



MANDATE OF THE BOARD OF DIRECTORS

August 30, 2017

I. GENERAL

1. Mandate

The board of directors (the “**Board**”) of the Beer Store (“**TBS**”) is responsible for the stewardship of TBS. All material matters relating to the business and affairs of TBS will be determined by the Board,¹ 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. Board Committees

(a) To assist it in exercising its responsibilities, the Board has established 4 standing committees of the Board:

- (i) a finance and audit committee (the “**Finance and Audit Committee**”);
- (ii) a governance and human resources committee (to have responsibility as well for health and safety matters) (the “**Governance and Human Resources Committee**”);
- (iii) a retail and marketing committee (the “**Retail and Marketing Committee**”); and
- (iv) an executive committee (the “**Executive Committee**”).

The Board may establish other standing committees from time to time.

(b) The Board will, with the approval of a majority of the Independent Directors then in office, adopt and keep current a committee mandate document specifying the role and responsibilities of, and the powers of the Board delegated to, each committee (each, a “**Committee Mandate**”).² In addition, each Committee Mandate will specify the committee’s composition, member qualifications, member appointment and removal, structure and operations and manner of reporting to the Board. Each Committee Mandate will be reviewed by the Board (or the Governance and Human Resources Committee) on at least an annual basis.

(c) The Board is responsible for appointing directors to each of its committees, in accordance with the Shareholders Agreement and the applicable Committee Mandate.

¹ Section 4.8(a) of the Shareholders Agreement.

² Section 4.9(d) of the Shareholders Agreement.

3. Expectations of Directors

The Board expects that each director will, among other things:

- (a) act honestly, in good faith and with a view to the best interests of TBS and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, in each case consistent with the provisions relating to fiduciary duties in Section 4.17 of the Shareholders Agreement;
- (b) commit the time and energy necessary to properly carry out his or her duties, including being sufficiently familiar with the business of TBS, including its financial statements and capital structure, and the risks it faces, to facilitate active and effective participation in deliberations of the Board;
- (c) attend all regularly scheduled Board and committee meetings, as applicable, and in any event, maintain a minimum attendance level of 75%;
- (d) review, in advance, all meeting materials and otherwise adequately prepare for all regularly scheduled Board and committee meetings, as applicable, with a view to being prepared to discuss the issues presented; and
- (e) otherwise comply with applicable position description(s) for directors.

II. PROCEDURAL MATTERS

1. Composition of the Board

Consistent with the provisions of the Shareholders Agreement, the Board will be composed of 15 directors,³ four of whom will be independent directors (the “**Independent Directors**”) having the qualifications set out in Section II.2(b) and will be nominated and elected in accordance with Section II.3(a) and 11 of whom will be nominated and elected in accordance with Section II.3(b). The President (or Chief Executive Officer) of TBS will not be a director, but will be invited to attend most meetings of the Board and will report to the Board.⁴

2. Director Qualifications

- (a) All directors of TBS must meet the following qualifications set out in the *Business Corporations Act* (Ontario) (the “**Act**”):
 - (i) he or she must not be less than eighteen years of age;
 - (ii) he or she must not have been found under the *Substitute Decisions Act, 1992* (Ontario) or under the *Mental Health Act* (Ontario) to be incapable of managing property and must not have been found to be incapable by a court in Canada or elsewhere;
 - (iii) he or she must be an individual; and
 - (iv) he or she must not have the status of bankrupt.

³ Section 4.1(a) of the Shareholders Agreement.

⁴ Section 4.7 of the Shareholders Agreement.

