

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 6, 2023

The Boston Beer Company, Inc.

(Exact name of Registrant as Specified in Its Charter)

Massachusetts
(State or Other Jurisdiction
of Incorporation)

001-14092

(Commission File Number)

04-3284048
(IRS Employer
Identification No.)

One Design Center Place, Suite 850,
Boston, MA
(Address of Principal Executive Offices)

02210
(Zip Code)

Registrant's Telephone Number, Including Area Code: (617) 368-5000

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock	SAM	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The Company's "Named Executive Officers" or "NEOs" for its fiscal year ended December 31, 2022 ("Fiscal Year 2022") were President and Chief Executive Officer David A. Burwick, Treasurer and Chief Financial Officer Frank H. Smalla, and our next three most-highly compensated Executive Officers, namely Chief Sales Officer John C. Geist, Chief Marketing Officer Lesya Lysyj, and Chief People Officer Carolyn L. O'Boyle. Additionally, pursuant to 17 CFR § 229.402, former Senior Vice President of Supply Chain Quincy B. Troupe is included herein as an NEO for Fiscal Year 2022, to the extent applicable. Mr. Troupe stepped down from his position with the Company as of April 1, 2022.

Fiscal Year 2022 NEO Cash Bonuses

Bonuses payable to our Executive Officers, including NEOs, are based on Company performance against certain "Company Goals" in accordance with a "Bonus Scale," all as approved by the Compensation Committee of the Company's Board of Directors. The Company Goals generally consist of pre-established depletions growth, Earnings Before Interest & Tax ("EBIT"), and resource efficiency (focused operating expense cost savings) targets.

As reported in a Form 8-K filed by the Company on February 15, 2022, at its meeting on February 9, 2022, the Compensation Committee approved: (1) company-wide goals for Fiscal Year 2022 (the "2022 Company Goals"); (2) the 2022 bonus target for each Executive Officer, as a percentage of their base salary ("2022 Bonus Target"); and (3) a bonus funding scale ranging from 0% to 250% (the "2022 Bonus Scale") for determining bonus payouts as a percentage of each Executive Officer's respective 2022 Bonus Target, based on the Committee's determination of the Company's ultimate achievement of the 2022 Company Goals.

As reported in a Form 8-K filed by the Company on July 28, 2022, in July 2022 the Committee undertook a review of the 2022 cash incentive bonus plan and determined that most of the parameters established in February 2022, including the 2022 Bonus Targets, the bonus funding range, the depletions, EBIT, and resource efficiency performance components to be measured as 2022 Company Goals, and the relative weightings of such components, remained appropriate. However, the Committee recognized a disconnect between the performance metrics associated with the mid-range of the 2022 Bonus Scale based on the 2022 Company Goals, as approved at its February 9, 2022 meeting, and the Company's then current full-year 2022 outlook and financial plan. The Committee considered this discrepancy and determined that adjustments to the specific performance target metrics underlying the 2022 Bonus Scale were appropriate in order to maintain the retention and performance objectives of the 2022 cash bonus incentive plan. Accordingly, on July 22, 2022, the Committee approved a revised 2022 Bonus Scale to align it more closely with the 2022 Company Goals. The revisions to the 2022 Bonus Scale were not applicable to Mr. Burwick, Chairman C. James Koch, and Dogfish Head Founder Samuel A. Calagione, III, who remained subject to the original 2022 Bonus Scale previously established on February 15, 2022.

The target parameters of the 2022 Company Goals were based on the Company's 2022 Financial Plan. The 2022 Company Goals consisted of achieving: (1) certain depletions targets over 2021 ("2022 Depletions Growth"), which are weighted as 60% of the goals; (2) certain EBIT targets, which are weighted as 20% of the goals; and (3) the generation of certain resource efficiency targets, which are weighted as 20% of the goals.

