
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 2, 2017

The Boston Beer Company, Inc.

(Exact name of registrant as specified in its charter)

Massachusetts

001-14092

04-3284048

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

One Design Center Place, Suite 850, Boston,
Massachusetts

02210

(Address of principal executive offices)

(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))
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Item 5.02 Departure of Certain officers; Election of Directors; Appointment of Certain Officers; Compensator Arrangements of Certain Officers.

Retirement of Chief Executive Officer and Director

On February 2, 2017, The Boston Beer Company, Inc. (the "Company") announced that Martin F. Roper intends to retire from his positions as the Company's President and Chief Executive Officer ("CEO") and as a Director of the Company, effective upon the appointment and commencement of service of his successor to the role of Chief Executive Officer, which is expected to occur in 2017 or early 2018. At that time, Mr. Roper also will retire from all official positions with the Company's subsidiaries. It is expected that Mr. Roper will continue to be employed by the Company through February 28, 2018, or such later date as he and his successor agree (his "Retirement Date"), to support and assist with the transition of his responsibilities. A special committee of the Company's Board of Directors has been established to identify and evaluate, with the assistance of an executive search firm, internal and external candidates to succeed Mr. Roper as CEO.

Retirement Agreements

In connection with Mr. Roper's planned retirement, the Company and Mr. Roper entered into an agreement, dated February 2, 2017 (the "Retirement Letter Agreement"), which provides the terms and conditions for Mr. Roper's continued employment with the Company until his planned retirement. Pursuant to the terms of the Retirement Letter Agreement, Mr. Roper will serve the Company on a full-time basis through January 1, 2018 and will continue to provide transition assistance, as agreed with his successor, until his Retirement Date. Mr. Roper's 2017 compensation arrangements, including his current annual base salary, previously established 2017 cash incentive bonus opportunity (without pro-ratio for length of service), vesting of outstanding long-term incentive awards and eligibility to participate in benefit programs generally available to other senior executives of the Company, continue through December 31, 2017, unless his employment is terminated prior to January 1, 2018 due to his voluntary resignation or death or by the Company under the limited circumstances noted below. Commencing January 1, 2018, so long as his successor has then joined the Company, and until his Retirement Date, Mr. Roper will receive a salary at the annual rate of \$391,500. In the event a successor CEO has not commenced service prior to January 1, 2018, Mr. Roper will continue to receive a salary at the 2017 annual rate until such time as his successor joins the Company. Additional compensation for Mr. Roper's service through his Retirement Date may be awarded in 2018 at the discretion of the Board of Directors or its Compensation Committee.

Under the terms of the Retirement Letter Agreement, the Company has agreed that it will not terminate Mr. Roper's employment prior to his Retirement Date, except under certain limited circumstances involving malfeasance, willful and continued failure to substantially perform duties or willful violations of the restrictive covenants set forth in the Restrictive Covenant Agreement described below. Accordingly, absent Mr. Roper's prior death or voluntary retirement or such a termination for cause, the last tranche of the option granted to Mr. Roper on January 1, 2008 (the "2008 Option") will vest and become exercisable on January 1, 2018 in accordance with its previously reported terms. Additionally, in consideration of Mr. Roper's commitments under the Restrictive Covenant Agreement, and provided that Mr. Roper's employment is not terminated by the Company under the limited circumstances noted above, Mr. Roper will be entitled to a payment (the "Additional Payment") in the amount of \$1,500,000 plus the excess of the cash incentive bonus earned by Mr. Roper as a result of the Company's 2017 performance over \$310,000, payable in fifty four substantially equal consecutive monthly installments, commencing on the first day of the seventh month following the Retirement Date. The Retirement Letter Agreement also includes a mutual release of claims and non-disparagement covenants, as well as other provisions customary for agreements of this type.

As noted above, in connection with Mr. Roper's planned retirement from his position as the Company's Chief Executive Officer, the Company and Mr. Roper entered into a Proprietary Information and Restrictive Covenant Agreement dated February 2, 2017 (the "Restrictive Covenant Agreement"). The Restrictive Covenant Agreement contains various covenants relating to confidentiality, non-competition and non-solicitation of Company employees. The restrictive covenants relating to non-competition and non-solicitation will continue in effect for a period of five (5) years after Mr. Roper's Retirement Date. In addition to any other remedies available to the Company at law or in equity, in the event of a breach by Mr. Roper of the non-competition or non-solicitation provisions of the Restrictive Covenant Agreement, or of his non-disparagement obligations under the Retirement Letter Agreement, (a) Mr. Roper will forfeit any unpaid Additional Payment amounts and (b) the Company will be entitled to recover from Mr. Roper an amount equal to the unamortized net after-tax appreciation, if any, realized, by him from the exercise of that portion of the 2008 Option that will vest on January 1, 2018.

