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**GAGE ROADS BREWING CO LIMITED**

**ACN 103 014 320**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 11:30 am (WST)

**DATE:** 23 November 2017

**PLACE:** Esplanade Hotel Fremantle, 46-54 Marine Terrace Fremantle, 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**

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**VENUE**

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The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11:30 am (WST) on 23 November 2017 at Esplanade Hotel Fremantle, 46-54 Marine Terrace Fremantle, Western Australia.

**YOUR VOTE IS IMPORTANT**

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

**VOTING IN PERSON**

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

**VOTING BY PROXY**

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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.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 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.

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## BUSINESS OF THE MEETING

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Notice is given that the Annual General Meeting of Shareholders will be held at 11:30 am (WST) on 23 November 2017 at Esplanade Hotel Fremantle, 46-54 Marine Terrace Fremantle, 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 21 November 2017.

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

## AGENDA

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### ORDINARY BUSINESS

#### Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the Auditor's report.

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#### 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 purposes 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 2017.”*

**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:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) 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.

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**2. RESOLUTION 2 – 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.”*

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**3. RESOLUTION 3 – ELECTION OF DIRECTOR – GRAEME WOOD**

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 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Graeme Wood, a director who was casually appointed on 5 April 2017, retires, and being eligible, is elected as a Director.”*

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**4. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**5. RESOLUTION 5 – RE-ADOPTION OF EXECUTIVE AND EMPLOYEE SHARE PLAN**

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

*“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to re-adopt an employee incentive scheme titled Executive and Employee Share Plan and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

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**DATED: 25 OCTOBER 2017**

**BY ORDER OF THE BOARD**

A handwritten signature in black ink that reads "Marcel Brandenburg". The signature is written in a cursive style with a long, sweeping underline.

**MR MARCEL BRANDENBURG  
GAGE ROADS BREWING CO LIMITED  
COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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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 11:30 am (WST) on 23 November 2017 at Esplanade Hotel Fremantle, 46-54 Marine Terrace Fremantle, 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.

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### 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 2017 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](http://www.gageroads.com.au).

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### 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 sets out the Company's remuneration arrangements for the Directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

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

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

## 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.

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### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ROBERT GOULD

Clause 13.2 of the Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Robert Gould, who has served as a director since 12 November 2007, and was last re-elected on 18 November 2015, retires by rotation and seeks re-election.

Mr Gould has held a number of roles in finance and the management and guidance of start-up, early stage and fast-growing companies. His experience includes international mergers and acquisition activity and previous management of a venture capital fund with \$113 million under management. Robert was a seed capital investor in Gage Roads and is currently a Director and Shareholder of Javelin Partners Pty Ltd, a private equity advisory business.

Mr Gould has held no other directorships in the previous three years. Mr Gould is the chairman of the Company's Audit Committee and a member of the Company's Remuneration Committee.

If elected, the board considers Mr Gould will be an independent director.

The Board support Mr Gould's re-election and recommend that Shareholders vote in favour of Resolution 2.

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### 4. RESOLUTION 3 – ELECTION OF DIRECTOR – GRAEME WOOD

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 13.4 of the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Graeme Wood, having been appointed on 5 April 2017 will retire in accordance with clause 13.4 of the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

Mr Wood has significant experience as a senior executive with both Foster's Australia and Treasury Wine Estates. He spent 18 years at Foster's Australia – including as General Manager of Sales at Matilda Bay Brewing Company – where he developed a deep knowledge of the beer landscape in Australia. More recently, he spent four years at Treasury Wine Estates as Regional Manager responsible for Western Australia, South Australia and the Northern Territory, further enhancing his liquor retail experience.

Mr Wood also served as CEO of the Western Australian Cricket Association (WACA) between 2007 and 2011 and was a member of the Australian Cricket team, playing 59 Test matches and 83 One-Day-Internationals for Australia between 1978 and 1989.

Mr Wood has not held any other directorships in the previous 3 years and has no special responsibilities within the Company.

If elected, the board considers Mr Wood will be an independent director.

The Board support Mr Wood's election and recommend that Shareholders vote in favour of Resolution 3.