- (b) In addition, consistent with the provisions of the Shareholders Agreement, the Independent Directors must meet the following qualifications (the “**Independent Director Qualifications**”):
- (i) he or she need not be a Canadian or Ontario resident, except as may be required to ensure that the Board complies with any Canadian residency requirements under applicable law (provided that such residency requirements will not be required to be satisfied disproportionately by Independent Directors in relation to other directors);
 - (ii) he or she has the appropriate level of experience and expertise to perform the duties of a director of a company of the size and complexity of TBS;
 - (iii) he or she has the ability to read and understand financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can be expected to be raised by TBS’s financial statements; and
 - (iv) he or she does not have a direct or indirect material relationship with an Industry Participant (as defined in Appendix A) or any of its Affiliates (as defined in Appendix A) or the Province of Ontario or any of its agencies that could reasonably be expected to interfere with the exercise of that person’s independent judgment as a director.⁵

3. Director Election

- (a) Four of the directors will be Independent Directors. Subject to Section II.4(e), successors to the initial Independent Directors will be nominated from time to time by the majority vote of the Independent Directors then in office (for clarity, an Independent Director may participate in any vote to nominate the successor to such Independent Director); provided, however, that each successor Independent Director must satisfy the Independent Director Qualifications.⁶
- (b) 11 of the directors will be nominated and elected by the shareholders of TBS as follows:
- (i) One of the directors (the “**Small Shareholder Nominee**”) will be nominated by the Majority Vote (as defined in Appendix A) of the Small Shareholders (as defined in Appendix A) to serve a one-year term. Any Small Shareholder Nominee that has served as a director in the capacity of the Small Shareholder Nominee during the last five years will not be permitted to serve as a Small Shareholder Nominee in the then current year.⁷
 - (ii) Each Major Shareholder (as defined in Appendix A) will be entitled to nominate one director (a “**Major Shareholder Nominee**”) for each full 10 percentage points of its Percentage Sales (as defined in Appendix A) during the prior calendar year (rounded up, in the case of 7 percentage points or more, to the next full 10 percentage points), provided that, for so long as the aggregate Percentage Sales of Labatt and Molson are equal to or greater than 50% and less than 97%, Labatt and Molson will be entitled to nominate four Major Shareholder Nominees each.⁸

⁵ Section 4.1(c) of the Shareholders Agreement.

⁶ Section 4.1(c) of the Shareholders Agreement.

⁷ Section 4.1(d) of the Shareholders Agreement.

⁸ Section 4.1(e) of the Shareholders Agreement.

- (iii) The remaining directors (each, an “**Other Shareholder Nominee**”) will be nominated by shareholders that are not Small Shareholders or Major Shareholders (the “**Other Shareholders**”), provided that no single Other Shareholder will as a result of this provision be able to nominate more than one director. For clarity, based on Total Annual Beer Volume (as defined in the Shareholders Agreement) as at the effective date of the Shareholders Agreement, Sleeman will be entitled to nominate one Other Shareholder Nominee.⁹
- (iv) Notwithstanding the foregoing, if the aggregate Percentage Sales of Labatt and Molson are equal to or greater than 97%, the Board will consist of up to 18 directors, being comprised of one Small Shareholder Nominee, five Independent Directors, ten Major Shareholder Nominees, with Labatt and Molson being entitled to nominate five Major Shareholder Nominees each, and up to two Other Shareholder Nominees.¹⁰

4. Removal of Directors and Other Vacancies

- (a) Directors may be removed from office as follows from time to time:
 - (i) pursuant to the Provincial Rights Agreement (as defined in the Shareholders Agreement), the Province of Ontario may specify that all (but not less than all) of the Independent Directors be removed;
 - (ii) the Small Shareholders may by Majority Vote specify that the Small Shareholder Nominee be removed;
 - (iii) any Major Shareholder may specify that any Major Shareholder Nominee nominated by it be removed; and
 - (iv) the Other Shareholders may by Majority Vote specify that any Other Shareholder Nominee be removed.
- (b) Any specification contemplated by Section II.4(a) will be effected by notice to such director, all other directors and TBS.
- (c) Any vacancy occurring on the Board by reason of the death, disqualification, inability to act, resignation or removal of any director, will, subject to Sections II.4(d) and II.4(e), be filled only by a further nominee of the shareholder or group of shareholders whose nominee was so affected.
- (d) Subject to Section II.4(e), any vacancy occurring on the Board by reason of the death, disqualification, inability to act or resignation of an Independent Director will be filled by a nominee that satisfies the Independent Director Qualifications selected by majority vote of the Independent Directors remaining in office.
- (e) As contemplated by the Provincial Rights Agreement, vacancies occurring on the Board by reason of the removal of the Independent Directors pursuant to Section II.4(a)(i) or the resignation of all of the Independent Directors will be filled only by nominees that satisfy the Independent Director Qualifications chosen by majority vote of a selection committee composed of an equal number of members appointed by the Province, on the one hand, and by the Major Shareholders, on the other hand, in accordance with the terms of the Provincial Rights Agreement.

