comply with such laws and regulations and shall not be deemed to have breached any of its obligations under this Section 3.1 to repurchase the Series 3 Notes by virtue of such compliance to the extent of any such conflict. The Trustee shall (at the Issuer's option) act as depository in respect of the Change of Control Offer on behalf of the Issuer.

- (c) On the Change of Control Payment Date, the Issuer or Third Party, if applicable, shall, to the extent lawful:
 - (i) accept or direct the Trustee to accept for payment all Series 3 Notes or portions of Series 3 Notes properly tendered pursuant to the Change of Control Offer;
 - (ii) deposit with the Trustee an amount of money equal to the Change of Control Payment in respect of all Series 3 Notes or portions of Series 3 Notes properly tendered pursuant to the Change of Control Offer; and
 - (iii) deliver or cause to be delivered to the Trustee (to the extent that the Trustee has not taken delivery in its capacity as depository under the Change of Control Offer) the Series 3 Notes properly accepted, together with an Officer's Certificate stating the aggregate principal amount of the Series 3 Notes or portions of Series 3 Notes being purchased by the Issuer.
- (d) The Trustee will as soon as practicable pay to each Holder of properly tendered Series 3 Notes an amount equal to the Change of Control Payment in respect of such Series 3 Notes, or portion thereof, as applicable, either, at the Trustee's option, by mailing (first class mail, postage prepaid) a cheque to such Holder or by means of a wire transfer in accordance with the applicable payment procedures of the Depository, and the Trustee will as soon as practicable certify and mail (first class mail, postage prepaid) (or cause to be transferred by book-entry) to each such Holder a new Series 3 Note equal in principal amount to any unpurchased portion of any Series 3 Notes surrendered; provided that each new Series 3 Note will be in a principal amount of Cdn.\$1,000 and integral multiples of Cdn.\$1,000 in excess thereof.
- (e) Notwithstanding anything set forth herein that may be construed to the contrary, the Issuer will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a Third Party makes such an offer substantially in the manner, at the times and in compliance with the requirements for a Change of Control Offer made by the Issuer pursuant to the provisions of this Section 3.1 (and for at least the same purchase price payable in cash) and such Third Party purchases all Series 3 Notes properly tendered and not withdrawn under its offer.
- (f) All Series 3 Notes purchased by the Issuer under the provisions of this Article 3 shall be forthwith delivered to and cancelled by the Trustee at the principal office of the Trustee in Toronto, Ontario, and no Series 3 Notes shall be issued in substitution

thereof except in respect of any unpurchased portion of any Series 3 Notes surrendered.

**ARTICLE 4
MISCELLANEOUS**

4.1 Acceptance of Trust

The Trustee accepts the trusts in this Third Supplemental Indenture and agrees to carry out and discharge the same upon the terms and conditions set out in this Third Supplemental Indenture and in accordance with the Master Indenture.

4.2 Confirmation of Master Indenture

The Master Indenture, as amended and supplemented by this Third Supplemental Indenture is in all respects confirmed.

4.3 Counterparts

This Third Supplemental Indenture may be executed in several counterparts and delivered by facsimile, each of which so executed shall be deemed to be original and such counterparts together shall constitute one and the same instrument.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF the parties hereto have executed this Third Supplemental Indenture under the hands of the proper officers in that behalf.

TIM HORTONS INC.

Per: /s/ MICHAEL J. MYSKIW
Name: Michael J. Myskiw
Title: Vice President, Tax and Treasurer

Per: /s/ CYNTHIA J. DEVINE
Name: Cynthia J. Devine
Title: Chief Financial Officer