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## **5. RESOLUTION 4 - APPROVAL OF 10% PLACEMENT CAPACITY**

### **5.1 General**

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- 5.1.1 is not included in the S&P/ASX 300 Index; and
- 5.1.2 has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$57,885,095 (based on the number of Shares on issue and the closing price of Shares on the ASX on 11 October 2017).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has 1 class of quoted Equity Securities on issue, being the Shares (ASX Code: GRB) and 1 class of unquoted Options on issue.

If Shareholders approve Resolution 4, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 4 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed.

### **5.2 Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 4:

#### **5.2.1 Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (b) if the Equity Securities are not issued within 5 ASX trading days of the date in section 5.2.1(a), the date on which the Equity Securities are issued.



### 5.2.2 Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (a) 12 months after the date of this Meeting; and
- (b) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

**(10% Placement Capacity Period).**

### 5.2.3 Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** Has the same meaning as in rule 7.1.
- D** 10%
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are *not* issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 11 October 2017.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.0335 50% decrease in Issue Price	\$0.067 Issue Price	\$0.101 50% increase in Issue Price
863,956,642 (Current Variable A)	Shares issued - 10% voting dilution	86,395,664 Shares	86,395,664 Shares	86,395,664 Shares
	Funds raised	\$2,894,255	\$5,788,510	\$8,682,764
1,295,934,963 (50% increase in Variable A)	Shares issued - 10% voting dilution	1,295,593,496 Shares	129,593,496 Shares	129,593,496 Shares
	Funds raised	\$4,341,382	\$8,682,764	\$13,024,146
1,727,913,284 (100% increase in Variable A)	Shares issued - 10% voting dilution	172,791,328 Shares	172,791,328 Shares	172,791,328 Shares
	Funds raised	\$5,788,510	\$11,577,019	\$17,365,529

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are currently 863,956,642 Shares on issue.
2. The issue price set out above is the closing price of the Shares on the ASX on 11 October 2017.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (a) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and

- (b) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

#### 5.2.4 **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (a) as cash consideration in which case the Company intends to use funds raised for raised towards development activities at the Company's plant and/or general working capital; or
- (b) as non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

#### 5.2.5 **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (a) the purpose of the issue;
- (b) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (c) the effect of the issue of the Equity Securities on the control of the Company;
- (d) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (e) prevailing market conditions; and
- (f) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

#### 5.2.6 **Previous approval under ASX Listing Rule 7.1A**

The Company did not obtain approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 30 September 2016.

During the 12-month period preceding the date of the Meeting, being on and from 23 November 2016, the Company otherwise issued a total of 4,505,005 Shares which represents approximately 0.46% of the total diluted number of Equity Securities on issue in the Company on 23 November 2016, which was 974,467,942.

Further details of the issues of Equity Securities by the Company during the 12-month period preceding the date of the Meeting are set out in Schedule B.

### 5.2.7 Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (a) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (b) the information required by Listing Rule 3.10.5A for release to the market.

### 5.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 4.

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## 6. RESOLUTION 5 – RE-ADOPTION OF EXECUTIVE AND EMPLOYEE SHARE PLAN

Resolution 5 seeks Shareholders approval for the re-adoption of the employee incentive scheme titled 'Executive and Employee Share Plan' (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

The Plan was initially adopted at the Company's 2011 annual general meeting on 29 September 2011 and was subsequently re-adopted at the Company's 2014 Annual General Meeting on 18 November 2014. Shareholders should note that 163,674,820 Shares have previously been issued under the Plan.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to issue Shares under the Plan (**Plan Shares**) to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12-month period.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issue of Shares under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company. Additionally, the Plan will continue to be used as part of the remuneration planning for executive Directors and employees who are Eligible Participants under the Plan.

A material feature of the Plan is the issue of Shares pursuant to the Plan may be undertaken by way of provision of a non-recourse, interest free loan to be used for the purposes of subscribing for the Shares based on a price that will be not less than the volume weighted average price at which Shares were traded on the ASX over the 10 trading days up to and including the date of acceptance of the offer.