⁹ Section 4.1(f) of the Shareholders Agreement.

¹⁰ Section 4.1(g) of the Shareholders Agreement.

- (f) If at any time a shareholder loses its right to nominate any director (including because such shareholder ceases to be a Qualifying Brewer (as defined in the Shareholders Agreement) or because of a reduction in its Percentage Sales), such director will be removed from the Board effective as of such time and the vacancy thereby created will be filled in accordance with Section II.3.¹¹

5. **Directors' Terms**

Other than with respect to the Small Shareholder Nominee who will serve a one-year term, directors will be elected for terms of three years each, beginning on the effective date of the Shareholders Agreement, provided however, that the initial Independent Directors will be elected for terms of one, two, three and four years, respectively. Subject to Section II.3(b)(i), directors may serve on the Board for successive terms, provided that no director will serve on the Board for more than nine consecutive years following the effective date of the Shareholders Agreement.¹²

6. **Board Structure and Operations**

(a) **Chair**

- (i) One of the directors will be elected from time to time as Chair of the Board by majority vote of the directors.¹³ The Chair of the Board may be removed at any time at the discretion of the Board.
- (ii) The Chair of the Board will chair meetings of the Board and meetings of the shareholders, but will not be entitled to a second or casting vote¹⁴. If the Chair of the Board is absent from any meeting, the Board will select one of the other members of the Board to preside at that meeting.
- (iii) The Chair of the Board will act as the effective leader of the Board consistent with the Position Description for the Chair of the Board.

(b) **Lead Director**

- (i) One of the Independent Directors will be elected from time to time to serve as the lead director (the "**Lead Director**") by majority vote of the Independent Directors then in office.¹⁵ The Lead Director may be removed at any time at the discretion of the Independent Directors.
- (ii) The Lead Director will only have a second or casting vote if there is a tie vote among the Independent Directors on any Special Majority Matter (as defined in Section IV.2) or any

¹¹ Section 4.2 of the Shareholders Agreement.

¹² Section 4.3 of the Shareholders Agreement.

¹³ Section 4.5 of the Shareholders Agreement.

¹⁴ Section 4.5 of the Shareholders Agreement.

¹⁵ Section 4.6 of the Shareholders Agreement.

matter that is required under the Shareholders Agreement to be approved by a majority of Independent Directors.¹⁶

- (iii) The Lead Director will act as the effective leader of the Independent Directors consistent with the Position Description for the Lead Director.

(c) **Meetings**

- (i) The Chair of the Board, in consultation with the Board members, will determine the schedule and frequency of Board meetings. However, the Board will meet at least once every quarter, or as may be more frequently scheduled or called by the Chair of the Board or the Lead Director. In addition, any four directors will be entitled to call meetings of the Board upon notice as set out in Section II.6(d) below.¹⁷
- (ii) The Chair of the Board will be responsible for developing and setting the agenda for Board meetings with the assistance of the President (or Chief Executive Officer) and Secretary. Appropriate materials will be provided to the Board in advance of meetings, although the Board recognizes that in certain cases this may not be possible. Materials presented to the Board should be as concise as possible, while providing sufficient information for the directors to make an informed judgment.
- (iii) At each regular meeting of the Board, the President (or Chief Executive Officer) will report to the Board with respect to the current status of the operations of TBS and with respect to all major developments or planned action involving TBS and will present to the meeting complete current financial information with respect to TBS and such other information as may be requested by the Board from time to time.¹⁸

(d) **Notice**

Written or electronic notice of any meeting of the Board will be given to each director at least five business days prior to the scheduled date of such meeting, unless such notice is waived by all of the directors.¹⁹

(e) **Quorum**

A quorum for any meeting of the Board 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 directors present at any meeting of the Board for so long as Labatt and Molson are entitled to nominate and elect a majority of the directors pursuant to Section II.3(b)(ii) or Section II.3(b)(iv); and
- (ii) at least two Independent Directors.²⁰

¹⁶ Section 4.6 of the Shareholders Agreement.

