



# Tim Hortons China

## Data Protection Protocols & Compliance

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## Background:

- On July 10, 2021, the Office of the Central Cyberspace Affairs Commission and the Office of Cybersecurity Review under the Cyberspace Administration of China (“CAC”) released a discussion draft of the amendment to the Cybersecurity Review Measures (“New Rules”). The Draft extends the scope of cybersecurity reviews to data processors engaging in data processing activities that affect or may affect national security, including listing in a foreign country.

## Company’s Position & Initial Response:

- TH International Limited (“Tims”) and its shareholders respect the jurisdiction and authority of CAC and other regulators, and share the regulators’ commitment to safeguarding personal data.
- To that end, Tims has determined that, prior to its listing on Nasdaq, it will transfer control and possession of personal data of Tims’ guests to a new company (“NewCo”) formed locally in China. NewCo will:
  - be jointly owned by a Chinese citizen resident in China;
  - have minimal overlap with Tims in terms of governance and management;
  - not be part of or owned by Tims or any listed company;
  - not use guest information for any purpose other than, in compliance with law and policy, supporting Tims;
  - be under a long-term contract with Tims, and not serve any other clients;
  - not be profit making (with verification authority held and exercised by Tims); and
  - be subject to general audit and data security verification by the relevant Chinese regulators (as would be any similarly situated Chinese company).

## Commentary:

- Tims and its shareholders believe that the creation and operation of NewCo addresses CAC’s valid concerns under the New Rules. Tims will advise CAC (and, as appropriate, other regulators) of the plans and operation of NewCo and fully appreciates that Tims’ and NewCo’s operations remain subject to review by CAC and other regulators.