The foregoing summary descriptions of the Retirement Letter Agreement and Restrictive Covenant Agreement do not purport to be complete and are subject to and qualified in their entirety by the full text of the Retirement Letter Agreement and Restrictive Covenant Agreement. The Retirement Letter Agreement and Restrictive Covenant Agreement are filed herewith as Exhibits 10.1 and 10.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

A copy of the press release announcing the planned retirement of Mr. Roper is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

Exhibit 10.1	Retirement Letter Agreement dated February 2, 2017
Exhibit 10.2	Proprietary Information and Restrictive Covenant Agreement dated February 2, 2017
Exhibit 99.1	Press release, dated February 2, 2017

[Top of the Form](#)

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 hereunto duly authorized.

The Boston Beer Company, Inc.

February 6, 2017

By: */s/ Martin F. Roper*

*Name: Martin F. Roper
Title: Chief Executive Officer*

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
10.1	Retirement Letter Agreement dated February 2, 2017
10.2	Proprietary Information and Restrictive Covenant Agreement dated February 2, 2017
99.1	Press release, dated February 2, 2017

The Boston Beer Company, Inc.

February 2, 2017

Mr. Martin F. Roper
109 Chestnut Street
Weston, MA 02493

Re: Your Retirement From Boston Beer

Dear Martin,

The purpose of this letter is to confirm our mutual understandings and agreements with respect to the terms and conditions on which you will be stepping down from your positions as President and CEO and a Director of The Boston Beer Company, Inc. (the "Company" and you and the Company are sometimes referred to as "we" or "our") and as an officer of the Company's subsidiaries, and subsequently retiring from the Company. These terms and conditions shall take effect as of the date on which you countersign this letter (the "Effective Date") and are as follows:

1. **CEO Succession.** In response to your communications, the Board of Directors of the Company (the "Board") has commenced a search for a successor Chief Executive Officer. You have agreed to resign as President and CEO and a Director of the Company and as an officer of the Company's subsidiaries, effective at such time as your successor has formally joined the Company. As noted below, it is expected that you will assist in the on-boarding of your successor, as and to the extent requested by the Board.

2. **Target Retirement Date.** It is anticipated that you will remain employed by the Company through February 28, 2018, except to the extent that you and your successor mutually agree on a later date. The date on which you actually terminate employment due to retirement is referred to in this letter as "your Retirement Date" and your retirement as "your Retirement".

3. **Duties Pending Retirement.** During the period commencing on the date hereof and continuing through your Retirement Date, it is expected that you will devote your time and efforts to the affairs of the Company, as follows:

(a) Until such time as your successor as CEO has joined the Company, you shall continue to devote your full time and best efforts to the performance of your duties as the Company's CEO, under the direction of the Board

(b) Commencing when your successor has been identified, you shall assist in his or her on-boarding and the transition of responsibilities to him or her, also under the direction of the Board. Such assistance in the on-boarding and transition effort shall be on a full-time basis through January 1, 2018. Thereafter through your Retirement Date, you will be expected to devote such time to the Company, as you and the new CEO mutually agree.

(c) You will be expected to assist as in the past in the preparation of SEC filings through the filing of the FY2017 10-K in February 2018.

It is also expected that you will comply in all respects with all applicable personal SEC filing and reporting requirements, both before and after your Retirement Date.

4. **Permitted Activities Pending Retirement.** Notwithstanding the requirements of paragraph 3, it is agreed that, prior to your Retirement, you may pursue a board role, in addition to your current Lumber Liquidators board seat, provided that

(i) such pursuit does not adversely impact your time and focus on your Boston Beer CEO or transition duties;

(ii) you will not assume a second board seat until your successor has joined the Company; and

(iii) a second board seat will be subject to approval by the Board, not to be unreasonably withheld, so that the Board can be comfortable that your joining the board in question does not raise any "political" or business conflict issues.

5. **Proprietary Information and Restrictive Covenant Agreement.** Upon your acceptance of the terms and conditions specified in this letter, as a condition to this letter becoming effective, and in specific consideration for the payments called for by clause (e) of paragraph 6, you will be expected to execute a new Proprietary Information and Restrictive Covenant Agreement, in the form that accompanies this letter (the "Covenants").