The 2022 Bonus Target for each NEO was as follows:

- Mr. Burwick: 100% of base salary;
- Mr. Smalla 75% of base salary;
- Mr. Geist: 75% of base salary;
- Ms. Lysyj: 60% of base salary;
- Ms. O'Boyle: 60% of base salary; and
- Mr. Troupe: 60% of base salary.

The foregoing percentages were unchanged from 2021.

As further reported in the February 15, 2022 Form 8-K, the bonus of each Executive Officer for Fiscal Year 2022 was to be determined by the Compensation Committee before March 1, 2023, based on the three-step process outlined below. This process was completed by the Committee at its February 6, 2023 meeting.

First, the Committee confirmed and ratified the Company's achievement of the 2022 Company Goals against the 2022 Bonus Scale (the "2022 Achievement").

Second, the Committee established an aggregate bonus pool for the Company's Executive Officers, including the NEOs, by applying the 2022 Achievement against each Officer's 2022 Bonus Target.

Third, the Compensation Committee considered whether to adjust each Executive Officer's final 2022 bonus payout based on the Committee's assessment of each Executive Officer's overall job performance, key competencies, and the achievement of relevant objectives and key results in 2022. The Committee had retained the discretion to increase or decrease an Officer's bonus payout by up to 10% from the baseline target bonus, if the Officer was deemed to have performed "successfully" in 2022, and by up to 30% if the Officer was deemed to have performed "exceptionally." The Committee had also retained the discretion to decrease an Officer's 2022 bonus payout to as low as \$0 if the Officer was deemed to have performed "unsatisfactorily."

At its meeting on February 6, 2023, the Compensation Committee reviewed the Company's performance against the 2022 Bonus Scale and determined that the Company achieved 38% on the 2022 Bonus Scale as revised in July 2022, and 0% on the original 2022 Bonus Scale previously approved on February 15, 2022, which scale remained applicable to Mr. Burwick.

Utilizing its discretion as outlined in step three above, the Committee accordingly approved 2022 bonuses for our Executive Officers, including the following bonuses for our Named Executive Officers: \$0 to Mr. Burwick, \$142,250 for Mr. Smalla, \$142,250 for Mr. Geist, \$84,000 to Ms. Lysyj; and \$137,500 for Ms. O'Boyle. These bonuses are scheduled to be paid on or around March 8, 2023, the same date as 2022 bonuses will be paid to other coworkers in the Company. Mr. Troupe stepped down from his position with the Company as of April 1, 2022 and was therefore not eligible for a 2022 bonus.

2023 NEO Base Salaries

At its meeting on February 6, 2023, the Compensation Committee also approved 2023 base salaries for our Named Executive Officers of:

- \$860,503 for Mr. Burwick, a 3% increase from his 2022 base salary;
- \$608,650 for Mr. Smalla, a 2% increase from his 2022 base salary;
- \$608,650 for Mr. Geist, a 2% increase from his 2022 base salary;
- \$529,045 for Ms. Lysyj, a 2% increase from her 2022 base salary; and
- \$515,000 for Ms. O'Boyle, a 3% increase from her 2022 base salary.

In his offer letter, the Company previously promised to provide Mr. Burwick a 5% increase to his base salary in both 2022 and 2023. Mr. Burwick opted not to be considered for a base salary increase in 2022 and agreed to limit his salary increase to 3% in 2023.

The salary increases for the NEOs will be effective as of March 6, 2023, the same date that salary increases for other coworkers will take effect.

2023 Long-Term Equity Awards

At its meeting on February 6, 2023, the Compensation Committee approved, subject to ratification and approval by the full Board of Directors, stock option awards and restricted stock units ("RSUs") of shares of the Company's Class A Common Stock to certain of our NEOs, pursuant to the Company's Employee Equity Incentive Plan. The grants were subsequently ratified and approved by the full Board of Directors at its February 9, 2023 meeting, and all will be granted and effective on March 1, 2023.

