

## WATERLOO BREWING LTD.

### MAJORITY VOTING POLICY FOR DIRECTOR ELECTIONS

The Board of Directors (the “**Board**”) of Waterloo Brewing Ltd. (the “**Corporation**”) believes that each of its members should carry the confidence and support of its shareholders. To this end, the directors have unanimously adopted this Majority Voting Policy for Director Elections (the “**Policy**”). Further nominees for election to the Board will be required to adhere to this Policy before their names are put forward.

Forms of proxy for the vote at a shareholders’ meeting where directors are to be elected will enable the shareholder to vote in favour thereof, or to withhold from voting, separately for each nominee. In an uncontested election of directors of the Corporation (as explained below), any nominee for director who does not receive more votes “for” his or her election than votes “withheld” from his or her election shall offer his or her resignation as a director to the Board promptly following the meeting of shareholders at which the director was elected. Upon receiving such offer of resignation, the Nominating and Corporate Governance Committee will consider such offer and make a recommendation to the Board as to whether or not to accept it. Notwithstanding the foregoing, the Board shall accept the offer of resignation absent exceptional circumstances.

Any director who tenders his or her resignation pursuant to this Policy shall not participate in the deliberations of any Board committee (including the Nominating and Corporate Governance Committee if such director is a member thereof) or the Board pertaining to such resignation offer.

The Board shall determine whether or not to accept the resignation within 90 days following the meeting of shareholders. The resignation will be effective when accepted by the Board, if applicable. The Corporation will announce the decision of the Board in a press release with respect to whether the Board has decided to accept such director’s resignation. If the Board determines not to accept the resignation, the press release will state the reasons for that decision.

The Corporation will provide a copy of the press release to the Toronto Stock Exchange. If the resignation is accepted, the Board may, subject to any corporate law restrictions, leave the resultant vacancy unfilled until the next annual meeting of shareholders, fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of shareholders or call a special meeting of shareholders to fill the vacant position.

This Policy only applies in circumstances involving an uncontested election of directors. For the purposes of this Policy, an “uncontested election of directors” means that the number of nominees for election as a director is not more than the number of directors proposed to be elected to the Board.