
GAGE ROADS BREWING CO LIMITED

ACN 103 014 320

NOTICE OF ANNUAL GENERAL MEETING

TIME: 4:00 pm (WST)

DATE: 8 November 2012

PLACE: 14 Absolon Street, Palmyra, Western Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (*61 8) 9314 0000.*

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 4:00 pm (WST) on 8 November 2012 at 14 Absolon Street, Palmyra, Western Australia.

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

NOTICE OF GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at 4:00 pm (WST) on 8 November 2012 at 14 Absolon Street, Palmyra, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 4.00 pm (WST) on 6 November 2012.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2012 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2012."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

- (c) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and

- (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 – ELECTION OF DIRECTOR – BRAD BANDUCCI

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.3 and 13.4 of the Constitution and for all other purposes, Mr Brad Banducci, being eligible, is elected as a Director.”

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – BILL HOEDEMAKER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Bill Hoedemaker, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – ROBERT GOULD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Robert Gould, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

**DATED: 5 OCTOBER 2012
BY ORDER OF THE BOARD**



**MR JOHN HOEDEMAKER
GAGE ROADS BREWING CO LIMITED
MANAGING DIRECTOR**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 4:00 pm (WST) on 8 November 2012 at 14 Absolon Street, Palmyra, Western Australia.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2012 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.gageroads.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The Remuneration Report is part of the Directors Report contained in the Company's 2012 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

Section 250R(2) of the Corporations Act 2001 requires that a resolution to adopt the remuneration report be put to the vote of the Company at the Annual General Meeting. However, Shareholders should note that the vote on Resolution 1 is advisory only and is not binding on the Company or its Directors.

Shareholders should also note that the Federal government has introduced the *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011 (Cth) (Act)*, which came into effect on 1 July 2011. This Act amends the Corporations Act to include new provisions relating to directors' appointment and remuneration matters and proxy voting. This Notice of Meeting does not propose to include details of all of these changes, and will only mention the changes relevant to this Notice of Meeting.

Remuneration report - Two Strike Rule

From 1 July 2011, the Act introduces new Sections 250U to 250Y, among others, into the Corporations Act, giving shareholders the opportunity to spill a company's board of directors (**Board Spill**) if the resolution to approve the company's remuneration report receives "no" votes of 25% or more at two successive annual general meetings of the company (**AGM**) (known as the **Two Strikes Rule**). The first Board Spill could potentially occur at a company's 2012 AGM.

A summary of the process of the Two Strikes Rule as it applies to the Company is as follows:

- (a) If a "no" vote of 25% or more is cast on Resolution 1 to adopt the remuneration report, the subsequent remuneration report in 2012 must outline the board's proposed action in response to the "no" vote (or state the reasons for any inaction);
- (b) If a "no" vote of 25% or more is subsequently cast on the resolution to adopt the remuneration report at the 2012 AGM (the Second AGM), the Shareholders must then vote at the Second AGM on a resolution (known as the Spill Resolution) that a general meeting be convened to consider the election of certain directors (the **Spill Meeting**);
- (c) If the Spill Resolution is carried by ordinary majority (more than 50% of those present and voting at the Second AGM), then the Spill Meeting must be held within 90 days. All directors who were directors "when the resolution to make the directors' report [which includes the remuneration report] considered at the Second AGM was passed" (other than the managing director who is permitted to hold office indefinitely without being re-elected under the ASX Listing Rules) would cease to hold office immediately before the end of the Spill Meeting;
- (d) Resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting will be put to the vote at the Spill Meeting. If a director is re-appointed at the Spill Meeting, the appointment continues as if uninterrupted;
- (e) The Spill Meeting need not be held if none of the directors being spilled remains in office at the end of the 90 day period;
- (f) The Act seeks to avoid a complete Board Spill by ensuring that there are at least three directors following a Spill Meeting. These three positions will be occupied by:
 - (a) the managing director; and
 - (b) the two people who receive the highest proportion of votes in favour of their appointment at the Spill Meeting (even if less than 50% of the votes cast on their election are in favour of their re-appointment). If two or more individuals have the same proportion of votes, the managing director and any re-elected director have the power to choose which individual will be re-appointed, subject to confirmation at the following AGM; and
- (g) The Act also contains a re-setting mechanism so that a Spill Resolution could only be considered by Shareholders at every second AGM. However, a remuneration report must outline the Board's proposed action in response to comments made by shareholders on the preceding remuneration report if that earlier document received a "strike", that is 25% or more of the votes cast were against adoption of the earlier remuneration report.