The extent to which the options may become exercisable will be dependent upon the Company achieving certain compounded annual growth rate targets based on net revenue growth in Fiscal Year 2024 over Fiscal Year 2022. The determination of the eligibility for vesting of these options will be made by the Compensation Committee before March 1, 2025. If the primary target is achieved, the options will vest as to 33% of the underlying shares on March 1, 2025, 33% on March 1, 2026, and 34% on March 1, 2027, contingent on continued employment on the applicable vesting dates and subject to accelerated vesting upon the occurrence of certain specified events. If the secondary target is achieved and the primary target is not achieved, the options will vest as to 16.5% of the underlying shares on March 1, 2025, 16.5% on March 1, 2026, and 17% on March 1, 2027, contingent on continued employment on the applicable vesting dates and subject to accelerated vesting upon the occurrence of certain specified events. The options will lapse to the extent that neither target is met.

The RSUs will vest 25% per year on March 1 in each of the years 2024 through 2027, contingent on continued employment on the respective vesting dates, and subject to accelerated vesting upon the occurrence of certain specified events.

The NEOs who will be awarded stock option awards and RSUs, and the applicable accounting values, based on the closing price of the Company's Class A Common Stock on February 28, 2023, are as follows:

<u>NEO</u>	<u>Stock Options</u>	<u>RSUs</u>
Mr. Burwick	\$2,000,000	\$2,000,000
Mr. Smalla	\$500,000	\$500,000
Mr. Geist	\$500,000	\$500,000
Ms. Lysyj	\$275,000	\$275,000
Ms. O'Boyle	\$275,000	\$275,000

Each of these equity awards will include a double-trigger Change in Control clause which provides that the awards shall immediately vest in full in the event that a Change in Control results in the termination of the employment of the recipient without cause or for good reason within 12 months of the Change in Control. For the purposes of these grants, the term "Change in Control" means if Chairman C. James Koch and/or members of his family cease to control a majority of the Company's Class B Stock.

Fiscal Year 2023 Cash Bonus Opportunities

At its meeting on February 6, 2023, the Compensation Committee also approved: (1) company-wide goals for the fiscal year ending December 30, 2023 (the "2023 Company Goals"); (2) the 2023 bonus target for certain Executive Officers, including certain NEOs, as a percentage of their base salary (the "2023 Bonus Target "); and (3) a bonus funding scale ranging from 0% to 250% (the "2023 Bonus Scale") for determining bonus payouts as a percentage of each Executive Officer's respective 2023 Bonus Target, based on the Committee's determination of the Company's achievement of the 2023 Company Goals.

The 2023 Company Goals consist of achieving: (1) certain depletions targets over 2022, which are weighted as 50% of the goals; (2) certain EBIT targets, which are weighted as 30% of the goals; and (3) the generation of certain resource efficiency targets, which are weighted as 20% of the goals.

Approved 2023 NEO Bonus Targets are as follows:

- Mr. Burwick: 120% of base salary, a 20% increase from his 2022 Bonus Target;
- Mr. Smalla: 75% of base salary, no change from 2022;
- Mr. Geist: 75% of base salary, no change from 2022;
- Ms. Lysyj: 60% of base salary, no change from 2022; and
- Ms. O'Boyle: 60% of base salary, no change from 2022.

The increase to Mr. Burwick’s 2023 Bonus Target was to align his total potential compensation with that of CEOs at similarly sized companies. The Bonus Targets that were set for other Company Executive Officers range between 40% and 100% of their respective base salaries, with payout levels to be calculated in accordance with the 2023 Bonus Scale.

The 2023 bonus payout of each NEO will be determined by the Compensation Committee before March 1, 2024, using the same three-step process that was used to determine prior year bonuses.

Adoption of Equity Plan for Non-Employee Directors

Based on the Compensation Committee’s recommendation, the Board of Directors, also at its meeting on February 9, 2023, adopted a new Equity Plan for Non-Employee Directors to supersede the existing Non-Employee Director Stock Option Plan to: (1) allow for the issuance of RSUs to Non-Employee Directors; (2) re-establish the approximate value of option shares and RSUs to be granted to Non-Employee Directors upon initial appointment to the Board and upon annual election to the Board; (3) clarify the vesting schedule for RSUS awarded under the Plan; and (4) extend the term of the Plan to June 1, 2032. A copy of the Equity Plan for Non-Employee Directors, as adopted, is attached hereto as Exhibit 10.1 and incorporated by reference herein.