**BNY TRUST COMPANY OF CANADA,
as Trustee**

Per: /s/ J. STEVEN BROUDE
Name: J. Steven Broude
Title: Authorized Signatory

SCHEDULE A
ATTRIBUTES OF THE SERIES 3 NOTES

Designation:	2.85% Senior Unsecured Notes, Series 3
Principal Amount:	CDN \$450,000,000
Denomination:	Minimum denominations of \$1,000 and \$1,000 increments thereafter.
Form of Note:	Fully registered Global Note, registered in the name of CDS & Co.
Interest Rate:	2.85%
Original Date of Issue:	March 28, 2014
Stated Maturity:	April 1, 2019
Interest Payment Date(s)	The Series 3 Notes will bear interest from the date of issuance at the rate of 2.85% per annum. Interest on the Series 3 Notes will be payable in cash in equal semi-annual instalments, in arrears, in the amount of \$14.25 per \$1,000 principal amount on the 1 st day of April and October of each year (or if such day is not a business day, the next following business day), commencing on October 1, 2014, provided that the interest payment on October 1, 2014 will be in the amount of \$14.56232878 per \$1,000 principal amount (long first coupon). Interest on each Global Note shall be paid to the Depository or the Nominee, as the case may be, as the registered holder of the Global Note.
Record Date(s):	Ten Business Days prior to the applicable Interest Payment Date
Payment Currency of Principal, Interest and Premium (if any):	Canadian Dollars
Day Count Convention:	Actual/365 for periods less than six months
Redemption and Repurchase:	Redeemable and can be repurchased prior to the Stated Maturity as specified in Section 2.8 of the Third Supplemental Indenture
Offer to Repurchase upon Change of Control Triggering Event:	The Issuer or Third Party is required, upon the occurrence of a Change of Control Triggering Event (as defined in the Third Supplemental Indenture) and subject to and in accordance with the provisions of Article 3 of the Third Supplemental Indenture, to make an offer to repurchase the Series 3 Notes at a price equal to 101% of the outstanding principal amount of the Series 3 Notes together with accrued but unpaid interest thereon, if any, to the date of purchase.

SCHEDULE B
FORM OF SERIES 3 NOTE
SERIES 3 GLOBAL NOTE

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE TRUST INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. (“CDS”) TO TIM HORTONS INC. (THE “ISSUER”) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JULY 28, 2014.

REGISTERED

TIM HORTONS INC.
2.85% SENIOR UNSECURED NOTES, SERIES 3

Note No. 1	ISIN No. CA 88706MAD52 CUSIP No. 88706MAD5
Principal Amount: \$450,000,000 (\$450 million dollars)	Denominations (if other than Cdn. Dollars or Cdn. Dollar denominations of a minimum denomination of Cdn.\$1,000 and thereafter in integral multiples of \$1,000): N/A
Currency: Canadian Dollars	
Interest Rate: 2.85% per annum	Original Date of Issue: March 28, 2014
Stated Maturity: April 1, 2019	Interest Payment Date(s): April 1 and October 1 in each year, commencing on October 1, 2014 (the “Initial Interest Payment Date”).
Record Date(s): The tenth Business Day prior to such Interest Payment Date	
Day Count Convention: Actual/365 for periods less than six months	Payment Currency of Principal, Interest and Premium (if any):
Other Provisions: See “Redemption” below	<input checked="" type="checkbox"/> Canadian Dollars <input type="checkbox"/> Specified Currency
	Addendum Attached
	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Redemption: Under the Trust Indenture (as defined below), the Issuer may, at its option, redeem the Series 3 Notes, in whole, at any time, or in part from time to time, upon not less than 30 days' and not more than 60 days' notice to the holders of the Series 3 Notes to be redeemed at the Redemption Price. In cases of partial redemption, the Series 3 Notes to be redeemed will be selected by the Trustee on a pro rata basis in such manner as the Trustee shall deem equitable.

"Canada Yield Price" means a price equal to the price of the Series 3 Notes calculated to provide a yield to maturity (calculated from the redemption date), compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the Business Day preceding the day on which the Issuer gives notice of redemption pursuant to Section 5.4 of the Trust Indenture, plus 0.285%; and

"Government of Canada Yield" on any date means the yield to maturity on such date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the remaining term to maturity of the Series 3 Notes, such yield to maturity being the average of the yields provided by two Canadian investment dealers specified by the Issuer.

"Redemption Price" means, with respect to a Series 3 Note to be redeemed in whole, at any time, or in part from time to time, the greater of (i) the Canada Yield Price and (ii) par, together, in each case, with accrued and unpaid interest, if any, to the date fixed for redemption.

TIM HORTONS INC. (the “**Issuer**”) for value received hereby promises to pay to the registered holder hereof on the Stated Maturity, or on such earlier date as the Principal Amount may become due in accordance with the provisions of the Trust Indenture (as defined below), on presentation and surrender of this 2.85% Senior Unsecured Note, Series 3 due April 1, 2019 (the “**Series 3 Note**”) at the principal office of the Trustee (as defined below), the Principal Amount in lawful money of Canada, and to pay interest on the Principal Amount, from time to time outstanding, at the Interest Rate per annum, in like money, in equal semi-annual instalments, in arrears, in the amount of \$14.25 per \$1,000 principal amount, on the Interest Payment Dates in each year, commencing on the Initial Interest Payment Date and the last such payment to be payable on the date of the Stated Maturity, provided that the interest payment on the Initial Interest Payment Date will be in the amount of \$14.56232878 per \$1,000 principal amount, and if the Issuer at any time defaults in the payment of any principal or interest, to pay interest on the amount in default at the same rate, in like money, at the principal office of the Trustee and semi-annually on the same dates.