- (h) The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report. The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorization for the Chairman to vote the proxy in accordance with the Chairman's intention.
- (i) A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – BRAD BANDUCCI

Clause 13.3 of the Constitution allows the Shareholders to elect a person to be a Director by resolution passed in general meeting.

Clause 13.4 of the Constitution allows the Directors to appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors at any time. Any Director so appointed holds office only until the next following general meeting and is then eligible for re-election at that meeting.

Accordingly, Resolution 2 seeks Shareholder approval for the election of Mr Banducci as a Director of the Company in accordance with clauses 13.3 and 13.4 of the Constitution. Mr Banducci, being eligible, has consented to being appointed as a Director.

The Directors do not have any personal interests in the outcome of Resolution 2.

Brad Banducci was formally CEO of the Cellarmasters Group and joined Woolworths following the acquisition of that business last year. Brad has a distinguished business background in Australia and internationally including 14 years with The Boston Consulting Group where he was a Vice President and Director. He has extensive experience in the beverage industry, direct sales channels and beverage manufacturing. Brad was appointed to his current role in the Liquor Group in July 2012 and has responsibility for all Woolworths retail liquor brands (BWS, Dan Murphy's, Woolworths Liquor), Cellarmasters, Dorrien Winemaking and Vinpac bottling.

4. RESOLUTIONS 3 AND 4 – RE-ELECTION OF DIRECTORS

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became

Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has five Directors and accordingly two must retire.

Messrs Bill Hoedemaker and Robert Gould, the Directors longest in office since their last election, retire by rotation and seek re-election.

5. ENQUIRIES

Shareholders may contact Mr John Hoedemaker on (+61 8) 9314 0000 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

Annual General Meeting means the meeting convened by the Notice of Meeting.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Closely Related Party means, in relation to a member of Key Management Personnel: (a) a spouse or child of the member; (b) a child of the member's spouse; (c) a dependent of the member or the member's spouse; (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity; (e) a company the member controls; or (f) a person prescribed by the regulations, as defined in the Corporations Act.

Company means Gage Roads Brewing Co Limited (ACN 103 014 320).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Key Management Personnel means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise), as defined in the Corporations Act.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of General meeting including the Explanatory Statement.

Plan means the Company's Executive and Employee Share Plan summarised in this Notice of Meeting.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

PROXY FORM

**APPOINTMENT OF PROXY
GAGE ROADS BREWING CO LIMITED
ACN 103 014 320**

SECURITYHOLDER REFERENCE NUMBER (SRN)

NAME _____
STREET ADDRESS _____
CITY _____ **POST CODE** _____
COUNTRY _____

ANNUAL GENERAL MEETING

I/We _____
of _____
being a Shareholder entitled to attend and vote at the Meeting, hereby
appoint _____

Name of proxy

OR the Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 4.00pm(WST) on 8 November 2012 at 14 Absolon Street, Palmyra, Western Australia and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Voting on business of the Meeting

Resolution 1 - Adoption of Remuneration Report
Resolution 2 - Election of Director – Brad Banducci
Resolution 3 - Re-Election of Director – Bill Hoedemaker
Resolution 4 - Re-Election of Director – Robert Gould

FOR	AGAINST	ABSTAIN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Important for Resolution 1

If you have not directed your proxy how to vote as your proxy in respect of Resolution 1 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolution 1 (except where I/we have indicated a different voting intention above) and expressly authorise that the Chair may exercise my/our proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If the Chair is, or may by default be, appointed your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolution 1 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 1.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Shareholder(s): _____ **Date:** _____

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

GAGE ROADS BREWING CO LIMITED
ACN 103 014 320

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return:
 - (a) in person at Gage Roads Brewing Co Limited, 14 Absolon Street, Palmyra, Western Australia, 6157; or
 - (a) post to Gage Roads Brewing Co Limited, PO Box 2024, Palmyra DC, Western Australia, 6961; or
 - (b) facsimile to Gage Roads Brewing Co Limited on facsimile number +61 8 9331 2400, or
 - (c) by email to accounts@gageroads.com.au;

so that it is received not less than 48 hours prior to commencement of the Meeting, being 4:00 pm (WST) 8 November 2012.

Proxy forms received later than this time will be invalid.