Approval of the Class B Stockholder

The above equity grants, cash bonus opportunities, and the Equity Plan for Non-Employee Directors were approved by the sole holder of the Company’s Class B Common Stock.

Item 8.01 Other Events.

The Board of Directors, at its February 9, 2023 meeting and acting on the recommendation of the Compensation Committee, adopted a new compensation schedule for Non-Employee Directors, effective as of the Company’s May 17, 2023 Annual Meeting of Stockholders. A summary of the elements of compensation for Non-Employee Directors is set forth below.

Applies to	Payment For	Compensation
All Non-Employee Directors	One-time award payable upon first-time election or appointment to the Board	Option for Class A Shares valued at approximately \$65,000 as of the grant date
All Non-Employee Directors	One-time award payable upon first-time election or appointment to the Board	RSUs for Class A Shares valued at approximately \$65,000 as of the grant date
All Non-Employee Directors	Annual award payable upon annual election to the Board, including first-time election	Option for Class A Shares valued at approximately \$65,000 as of the grant date
All Non-Employee Directors	Annual award payable upon annual election to the Board, including first-time election	RSUs for Class A Shares valued at approximately \$65,000 as of the grant date
All Non-Employee Directors	Annual cash retainer payable upon annual election to the Board	\$75,000
Lead Director	Annual cash retainer payable upon annual appointment to the position	\$20,000
Committee Chair (any standing committee)	Annual cash retainer payable upon annual appointment to the position	\$20,000
Committee Member, Non-Chair (any standing committee, per committee)	Annual cash retainer payable upon annual appointment to the position	\$10,000
Committee Chair or Member (Ad-Hoc Committee)	Annual cash retainer payable upon annual appointment to the position	Within discretion of Compensation Committee

Mid-Year Appointment. If a Non-Employee Director is elected or appointed to the Board between the Company's annual meetings of stockholders, the number of option shares and RSUs granted pursuant to the annual awards and the value of the annual retainers shall be pro-rated based upon the number of regular meetings of the Board remaining prior to the next annual meeting of stockholders.

Item 9.01 Financial Statements and Exhibits.

The following exhibit is filed as part of this report:

Exhibit No.	Description
10.1	The Boston Beer Company, Inc. Equity Plan for Non-Employee Directors, dated as of February 9, 2023
104	Cover Page Interactive Data File (embedded within Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

The Boston Beer Company, Inc.

Date: February 10, 2023

By: /s/ David A. Burwick

Name: David A. Burwick

Title: President & Chief Executive Officer

The Boston Beer Company, Inc.
Equity Plan for Non-Employee Directors

1. Purpose

The purpose of The Boston Beer Company, Inc. Equity Plan for Non-Employee Directors (the “Plan”) is to attract and retain the services of experienced and knowledgeable independent Directors who are not employees (“Non-Employee Directors”) of The Boston Beer Company, Inc. (“Boston Beer”) for the benefit of Boston Beer and its shareholders and to provide additional incentive for Non-Employee Directors to continue to work in the best interests of Boston Beer and its shareholders through continuing ownership of Boston Beer Class A Common Stock, par value \$.01 per share (“Class A Stock”). The Plan amends, restates, and supersedes in all respects the Boston Beer Restated 1996 Stock Option Plan for Non-Employee Directors.

2. Nature of Awards Under and Shares Subject to the Plan

(a) Awards under the Plan (“Stock Awards”) may be in the form of options (“Options”) or restricted stock units (“RSUs”).