6. **Compensation and Other Financial Matters.** In consideration for your services through your Retirement and for your commitments under the Covenants, the Company will pay or provide to you the following:

(a) The Company will continue to pay you a salary at its current annual rate of \$783,000 through at least December 31, 2017, net of all applicable payroll and withholding taxes.

(b) The Company will continue to provide you through your Retirement Date all of the various fringe benefits and perquisites that you currently enjoy, on the same basis as such benefits and perquisites are currently provided, subject only to such changes as may be adopted by the Company and apply to all executive employees of the Company.

(c) Commencing effective January 1, 2018 and continuing through your Retirement Date, the Company will pay you a salary at the annual rate of \$391,500, net of all applicable payroll and withholding taxes, reflecting your anticipated reduced time commitment. If your successor has not yet joined the Company prior to January 1, 2018, you shall continue to receive your current CEO salary until your successor formally joins the Company.

(d) You will be entitled to be paid, without pro-rata, i.e., regardless of when your successor as CEO joins the Company, a bonus for 2017, based on and subject to satisfaction of the bonus parameters that were approved by the Compensation Committee of the Board at its December 2016 meeting. Any such bonus shall be paid at the same time as other 2017 executive bonuses are paid, but in no event later than March 15, 2018. You will not, however, be eligible for a bonus based on the Company's 2018 performance.

(e) In addition to the Company's commitment under paragraph 7 with respect to your 2008 option, in specific consideration for your commitments under the Covenants, unless the Company terminates your employment with the Company prior to your Retirement Date under the limited circumstances specified in paragraph 7, the Company shall pay you an aggregate amount equal to \$1,500,000 plus the excess of the bonus earned by you as a result of the Company's 2017 performance over \$310,000. Such aggregate amount, net of all applicable payroll and withholding taxes, will be paid in fifty-four (54) substantially equal consecutive monthly installments, the first such installment to be paid on the first day of the seventh calendar month following your Retirement Date.

(f) You will also be entitled to such additional compensation in 2018, as might be approved in its discretion by the Board or its Compensation Committee in recognition of the duration of your services as CEO in 2017 and your effective contribution to a seamless CEO transition.

(g) The foregoing notwithstanding, if your employment terminates due to voluntary resignation or death prior to January 1, 2018, then your right to any compensation other than accrued salary and vested fringe benefits shall end upon such termination. In the event of your death on or after January 1, 2018, your estate shall in all events be entitled to receive the unpaid portion of your salary through February 28, 2018 or your date of death, if your employment has continued past February 28, 2018, and, if not yet paid, the bonus payable under subparagraph (d), above. In addition, if your death occurs after the payments called for by subparagraph (e) have begun, the Company shall continue to make such payments to your estate, subject to the same conditions as would have applied had you not died.

(h) For the avoidance of doubt, if the Company terminates or attempts to terminate your employment prior to February 28, 2018 for any reason other than those specified in paragraph 7 below, you (or your estate) shall be entitled to receive all of the payments and benefits set forth in this Retirement Letter Agreement as if you had remained employed as CEO through February 28, 2018.

7. Your 2008 Option. The Company hereby confirms its commitment to you that, except as otherwise provided in the following sentence, the Company will not terminate your employment with the Company prior to your Retirement Date, so that you will remain employed on January 1, 2018, and the option granted to you on January 1, 2008, will vest as to its final tranche of shares and you will be able to realize the anticipated \$10,500,000 pre-tax value of such tranche or such other amount as calculated under the terms of the 2008 Option. Notwithstanding the foregoing, the Company reserves the right to terminate your employment at any time prior to your Retirement Date, if and only if:

(i) You are convicted of, or plead guilty or nolo contendere to, a felony;

(ii) You willfully and continuously fail to perform substantially your material duties to the Company as set forth in this letter following written notice from the Company specifying such failure and a period of thirty (30) business days within which to cure such failure. For the avoidance of doubt, the Company acknowledges that the phrase "fail to perform substantially your material duties" is not intended to include any failure to obtain certain objective or subjective results, if you have in good faith performed the duties validly assigned to you pursuant to this letter.

(iii) You willfully commit any material fraud, material embezzlement or other material act of intentional dishonesty against which materially harms the Company, or shall attempt to profit from any transaction in which the Company is a participant and in which you have an undisclosed interest adverse to the Company; or

(iv) You willfully and materially violate any of the Covenants which causes material harm to the Company and such violation is either not curable or you fail to cure it within ten (10) business days after notice from the Company specifying such violation.

