



## MANDATE OF THE EXECUTIVE COMMITTEE

August 30, 2017

### I. GENERAL

#### 1. Purpose of the Committee

The purpose of the Executive Committee (the "**Committee**") is to assist the board of directors (the "**Board**") of the Beer Store ("**TBS**") in fulfilling its responsibilities, in all cases in accordance with the terms of the unanimous shareholders agreement dated January 1, 2016 between TBS and its shareholders, as amended from time to time (the "**Shareholders Agreement**"). If there is any inconsistency between a provision in this Mandate and a provision in the Shareholders Agreement, the provision in the Shareholders Agreement will govern.

#### 2. Authority of the Committee

- (a) The Committee has the authority to deal with all matters set out in Section III.
- (b) In performing its functions, the Committee is entitled to rely on the advice, reports and opinions of management, counsel, accountants, auditors and other expert advisors. The Committee shall have the authority to retain and approve the reasonable fees and retention terms of its outside advisors.

### II. PROCEDURAL MATTERS

#### 1. Composition of the Committee

The Committee will be composed of three members as follows:

- (a) one member must be the Lead Director (as defined in the Mandate of the Board of Directors)<sup>1</sup>; and
- (b) so long as the aggregate Percentage Sales (as defined in the Shareholders Agreement) of Labatt and Molson (each as defined in the Shareholders Agreement) are equal to or greater than 50%, the other two members of the Committee must be Major Shareholder Nominees (as defined in the Shareholders Agreement) of Labatt and Molson<sup>2</sup>.

#### 2. Member Qualifications

Every Committee member must be a director of TBS.

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<sup>1</sup> Section 4.9(c) of the Shareholders Agreement.

<sup>2</sup> Section 4.9(c) of the Shareholders Agreement.

### **3. Member Appointment and Removal**

- (a) Members of the Committee will be appointed by the Board, based on the recommendations of the Governance and Human Resources Committee. The members of the Committee will be appointed following each annual meeting of shareholders of TBS and will hold office until the next annual reappointment of the Committee or until they are removed by the Board or until they cease to be directors of TBS, in each case, in accordance with the terms of the Shareholders Agreement.
- (b) Subject to and in accordance with the terms of the Shareholders Agreement and Mandate of the Board of Directors, where a vacancy occurs at any time in the membership of the Committee, such vacancy will be filled by the Board on the recommendation of the Committee.

### **4. Committee Structure and Operations**

#### **(a) Chair**

- (i) The Board will appoint one member of the Committee to act as Chair of the Committee. The Chair of the Committee may be removed at any time at the discretion of the Board.
- (ii) The Chair of the Committee will chair meetings of the Committee, but will not be entitled to a second or casting vote. If the Chair of the Committee is absent from any meeting, the Committee will select one of the other members of the Committee to preside at that meeting.
- (iii) The Chair of the Committee will act as the effective leader of the Committee consistent with the Position Description for Chairs of Committees.

#### **(b) Meetings**

- (i) The Chair of the Committee will determine the schedule and frequency of Committee meetings. However, the Committee will meet at least four times per year.
- (ii) The Chair of the Committee will be responsible for developing and setting the agenda for Committee meetings with the assistance of the President (or Chief Executive Officer) and the Secretary, if required. Appropriate materials will be provided to the Committee in advance of meetings, although the Committee recognizes that in certain cases this may not be possible. Materials presented to the Committee should be as concise as possible, while providing sufficient information for the members to make an informed judgment.

#### **(c) Notice**

Written or electronic notice of any meeting of the Committee will be given to each member of the Committee at least five business days prior to the scheduled date of such meeting, unless such notice is waived by all of the members.

#### **(d) Quorum**

A quorum for any meeting of the Committee will consist of:

- (i) an equal number of Major Shareholder Nominees of each of Labatt and Molson, who together must constitute a majority of the members present at any meeting of the Committee for so long as Labatt and Molson are entitled to nominate and elect a majority of the directors of TBS pursuant to Section 4.1(e) or Section 4.1(g) of the Shareholders Agreement; and

(ii) at least one Independent Director.<sup>3</sup>

(e) **Attendees**

- (i) The Committee may invite such other directors, officers and employees of TBS and advisors as it sees fit from time to time to attend meetings of the Committee and assist in the discussion and consideration of matters relating to the Committee.
- (ii) Members may attend meetings of the Committee in person, by telephone or by video conference or other communication facilities that permit all individuals participating in the meeting to hear and communicate with each other simultaneously, and a member participating in such a meeting by such means will be deemed to be present at the meeting.

(f) ***In Camera Sessions***

At the end of each Committee meeting, the Committee will meet without any members of management or any other persons present (other than the Secretary (or his or her designate), who may be invited to continue to take minutes).

(g) **Records**

Minutes of meetings of the Committee will be recorded by the Secretary of TBS (or his or her designate) and will be subsequently presented to the Committee for review and approval. The Secretary will maintain a copy of the minutes of all meetings of the Committee.

**5. Committee and Mandate Review**

- (a) The Committee will conduct an annual assessment of its effectiveness and contribution, including a review of its compliance with this Mandate, in accordance with the process developed by the Board. The Committee will report the results of such assessment to the Board.
- (b) The Committee will also review and assess the adequacy of this Mandate on an annual basis and will recommend changes to the Board. Any changes to this Mandate must be approved by the Board, including the approval of a majority of the Independent Directors then in office.<sup>4</sup>

**6. Reporting to the Board**

- (a) The Committee will regularly report to the Board on all significant matters it has considered and addressed and with respect to such other matters that are within its responsibilities, including any matters approved by the Committee or recommended by the Committee for approval by the Board.
- (b) All minutes will be distributed to all members of the Board in a timely manner. All members of the Board will be entitled to receive upon their request any additional information relating to matters approved by the Executive Committee, including any information available to the Executive Committee in connection with such matters.<sup>5</sup>

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<sup>3</sup> Section 4.10 of the Shareholders Agreement.

<sup>4</sup> Section 4.8(a) of the Shareholders Agreement.

<sup>5</sup> Section 4.9(c) of the Shareholders Agreement.

### **III. RESPONSIBILITIES**

The Committee is responsible for all matters, other than Special Majority Matters (as defined in the Mandate of the Board of Directors), provided that such matters shall be limited to operational decisions that are not material (for this purpose, any matter or series of related matters that involves a payment, settlement, commitment or expense of less than \$500,000 in aggregate shall not be material), including any specific capital expenditures that are generally provided for in an approval Annual Business Plan.

### **IV. FIDUCIARY DUTIES**

Nothing in this Mandate shall impose on the Committee or its members any fiduciary duties beyond their fiduciary duties as Board members as set out in the TBS Shareholders Agreement and applicable laws.