(b) The total number of shares of Class A Stock (“Shares”), for which Options and RSUs may be granted under the Plan shall not exceed 550,000 in the aggregate, inclusive of Shares issued under all predecessor equity plans for Non-Employee Directors, subject to adjustment in accordance with Section 9 hereof.

3. Grants of Options and RSUs

(a) Options.

(i) Each newly elected or appointed Non-Employee Director shall be granted an Option under the Plan to acquire the greatest number of whole Shares having a value of up to Sixty-Five Thousand and 00/100 Dollars (\$65,000.00), computed using the trinomial option-pricing model as of the date of grant, upon their initial election to the Board of Directors of Boston Beer (the “Board”), provided that in the case of a Non-Employee Director newly elected to the Board between annual meetings of the shareholders of Boston Beer, the number of Shares underlying the Option granted to such newly elected or appointed Non-Employee Director shall be pro-rated based upon the number of regular meetings of the Board remaining prior to the next annual meeting of shareholders.

(ii) In addition, each Non-Employee Director shall be granted an option under the Plan to acquire the greatest number of whole Shares having a value of up to Sixty-Five Thousand and 00/1000 Dollars (\$65,000.00), computed using the trinomial option-pricing model as of the date of grant, upon their reelection to the Board at an annual meeting of shareholders.

(iii) Options granted under this Section 3(a) shall be effective as of the date of the Non-Employee Director’s election or appointment or reelection or reappointment, as applicable.

(iv) Options granted under this Section 3(a) shall be non-qualified options not intended to meet the requirements of Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”).

(b) RSUs.

(i) Each newly elected or appointed Non-Employee Director shall also be granted RSUs covering Shares having a value of up to Sixty-Five Thousand and 00/100 Dollars (\$65,000.00) as of the date upon their initial election or appointment to the Board (the “RSU Grant Date”), provided that in the case of a Non-Employee Director newly elected or appointed to the Board between annual meetings of the shareholders of Boston Beer, the number of Shares underlying the RSUs granted to such newly elected or appointed Non-Employee Director shall be pro-rated based upon the number of regular meetings of the Board remaining prior to the next annual meeting of shareholders. The actual number of RSUs awarded will be based on the close price of Class A Stock on the day before the RSU Grant Date, rounded up to the nearest whole number of shares. 100% of the RSUs will vest on the first anniversary of the RSU Grant Date provided that the Non-Employee Director remains a member of the Board as of that date.

(ii) In addition, each Non-Employee Director shall be granted RSUs covering Shares having a value of up to Sixty-Five Thousand and 00/100 Dollars (\$65,000.00) upon their election, appointment, or re-election to the Board. The actual number of RSUs awarded will be based on the close price of Class A Stock on the day before the RSU Grant Date, rounded up to the nearest whole number of shares. 100% of the RSUs will vest on the first anniversary of the RSU Grant Date provided that the Non-Employee Director remains a member of the Board as of that date.

(iii) RSUs granted under this Section 3(b) shall be effective as of the date of the Non-Employee Director's election or appointment or reelection or reappointment, as applicable (the "RSU Grant Date").

4. Stock Award Agreements

Each Stock Award granted under the Plan shall be evidenced by an agreement (the "Agreement"), duly executed by the Non-Employee Director to whom such Stock Award is granted. Each Agreement shall: (i) comply with and be subject to the terms and conditions of the Plan, (ii) provide that the recipient agrees to continue to serve as a Director of Boston Beer during the term for which he or she was elected, and (iii) contain such other provisions not inconsistent with the provisions of the Plan, including with respect to obligations of each Non-Employee Director not to compete with Boston Beer, as the Board may determine.

5. Option Exercise Price

Subject to the provisions of Section 9 hereof, the exercise price for Options granted under the Plan shall be the fair market value of the Shares covered by the Option on the date of grant of the option. For the purposes hereof and of Section 6(b), the fair market value of Shares shall be the closing price of Class A Common Stock reported by the New York Stock Exchange or any other national securities exchange on which such shares may be primarily traded, on the last trading day before the date of grant, provided that if the Class A Common Stock of Boston Beer is not listed on or actually trading on the New York Stock Exchange or another national securities exchange, fair market value shall be determined in good faith by the Board.