¹⁷ Section 4.8(b) of the Shareholders Agreement.

¹⁸ Section 4.7 of the Shareholders Agreement.

¹⁹ Section 4.8(b) of the Shareholders Agreement.

(f) **Attendees**

- (i) The Board may invite such officers and employees of TBS and advisors as it sees fit from time to time to attend meetings of the Board and assist in the discussion and consideration of matters relating to the Board.
- (ii) Directors may attend meetings of the Board 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 director participating in such a meeting by such means will be deemed to be present at the meeting.²¹

(g) ***In Camera Sessions***

At the end of each Board meeting, the Board will meet without any members of management or any other persons present (other than the Secretary (or his or her designate), who will continue to take minutes). Thereafter, the Independent Directors will meet without any other Board members or the Secretary present. Such session of the Independent Directors will not be considered part of the Board meeting and so no official business will be conducted at such session. The Lead Director will bring any action items arising from such *in camera* session to the attention of the Chair of the Board as he or she deems necessary or desirable.

(h) **Records**

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

7. Board Mandate Review

The Board will review and assess the adequacy of this Mandate on an annual basis. Any changes to this Mandate must be approved by the Board, including the approval of a majority of the Independent Directors then in office.²²

III. RESPONSIBILITIES

1. Supervising Management of TBS

Subject to the terms of the Shareholders Agreement, the Board is responsible for supervising the management of the business and affairs of TBS, including:

- (a) designating the offices of TBS, appointing such officers, specifying their duties and delegating to them the power to manage the day-to-day business and affairs of TBS;
- (b) overseeing the review of such officers' performance and effectiveness; and

²⁰ Section 4.10 of the Shareholders Agreement.

²¹ Section 4.8(b) of the Shareholders Agreement.

²² Section 4.8(a) of the Shareholders Agreement.

- (c) acting in a supervisory role, such that any duties and powers not delegated to the officers of TBS remain with the Board and its committees.

In addition, the Board is responsible for, to the extent feasible, satisfying itself as to the integrity of the President (or Chief Executive Officer) and other officers and that the President (or Chief Executive Officer) and other officers create a culture of integrity throughout TBS.

2. Strategic Planning and Annual Budgeting and Planning

- (a) The Board is responsible for adopting a strategic planning process for TBS. Such process will include:
 - (i) the Board overseeing TBS's strategic direction and major policy decisions generally;
 - (ii) the Board devoting at least a day-long meeting to strategic planning annually; and
 - (iii) the Board discussing strategies and their implementation regularly at Board meetings.

On at least an annual basis, the Board will approve TBS's strategic plan, which will take into account, among other things, the opportunities and risks of TBS's business.

- (b) In addition, prior to the beginning of each financial year, the Board will review and approve a detailed budget and detailed business plan for such financial year (which once approved in accordance with the Shareholders Agreement will become the Annual Budget and Annual Business Plan (each as defined in Appendix A)).²³

3. Risk Management

The Board is responsible for reviewing the principal risks of TBS's business and overseeing the implementation of appropriate systems to manage these risks. To assist it with these responsibilities, the Board has established the Finance and Audit Committee, the Governance and Human Resources Committee and the Retail and Marketing Committee.

4. Financial and Other Reporting, Internal Controls and Management Information Systems

The Board is responsible for overseeing TBS's financial and other reporting, internal controls and management information systems and to assist it with these responsibilities, the Board has established the Finance and Audit Committee.