Any future issues of Shares under the Plan to a related party (or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained) will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Plan is set out in Schedule B. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the

Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

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**7. ENQUIRIES**

Shareholders may contact the Company Secretary, Mr Marcel Brandenburg, on (+61 8) 9314 0000 or at [investors@gageroads.com.au](mailto:investors@gageroads.com.au) if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in Section 5.1.

**Annual General Meeting or Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**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.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (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 Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Gage Roads Brewing Co Ltd (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.

**Eligible Employee** means all full time and part time employees or Directors of the Company.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Executive and Employee Share Plan** or **Plan** means the Company's incentive scheme titled "*Executive and Employee Share Plan*" originally adopted at the Company's annual general meeting on 29 September 2011 and the subject of Resolution 5.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Incentive Shares** means a Share issued under the Plan.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Plan** means the Gage Roads Executive and Employee Share Plan.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, 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 registered holder of a Share.

**Variable A** means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

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

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## SCHEDULE A - SUMMARY OF EXECUTIVE AND EMPLOYEE SHARE PLAN

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Outlined below is a summary of the key terms of the Company's Executive and Employee Share Plan.

- (a) **Eligibility:** The Plan is available to full time and part time employees or Directors of the Company (**Eligible Employee**). An Eligible Employee may nominate an associate to participate in the Plan in their place.
- (b) **Administration of Plan:** The Board is responsible for the operation of the Plan and has a broad discretion to determine which Eligible Employees will be offered Shares under the Plan.
- (c) **Offer:** The Board may issue an offer to an Eligible Employee to participate in the Plan (**Offer**). The Offer:
  - (i) will invite application for the number of Shares specified in the Offer (or specify the manner in which the number of Shares is to be calculated);
  - (ii) will specify the issue price for the Shares or the manner in which the issue price is to be calculated;
  - (iii) the amount payable to subscribe for the Shares, or the manner in which the amount is to be calculated;
  - (iv) may invite application for a loan up to the amount payable in respect of the Shares accepted in accordance with the Offer;
  - (v) will specify any restriction conditions applying to the Shares;
  - (vi) will specify an acceptance period; and
  - (vii) will specify any other terms and conditions attaching to the Shares.
- (d) **Issue price:** The issue price of each Share shall be determined by the Board in its absolute discretion, and may be nil.
- (e) **Quotation on ASX:** The Company will apply for each Plan Share to be admitted to trading on ASX upon issue of the Share. Quotation will be subject to the ASX Listing Rules and any holding lock applying to the Shares.
- (f) **Rights attaching to Shares:** Each Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.
- (g) **Loan:** An Eligible Employee who is invited to subscribe for Shares may also be invited to apply for a loan up to the amount payable in respect of the Shares accepted (**Loan**), on the following terms:
  - (i) the Loan will be interest free unless otherwise agreed;
  - (ii) the Loan shall be applied by the Company directly toward payment of the issue price of the Shares;
  - (iii) the Loan repayment date shall be determined by the Board and set out in the Offer;
  - (iv) a participant granted a Loan must repay the Loan in full by the Loan repayment date but may elect to repay the Loan in respect of any or all of the Shares at any time prior to the Loan repayment date;