6. Time and Manner of Exercise of Options and Vesting of RSUs

(a) Options granted under the Plan shall, subject to the provisions of Section 7, be immediately exercisable in full; provided, however, (i) no Option granted under the Plan may be exercised prior to approval of the Plan by the holders of Boston Beer's issued and outstanding Class B Common Stock, as required by Section 13 and (ii) exercise may be made only in full compliance with the requirements under the various Boston Beer Policies specified in Section 16(c), as then in effect.

(b) Each Option may be exercised in full at one time or in part from time to time by giving written notice to Boston Beer, signed by the person or persons exercising the option, stating the number of Shares with respect to which the Option is being exercised, accompanied by payment in full for such Shares, which payment may be in cash or in whole or in part in Shares already owned for a period of at least six months by the person or persons exercising the option, valued at fair market value, as determined under Section 5 hereof, on the date of exercise; provided, however, that there shall be no such exercise at any one time as to fewer than one hundred (100) Shares or all of the remaining Shares then purchasable by the person or persons exercising the option, if fewer than one hundred (100) Shares. Upon such exercise, delivery of a certificate for paid-up non-assessable Shares shall be made at the principal Massachusetts office of Boston Beer to the person or persons exercising the option at such time, during ordinary business hours, not more than thirty (30) days from the date of receipt of the notice by Boston Beer, as shall be designated in such notice, or at such time, place and manner as may be agreed upon by Boston Beer and the person or persons exercising the option.

(c) Subject to the RSU recipient's continued engagement as a Director on the vesting date, all RSUs shall vest one (1) year from the RSU Grant Date. The default payment method to cover taxes for the vesting of RSUs shall be the net withhold payment method.

7. Term of Stock Awards

(a) Each Option shall expire ten (10) years from the date of the granting thereof but shall be subject to earlier termination as herein provided.

(b) In the event of the death of a Non-Employee Director to whom an Option has been granted, the Option granted to such Non-Employee Director may be exercised by their estate or by any person or persons who acquired the right to exercise such Option by bequest or inheritance or otherwise by reason of the death of such Non-Employee Director. Such Option may be exercised at any time within one (1) year after the date of death of such Non-Employee Director, at which time the Option shall terminate, or prior to the date on which the Option otherwise expires by its terms, whichever is earlier.

(c) In the event that a Non-Employee Director ceases to be a Director of Boston Beer any Option granted to him or her may be exercised by him or her at any time within three (3) years after the date such Non-Employee Director ceases to be a Director of Boston Beer, at which time the Option shall terminate, but in any event must be exercised prior to the date on which the Option expires by its terms, unless termination as a Director (i) was by Boston Beer for cause, in which case the Option shall terminate immediately at the time the such Non-Employee Director ceases to be a Director of Boston Beer, (ii) was because the Non-Employee Director has become disabled (within the meaning of Section 22(e)(3) of the Code), or (iii) was by reason of the death of the Non-Employee Director, in which event, the provisions of Section 7(b) above shall apply. In the case of disability, the Option may be exercised at any time within one (1) year after the date of termination of the Non-Employee Director's directorship with Boston Beer, at which time the Option shall terminate, but in any event prior to the date on which the Option otherwise expires by its terms.

(d) In the event of the death or disability of an RSU recipient, all then unvested RSUs shall become fully vested. In the event that an RSU recipient ceases to be a Director of Boston Beer for reason other than death or disability, any unvested RSUs shall be immediately forfeited to the Company.

8. Options Not Transferable

(a) The right of any Non-Employee Director to exercise an option granted to him or her under the Plan shall not be assignable or transferable by him or her, otherwise than by will or the laws of descent and distribution, or pursuant to a qualified domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act, or the rules thereunder. Any Option granted under the Plan shall be exercisable during the lifetime of such optionee only by him or her. Any Option granted under the Plan shall be null and void and without effect upon the bankruptcy of the optionee, or upon any attempted assignment or transfer, except as herein provided, including without limitation any purported assignment, whether voluntary or by operation of law, pledge, hypothecation or other disposition, attachment, trustee process or similar process, whether legal or equitable, upon such option.