5. Corporate Governance

(a) Corporate Governance Practices

The Board is responsible for developing and periodically reviewing TBS's approach to corporate governance. The Board will monitor corporate governance developments and best practices. The Board will monitor and evaluate the effectiveness of the system of corporate governance at TBS, including the information requirements of the Board, the frequency and content of Board meetings and the need for any special meetings, communication processes between the Board and management, the mandates of the Board and its committees and corporate governance related

²³ Section 6.1(a) of the Shareholders Agreement.

policies and procedures of TBS. To assist it with these responsibilities, the Board has established the Governance and Human Resources Committee.

(b) **Code of Business Conduct and Ethics**

The Board is responsible for adopting a written code of business conduct and ethics (the “**Code**”), applicable to directors, officers and employees of TBS. The Code will constitute written standards that are reasonably designed to promote integrity and deter wrongdoing and will address the following issues:

- (i) conflicts of interest, including transactions and agreements in respect of which a director or officer has a material interest;
- (ii) protection and proper use of corporate assets and opportunities;
- (iii) confidentiality of corporate information;
- (iv) fair dealing with TBS’s stakeholders, customers, suppliers, competitors and employees;
- (v) compliance with applicable laws, rules and regulations²⁴; and
- (vi) reporting of any illegal or unethical behaviour.

The Board is responsible for monitoring compliance with the Code. Any waivers from the Code that are granted for the benefit of TBS’s directors or officers will be granted by the Board (or a Board committee) only.

(c) **Compliance with Applicable Laws and Regulations**

The Board is responsible for overseeing TBS’s compliance with applicable laws and regulations and its compliance with all significant policies and procedures approved by the Board from time to time. To assist it with these responsibilities, the Board has established the Finance and Audit Committee and the Governance and Human Resources Committee.

6. Human Resources

(a) **Compensation**

The Board is responsible for evaluating the performance of TBS and that of its President (or Chief Executive Officer) and other senior management and for overseeing compensation matters (including approving corporate goals and objectives that the President (or Chief Executive Officer) and other senior management are responsible for meeting, compensation of the President (or Chief Executive Officer) and other senior management, TBS’s annual compensation budget and matters related to TBS’s pension plans) and to assist it with these responsibilities, the Board has established the Governance and Human Resources Committee.

(b) **Succession Planning**

The Board is responsible for overseeing succession planning matters for the President (or Chief Executive Officer) and other senior management, including the appointment, training and monitoring of such persons, and to assist it with certain of these responsibilities, the Board has established the Governance and Human Resources Committee.

(c) **Health and Safety**

The Board is responsible for overseeing the health and safety of TBS's employees and to assist it with certain of these responsibilities, the Board has established the Governance and Human Resources Committee.

7. Retail and Marketing

The Board is responsible for overseeing TBS's retail and marketing strategies and operations and to assist it with these responsibilities, the Board has established the Retail and Marketing Committee.

8. Communications Policy

The Board is responsible for adopting a communications policy that ensures that TBS communicates effectively with its stakeholders and the public in general, including:

- (a) providing the information set out in Section 5.3 of the Shareholders Agreement to each shareholder of TBS; and
- (b) making the information set out in Section 5.4 of the Shareholders Agreement available to the public on TBS's website in a timely manner.

It is important that TBS speak to its stakeholders (including employees) and the public with a single voice, and that the Chair of the Board and the President (or Chief Executive Officer) serve as the primary spokespersons.

9. Beer Ombudsperson

- (a) The Independent Directors are responsible for appointing a beer ombudsperson (the "**Beer Ombudsperson**"), who will be appointed from time to time by the majority of the Independent Directors then in office.²⁵
- (b) The Beer Ombudsperson will report to the Independent Directors at least annually and the Independent Directors will by majority vote assess the performance of and, acting reasonably and in consultation with the Board, determine the compensation of the Beer Ombudsperson from time to time.²⁶
- (c) The annual report of the Beer Ombudsperson will be made available to the public on TBS's website after its approval by the Independent Directors and presentation to the Board.²⁷

10. Other Board Matters

(a) **Position Descriptions**

The Board is responsible for adopting written position descriptions for the directors, the Chair of the Board, the Lead Director, the Chair of each Board committee and the President (or Chief Executive Officer) of TBS.