This Series 3 Note is a single registered Note representing Cdn.\$450,000,000 of the 2.85% Senior Unsecured Notes, Series 3 due April 1, 2019 of the Issuer issued under a trust indenture (the “**Master Indenture**”) dated June 1, 2010 made between the Issuer and BNY Trust Company of Canada (the “**Trustee**”), as supplemented by a Third Supplemental Indenture dated March 28, 2014 (the “**Third Supplemental Indenture**”, and together with the Master Indenture, the “**Trust Indenture**”).

Reference is hereby expressly made to the Trust Indenture and all instruments supplemental thereto for a description of the terms and conditions upon which this Series 3 Note is issued and held and the rights and remedies of the holder of this Series 3 Note and of the Issuer and of the Trustee, all of which are incorporated by reference in this Series 3 Note and to all of which the holder of this Series 3 Note, by acceptance hereof, agrees. The provisions of this Series 3 Note are qualified in their entirety by the provisions of the Trust Indenture. A Noteholder may obtain from the Trustee a copy of the Trust Indenture on written request and upon payment of a reasonable copying charge.

Interest payments will be made by the Issuer by electronic funds transfer or wire transfer (or other payment method as agreed by the Issuer and the Trustee) to the Depository or the Nominee on each Interest Payment Date, (except in case of payment at maturity, on redemption, repurchase or pursuant to a Change of Control Offer at which time payment of interest will be made only upon surrender of this Series 3 Note). The forwarding of such payments to the Depository or the Nominee shall satisfy and discharge the liability for interest upon this Series 3 Note to the extent of the sum represented thereby (plus the amount of any tax, assessment or other government charge required by law to be deducted or withheld).

The Series 3 Notes are direct senior unsecured obligations of the Issuer. The Series 3 Notes rank equally and *pari passu* with each other and with the Notes of every other Series (regardless of their actual dates or terms of issue) and, subject to statutory preferred exceptions, with all other senior unsubordinated and unsecured indebtedness of the Issuer for Borrowed Money, except as to any sinking fund which pertains exclusively to any particular indebtedness of the Issuer.

This Series 3 Note has been unconditionally (except to the extent otherwise provided in the Trust Indenture) and irrevocably guaranteed as to the payment of principal, interest, Premium, if

any, in accordance with the terms of the Trust Indenture by certain Guarantor(s). Any guarantee of the Series 3 Note is subject to the provisions of the Trust Indenture, including Article 6 thereof.

At any time and from time to time, the Issuer may purchase all or any of Series 3 Notes (which shall include purchase from or through an investment dealer or other market intermediary or by tender or by private contract), provided that no Event of Default would result from such purchase.

The Issuer is required, subject to the occurrence of a Change of Control Triggering Event and subject to and in accordance with the provisions of the Trust Indenture, unless the Issuer has exercised its optional right to redeem all of the Series 3 Notes, to make an offer to repurchase all or, at the option of the holder of Series 3 Notes, any part (equal to Cdn.\$1,000 or an integral multiple thereof) of such holder's Series 3 Notes, at a purchase price payable in cash equal to 101% of the outstanding principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

The Principal Amount may become or be declared due before the Stated Maturity on the conditions, in the manner, with the effect and at the times set forth in the Trust Indenture.

The Master Indenture contains provisions for the holding of meetings of holders of Notes and making resolutions passed at such meetings and instruments in writing signed by the holders of a specified percentage of the Notes outstanding binding on all holders of Notes issued by the Issuer pursuant to the Master Indenture, subject to the provisions of the Third Supplemental Indenture.

This Series 3 Note may be transferred only upon compliance with the conditions prescribed in the Trust Indenture on one of the Registers kept at the principal offices of the Trustee in Toronto and at such other place or places, if any, and by such other Registrar or Registrars, if any, as the Issuer may designate, by the registered holder hereof or the holder's legal representative or attorney duly appointed by an instrument in writing in form and execution satisfactory to the Trustee, and upon compliance with such reasonable requirements as the Trustee or other registrar may prescribe, and such transfer shall be duly noted hereon by the Trustee or other registrar.