(b) Unvested RSUs granted under the Plan shall not be assignable or transferable by the RSU recipient, otherwise than by will or the laws of descent and distribution, or pursuant to a qualified domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act, or the rules thereunder.

9. Adjustments Upon Changes in Capitalization

In the event that the outstanding shares of the Class A Stock of Boston Beer are changed into or exchanged for a different number or kind of shares or other securities of Boston Beer or of another corporation by reason of any reorganization, merger, consolidation, recapitalization, reclassification, stock split-up, combination of shares or dividends payable in capital stock, appropriate adjustment shall be made in the number and kind of shares as to which outstanding options, or portions thereof then unexercised, shall be exercisable, to the end that the proportionate interest of the optionee shall be maintained as before the occurrence of such event, and such adjustment in outstanding options shall be made without change in the total price applicable to the unexercised portion of such options and with a corresponding adjustment in the option price per share.

10. Restrictions on Issue of Shares

Notwithstanding the provisions of Section 6 hereof, Boston Beer may delay the issuance of Shares covered by the exercise of any option or the vesting of any RSU granted under the Plan and the delivery of a certificate for such Shares until one of the following conditions shall be satisfied:

- (i) the Shares with respect to which an option has been exercised or an RSUs has vested are at the time of the issue of such Shares effectively registered under applicable Federal and state securities acts now in force or hereafter amended; or
- (ii) counsel for Boston Beer shall have given an opinion, which opinion shall not be unreasonably conditioned or withheld, that such Shares are exempt from registration under applicable federal and state securities acts now in force or hereafter amended.

It is intended that all exercises of options and vesting of RSUs granted under the Plan shall be effective. Accordingly, Boston Beer shall use its best efforts to bring about compliance with the above conditions within a reasonable time, except that Boston Beer shall be under no obligation to cause a registration statement or a post-effective amendment to any registration statement to be prepared at its expense solely for the purpose of covering the issue of Shares in respect of which any option may be exercised or any RSU may vest, except as otherwise agreed to by Boston Beer in writing.

11. Purchase for Investment; Subsequent Registration

Unless the Shares to be issued upon exercise of an option granted under the Plan have been effectively registered under the Securities Act of 1933 (the "1933 Act"), as now in force or hereafter amended, Boston Beer shall be under no obligation to issue any Shares covered by any option unless the person who exercises such Option, in whole or in part, shall give a written representation and undertaking to Boston Beer which is satisfactory in form and scope to counsel to Boston Beer and upon which, in the opinion of such counsel, Boston Beer may reasonably rely, that he or she is acquiring the Shares issued to him pursuant to such exercise of the option for their own account as an investment and not with a view to, or for sale in connection with, the distribution of any such Shares, and that he or she will make no transfer of the same except in compliance with any rules and regulations in force at the time of such transfer under the 1933 Act, or any other applicable law, and that if Shares are issued without such registration a legend to this effect may be endorsed upon the securities so issued. In the event that Boston Beer shall, nevertheless, deem it necessary or desirable to register under the 1933 Act or other applicable statutes any Shares with respect to which an option shall have been exercised, or to qualify any such Shares for exemption from the 1933 Act or other applicable statutes, then Boston Beer shall take such action at its own expense and may require from each optionee such information in writing for use in any registration statement, prospectus, preliminary prospectus or offering circular as is reasonably necessary for such purpose and may require reasonable indemnity to Boston Beer and its Officers and Directors from such holder against all losses, claims, damages and liabilities arising from such use of the information so furnished and caused by any untrue statement of any material fact therein or caused by the omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made.