²⁵ Section 6.6(a) of the Shareholders Agreement.

²⁶ Section 6.6(c) of the Shareholders Agreement.

²⁷ Section 6.6(c) of the Shareholders Agreement.

(b) Orientation and Continuing Education

The Board is responsible for:

- (i) ensuring that all new directors receive a comprehensive orientation, so that they fully understand:
 - (A) the role of the Board and its committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and energy that TBS expects from its directors), and
 - (B) the nature and operation of TBS's business; and
- (ii) providing continuing education opportunities for all directors, so that they may:
 - (A) maintain or enhance their skills and abilities as directors, and
 - (B) ensure that their knowledge and understanding of TBS's business remains current.

(c) Regular Board Assessments

The Board is responsible for regularly and at least annually assessing its own effectiveness and contribution, as well as the effectiveness and contribution of each Board committee and each individual director. Such assessments should consider:

- (i) in the case of the Board, this Mandate;
- (ii) in the case of a Board committee, the committee's mandate; and
- (iii) in the case of an individual director, the applicable position description(s), as well as the competencies and skills each individual director is expected to bring to the Board.

(d) Outside Advisors

In performing its functions, the Board is entitled to rely on the advice, reports and opinions of management, counsel, accountants, auditors and other expert advisors. The Board shall have the authority to retain and approve the reasonable fees and retention terms of its outside advisors.

IV. DECISIONS REQUIRING PRIOR APPROVAL OF THE BOARD

1. Decisions Requiring Board Approval Generally

Notwithstanding any provision of the Shareholders Agreement or the Act, but subject to Section II.6(e) and Section IV.2, no obligation of TBS will be entered into, no decision will be made and no action taken by or with respect to TBS, directly or indirectly, with respect to any material matters of TBS (including Special Majority Matters as set out in Section IV.2), without obtaining approval by a simple majority of the directors serving on the Board at the relevant time and in attendance at the meeting of the Board (or, in the case of a written resolution, without obtaining approval from all directors serving on the Board at the relevant time) or, with respect to any matter delegated by the Board to the Executive Committee, approval by the Executive

Committee.²⁸

2. Decisions Requiring Special Majority Approval

Notwithstanding any provision of the Shareholders Agreement or the Act, but subject to Section II.6(e), in addition to the approval referred to in Section IV.1, no obligation of TBS will be entered into, no decision will be made and no action taken by or with respect to TBS, directly or indirectly, with respect to any of the matters (each a “**Special Majority Matter**”):

- (a) referred to in Appendix B, without also obtaining the approval of such matter by at least 80% of the directors then in office and present at the duly constituted meeting considering the matter; or
- (b) referred to in Appendix C, without also obtaining the approval of such matter by at least the majority of the Independent Directors then in office and present at the duly constituted meeting considering the matter, but in any case no fewer than two Independent Directors (or, in the case of a written resolution, without obtaining approval from all Independent Directors then in office).²⁹

V. FIDUCIARY DUTIES

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

²⁸ Section 4.11 of the Shareholders Agreement.

²⁹ Section 4.12 of the Shareholders Agreement.

Appendix A

Defined Terms

"Affiliate" means, with respect to a party, any person, firm, corporation, partnership (including general partnerships, limited partnerships and limited liability partnerships), limited liability company, joint venture, business trust, association or other entity that directly or indirectly Controls, is Controlled by or is under common Control with such party. The terms "Control" and "Controlled by" are defined in the Shareholders Agreement.

"Annual Budget" means a financial budget for TBS for a full financial year of TBS as approved in accordance with the Shareholders Agreement.

"Annual Business Plan" means an annual business plan for TBS for a full financial year of TBS as approved in accordance with the Shareholders Agreement.

"Industry Participant" means any person, trade association or trade union involved in the beverage alcohol industry in Ontario including, for clarity, Canada's National Brewers, the Original Owners, any other Qualifying Brewers (as defined in the Shareholders Agreement) or any of their Affiliates.