This Series 3 Note shall not become obligatory for any purpose until it shall have been certified by the manual signature of the Trustee under the Trust Indenture.

This Series 3 Note and the Trust Indenture are governed by, and are to be construed and enforced with, the laws of the Province of Ontario.

The parties hereto have declared that they have required that this Series 3 Note and all other documents related hereto be in the English language.

Les parties aux présentes ont déclaré qu'elles ont exigé que le présent certificat, de même que tous les documents s'y rapportant, soient rédigés en anglais.

All capitalized terms used in this Series 3 Note which are not otherwise defined shall have the meanings ascribed to such terms in the Trust Indenture.

IN WITNESS WHEREOF the Issuer has caused this Series 3 Note to be signed by its Authorized Officers as of the 28th day of March, 2014.

TIM HORTONS INC.

Authorized Signatory

Authorized Signatory

ASSIGNMENT/TRANSFER FORM

FOR VALUE RECEIVED the undersigned registered holder hereby sell(s), assign(s) and transfer (s) unto

(Please print or typewrite assignee's name and address including postal code)

the within Note and all rights thereunder, hereby irrevocably constituting and appointing

attorney to transfer said Note on the books of the Issuer with full power of substitution in the premises.

Dated:

Signature of transferring registered holder*

Signature of transferring registered holder guaranteed by:**

Dated:

Signature of Guarantor

* NOTICE: The signature of the registered Holder to this assignment must correspond with the name as written upon the face of the within instrument in every particular, without alteration or enlargement or any change whatsoever.

** Signature must be guaranteed by an authorized officer of a Canadian chartered bank or a major Canadian trust company or by a medallion signature guarantee from a member of a recognized Medallion Signature Guarantee Program.

SUPPLEMENT TO GUARANTEE

TO: **BNY TRUST COMPANY OF CANADA** as trustee (the “**Trustee**”) under a Trust Indenture (as the same may be supplemented amended restated or replaced from time to time, the “**Trust Indenture**”) dated as of June 1, 2010 providing for the issuance of Notes (as defined therein) of Tim Hortons Inc. (the “**Obligor**”).

THIS SUPPLEMENT TO GUARANTEE is made as of this 28th day of March, 2014.

WHEREAS pursuant to the guarantee made the 1st day of June 2010 (the “**Guarantee**”) by the undersigned (hereinafter referred to as the “**Guarantor**”) in favour of the Trustee and each of the holders of the Notes, the Guarantor has guaranteed the Obligations (as defined in the Guarantee) of the Obligor pursuant and subject to the terms of the Trust Indenture;

AND WHEREAS pursuant to the terms of the Trust Indenture, the Obligor and the Trustee are entering into a third supplemental trust indenture (the “**Third Supplement**”) dated as of March 28, 2014 providing for the issuance of Series 3 Notes (as defined therein) in the aggregate principal amount of Cdn.\$450,000,000 (the “**Issued Notes**”);

NOW THEREFORE THIS SUPPLEMENT TO GUARANTEE WITNESSES that for value received, and intending to be legally bound by this Supplement to Guarantee, the Guarantor hereby confirms in favour of and acknowledges and covenants with the Trustee as follows:

1. All of the Issued Notes are Notes and, accordingly, all principal of and Premium (as defined in the Trust Indenture), if any, and interest on the Issued Notes and all other amounts due or owing to Noteholders (as defined in the Guarantee) in accordance with the terms of the Issued Notes and the Trust Indenture (as supplemented by the Third Supplement) are Obligations in respect of which the terms set forth in the Guarantee apply.
2. The Guarantee, as supplemented by this Supplement to Guarantee, shall remain in full force and effect, and shall continue to guarantee the due and punctual payment to the Noteholders of all Obligations (as such term has been supplemented in Section 1 above) of the Obligor in accordance with the terms of the Trust Indenture and Notes, subject to the release conditions set forth in the Guarantee and the Trust Indenture.
3. The Guarantor shall deliver all such other documents and shall do all such other things as the Trustee reasonably requires from time to time to perform and carry out the purpose and intent of this Supplement to Guarantee.

This Supplement to Guarantee will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

[Signature page to follow]

THE TDL GROUP CORP.

By: /s/ MICHAEL J. MYSKIW

Name: Michael J. Myskiw

Title: Vice President, Tax and Treasurer

By: /s/ CYNTHIA J. DEVINE

Name: Cynthia J. Devine

Title: Chief Financial Officer