- (v) the Company shall have a lien over the Shares in respect of which a Loan is outstanding and the Company shall be entitled to sell those Shares in accordance with the terms of the Plan if the Loan is not repaid when due;
  - (vi) a Loan will be non-recourse except against the Shares held by the participant to which the Loan relates; and
  - (vii) the Board may, in its absolute discretion, agree to forgive a Loan made to a participant.
- (h) **Restriction Conditions:** Shares may be subject to restriction conditions (such as a period of employment or a performance hurdle) which must be satisfied before the Shares can be sold, transferred, or encumbered (**Restriction Condition**). The Board may waive Restriction Conditions in its absolute discretion, including where a holder dies or is a good leaver. In addition, Shares cannot be sold, transferred or encumbered until any Loan in relation to the Shares has been repaid or otherwise discharged under the Plan. The Company is authorised to impose a holding lock on the Shares to implement these restrictions.
- (i) **Forfeiture of Shares:** Where a Restriction Condition in relation to Shares is not satisfied by the due date, or becomes incapable of satisfaction (as determined by the Board in its absolute discretion), and is not waived by the Board (in its absolute discretion), the holder of those Shares forfeits its right, entitlement and interest in and to the Shares and the Company must, unless the Restriction Condition is waived by the Board, either:
- (i) arrange to buy back and cancel the relevant Shares within 3 months of the date the Restriction Condition was not satisfied (or became incapable of satisfaction) under the Corporations Act at a price equal to the cash consideration paid by the holder for the Shares (with the cash consideration being deemed to exclude any Loan in relation to those Shares but to include any Loan repayments made by or on behalf of the holder); or
  - (ii) arrange to sell the Shares on behalf of the holder (using a power of attorney) within 20 Business Days of the date the Restriction Condition was not satisfied (or became incapable of satisfaction) on the ASX or to an investor who falls within an exemption under Section 708 of the Corporations Act (provided that the sale must be at a price that is no less than 80% of the market value of the Shares up to and including the trading day before the sale date to the investor), and apply the sale proceeds in the following priority:
    - (A) first, to pay the Company the outstanding Loan (if any) in relation to the Shares and the Company's reasonable costs in selling the Shares;
    - (B) second, to use towards repaying any cash consideration paid by the holder for the Shares (with the cash consideration being deemed to exclude any Loan in relation to those Shares but to include any Loan repayments made by or on behalf of the holder). The holder acknowledges that the Company is not liable to repay the holder any cash consideration or Loan repayments except to the extent covered by the remaining sale proceeds; and
    - (C) lastly, any remainder to the Company to cover its costs of managing the Plan.
- (j) **Power of Attorney:** The holder irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the buy back or sale of the holder's Shares in accordance with the Plan.
- (k) **Ceasing to be an Eligible Executive:** If an Eligible Employee ceases to be an employee or director of the Company, and at that time:

- (i) there are unfulfilled Restriction Conditions in relation to Shares under the Plan held by the Eligible Employee or his or her nominee, the Shares are forfeited and the Company must either buy back or sell the Shares in accordance with the Plan; or
  - (ii) there are no unfulfilled Restriction Conditions in relation to Shares under the Plan held by the Eligible Employee or his or her nominee, but there is an outstanding Loan, the holder must repay the Loan within 30 days, failing which the Company must sell the Shares to repay the Loan.
- (l) **Corporate Transactions:** The Board may, in its absolute discretion and subject to conditions, waive a Restriction Condition applying to a Share where:
- (i) **(Takeover)** a takeover bid for the Company's issued Shares is declared unconditional and the bidder has acquired a relevant interest in at least 50.1% of the Company's issued Shares;
  - (ii) **(Compromise or Arrangement):** a court approves under Section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
  - (iii) **(Winding Up):** the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company.
- (m) **Plan limit:** The Company must take reasonable steps to ensure that the number of Shares offered by the Company under the Plan when aggregated with:
- (i) the number of Shares that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any employee incentive scheme of the Company were to be exercised or accepted; and
  - (ii) the number of Shares issued during the previous 5 years under the Plan (or any other employee share scheme extended only to eligible employees),

does not exceed 5% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with relevant ASIC Class Orders).

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**SCHEDULE B – ISSUES OF EQUITY SECURITIES SINCE 23 NOVEMBER 2016**


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Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
Issue – 30 August 2017 Appendix 3B – 31 August 2017	4,505,005	Shares <sup>2</sup>	Employees pursuant to the employee incentive scheme approved at the Shareholder meeting held on 18 November 2014.	\$0.05 (premium of 4.2%)	Amount raised = \$225,250 Amount spent = Not applicable, the issue price was funded via a limited recourse loan to the eligible employee in accordance with the Company's Executive and Employee Share Plan.  Amount remaining = Not applicable Proposed use of remaining funds = Not applicable

**Notes:**

- Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
- Fully paid ordinary shares in the capital of the Company, ASX Code: GRB (terms are set out in the Constitution).
- This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
- In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.048) on the ASX on 30 August 2017.