"Majority Vote" means a majority of votes with each shareholder being entitled to exercise such number of Total Votes as shall be equal to such shareholder's Percentage Entitlement (as such terms are defined in the rights, privileges, restrictions and conditions attaching to the First Equity Shares (as defined in the Shareholders Agreement)).

"Major Shareholder" means a shareholder the Percentage Sales of which are equal to or greater than 10% (determined without any rounding up).

"Original Owners" means Labatt, Molson and Sleeman (each as defined in the Shareholders Agreement).

"Percentage Sales" of a shareholder means the percentage that the Annual Beer Volume (as defined in the Shareholders Agreement) of such shareholder (inclusive of its Affiliates) in the preceding calendar year represents of the Total Annual Beer Volume (as defined in the Shareholders Agreement) in respect of such calendar year.

"Person" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, limited liability company, unlimited liability company, government, government regulatory authority, governmental department, agency, commission, board, tribunal, dispute settlement panel or body, bureau, court and, where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative.

"Small Shareholder" means a shareholder that (inclusive of its Affiliates) had less than 50,000 hectolitres of Qualifying Sales (as defined in the Shareholders Agreement) in the prior calendar year.

Appendix B

Certain Special Majority Matters

- (a) Any amendment of the articles of TBS or its By-laws.
- (b) Any material change in the nature of the business of TBS.

Appendix C

Special Majority Matters (Independent Directors)

Terms not defined in this Mandate are defined in the Shareholders Agreement.

- (a) Any amendment of the articles of TBS or its By-Laws.
- (b) The price and other terms of any First Preferred Debentures to be issued by TBS.
- (c) Any material change in the nature of the business of TBS.
- (d) Any transaction with one or more (but less than all) shareholders or other related parties.
- (e) The provision of confidential information of TBS to shareholders (whether directly or by directors), except to the extent contemplated by Section 4.17(b) of the Shareholders Agreement.
- (f) Any potential future distributions to shareholders, including any redemption or early repayment of First Preferred Debentures or Second Equity Shares and any dividends declared by the Board on the First Equity Shares.
- (g) Any change in the number of directors.
- (h) Delegation of Board powers to any committee.
- (i) Any policies to the extent relating to the Key Principles as reflected in the New Beer Agreements, including policies in relation to corporate donations by TBS to political parties, other than ordinary course operational policies; provided however, that in respect of the policies of TBS adopted by the Board on December 8, 2015 only changes to such policies must be so approved.
- (j) Any matter that would result in any class of Brewer being treated differently (other than as contemplated by the New Beer Agreements), including with respect to product categorization.
- (k) Any sale of any material assets of TBS not provided for in an Annual Budget or Annual Business Plan.
- (l) Any Transfer of Shares other than (A) as expressly permitted by the Shareholders Agreement or (B) for greater clarity, one resulting from a merger, acquisition or other similar transaction involving a shareholder.
- (m) Any changes to the user agreement with brewers selling beer Through the Corporation.
- (n) The appointment from time to time of the Beer Ombudsman.
- (o) Any amendment of any of the New Beer Agreements or any other documents to the extent that they embody any of the Key Principles.
- (p) The sale of all or substantially all of the assets of TBS.
- (q) Each Annual Budget, Annual Business Plan and capital spending budget, and any material variation from any such approved budget or plan, including the resulting Rate Sheet. If the majority of the Independent Directors does not provide such approval of any Annual Budget following the first Annual Budget approved by the new Board, the prior year's approved Annual Budget will continue with adjustments necessary to reflect changes in costs over which management of TBS cannot exercise control.

- (r) The approval requirements of the majority of Independent Directors then in office under Sections 4.8(a), 4.9(c) and (d), 4.13, 8.10 and paragraph (c)(ii) of Schedule 6.2(c) of the Shareholders Agreement.
- (s) Any changes to this Mandate and any Committee Mandates that were approved by the Board on December 8, 2015.