12. Loans Prohibited

Boston Beer shall not, directly or indirectly, lend money to an optionee or to any person or persons entitled to exercise an option by reason of the death of an optionee for the purpose of assisting any of them in the acquisition of Shares covered by an Option granted under the Plan.

13. Approval of Class B Shareholders

The Plan shall be subject to approval by the affirmative vote of the holders of a majority of the issued and outstanding shares of the Class B Common Stock of Boston Beer present or represented and entitled to vote at a duly held shareholders' meeting, or by written consent of all of the holders of such Class B Common Stock and shall take effect immediately as of its date of adoption upon such approval.

14. Expenses of the Plan

All costs and expenses of the adoption and administration of the Plan shall be borne by Boston Beer, and none of such expenses shall be charged to any optionee or RSU recipient.

15. Termination and Amendment of Plan

Unless sooner terminated as herein provided, the Plan shall terminate on June 1, 2032. The Board may at any time terminate the Plan or make such modification or amendment thereof as it deems advisable; provided, however, that, except as provided in Section 9 hereof, no modification or amendment to the provisions of the Plan may be made more than once every six (6) months other than to comport with changes in the Code, the Employee Retirement Income Security Act, or the rules thereunder, if the effect of such amendment or modification would be to change (i) the requirements for eligibility under the Plan, (ii) the timing of the grants of stock awards to be granted under the Plan or the exercise price of options, or (iii) the number of Shares subject to stock awards to be granted under the Plan either in the aggregate or to one Director. Any amendment to the provisions of the Plan which (i) materially increases the number of Shares which may be subject to stock awards granted under the Plan, (ii) materially increases the benefits accruing to Non-Employee Directors under the Plan, or (iii) materially modifies the requirement for eligibility to participate in the Plan, shall be subject to approval by the holders of Boston Beer's Class B Common Stock obtained in the manner stated in Section 13 hereof. Termination or any modification or amendment of the Plan shall not, without the consent of an stock award recipient, affect their rights under a stock award previously granted to him or her.

16. Policy Compliance Matters and Shareholder Rights Limitations

(a) An optionee shall not be deemed to be a shareholder of Boston Beer for any purpose with respect to any Shares underlying an Option, except to the extent that the Option shall have been exercised with respect thereto and, in addition, a certificate shall have been issued theretofore and delivered to the optionee.

(b) An unvested RSU holder shall not be deemed to be a shareholder of Boston Beer for any purpose with respect to any of the unvested RSUs, and accordingly unvested RSU holders are not eligible to participate in dividends.

(c) Each Stock Award granted under the Plan and any transaction related thereto shall be subject to Boston Beer's Insider Trading Policy, Stock Ownership and Retention Guidelines, Ban on Hedging/Pledging Company Stock, and any other similar policies or guidelines established by the Company. Boston Beer will ensure that copies of such documents are readily available and accessible to all Non-Employee Directors.

17. Notices

Any communication or notice required or permitted to be given under the Plan shall be in writing and mailed by registered or certified mail or delivered by hand, if to Boston Beer, to its principal place of business, Attention: President, and, if to a Stock Award recipient, to the address as appearing on the records of Boston Beer.

18. Compliance with Rule 16b-3

It is the intention of Boston Beer that the Plan comply in all respects with Rule 16b-3 promulgated under Section 16(b) of the Securities Exchange Act of 1934 (the "1934 Act") and that Participants remain disinterested persons for purposes of administering other employee benefit plans of Boston Beer and having transactions under such other plans be exempt from Section 16(b) of the 1934 Act. Therefore, if any Plan provision is found not to comply with Rule 16b-3 or if any Plan provisions would disqualify Participants from remaining disinterested persons, that provisions shall be deemed null and void, and in all events the Plan shall be construed in favor of its meeting the requirements of Rule 16b-3.

Approved by the Board of Directors and by the holders of the Class B Common Stock of the Company on February 9, 2023. Amendments to option and RSU grant amounts approved on February 9, 2023 are not retroactive but shall be effective for any grants awarded on or after that date.