Provided, for purposes of this paragraph 7, no act or failure to act by you shall be considered "willful" unless it is done, or omitted to be done, by you in bad faith or without your reasonable belief that your action or omission was in the best interest of the Company. In determining whether your acts or failures to act are willful, relevant factors shall include whether you were operating in good faith at the direction of the Board or upon the advice of counsel for the Company.

No termination under this paragraph 7 shall be effective unless and until there shall have been delivered to you a copy of a

resolution to be duly adopted by a resolution approved by a majority of the members of the Board, at a meeting of the Board called and held for such purpose (after reasonable notice is provided to you and you are provided an opportunity to be heard before the Board), finding that, in the good faith opinion of the Board, you are guilty of conduct described in this paragraph 7.

8. Mutual Releases of Claims. We have agreed to mutual releases of any claims that either might have against the other, with the exception of claims that may hereafter arise under this letter or the Covenants. To that end:

(a) Release by You:

(i) You hereby acknowledge and agree that, by accepting the terms and conditions set forth in this letter and any part of the consideration to be provided to you as set forth herein, you are waiving your right to assert any form of legal claim against the Company whatsoever for any alleged action, inaction or circumstance existing or arising from the beginning of time through the Effective Date (the "Claim" or "Claims"). Your waiver and release herein is intended to bar any form of legal Claim, charge, complaint or any other form of action against the Company that seeks any form of relief including, without limitation, equitable relief (whether declaratory, injunctive or otherwise), the recovery of any damages or any other form of monetary recovery whatsoever (including, without limitation, back pay, front pay, compensatory damages, emotional distress damages, punitive damages, attorney's fees and any other costs) against the Company, for any alleged action, inaction or circumstance existing or arising through the Effective Date.

(ii) Without limiting the foregoing general waiver and release, you specifically waive and release the Company from any Claim arising from or related to your employment relationship with the Company or the termination of your employment, including, without limitation:

(1) Claims under any state or federal discrimination, fair employment practices or other employment related statute, regulation or executive order (as they may have been amended through the Effective Date) prohibiting discrimination or harassment based upon any protected status including, without limitation, race, national origin, age, gender, marital status, disability, veteran status or sexual orientation. Without limitation, specifically included in this paragraph are any Claims arising under the federal Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Civil Rights Acts of 1866 and 1871, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Equal Pay Act, Massachusetts Fair Employment Practices Act, the Americans With Disabilities Act, Massachusetts General Laws Chapter 151B, and any similar Massachusetts or other state statute;

(2) Claims under any other state or federal employment related statute, regulation or executive order (as they may have been amended through the Effective Date) relating to wages, hours or any other terms and conditions of employment. Without limitation, specifically included in this paragraph are any Claims arising under the Fair Labor Standards Act, Massachusetts Wage Act, as amended, the Family and Medical Leave Act of 1993, the National Labor Relations Act, the Employee Retirement Income Security Act of 1974, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) and any similar Massachusetts, or other state statute;

(3) Claims under any state or federal common law theory including, without limitation, wrongful discharge, breach of express or implied contract, promissory estoppel, unjust enrichment, breach of a covenant of good faith and fair dealing, violation of public policy, defamation, interference with contractual relations, intentional or negligent infliction of emotional distress, invasion of privacy, misrepresentation, deceit, fraud or negligence; and

(4) Any other Claim arising under state or federal law.

(iii) Notwithstanding the foregoing, the foregoing release does not release the Company from (i) any right to indemnification to which you may be entitled under the Company's Articles of Organization or By-laws, liability insurance policies, agreements, or under applicable law, including any indemnification to which you may continue to be entitled with respect to the still pending Ologues matter; (ii) your claims or rights to enforce this Retirement Letter Agreement; (iii) your rights to accrued or vested compensation, wages or benefits as of the Effective Date

(iv) As a condition precedent to your right to receive the payments called for by paragraph 6(e), you (or your personal representative, in the event of your death after January 1, 2018) agree to reaffirm the foregoing releases following your Retirement Date and prior to such payments commencing, substantially in the form attached hereto as Exhibit "A" hereto, within thirty (30) days after your Retirement.

(b) Release by the Company:

(i) Upon your acceptance of the terms and conditions set forth in this letter and in partial consideration for the foregoing releases by you, the Company waives any right to assert any form of legal claim against you whatsoever for any alleged action, inaction or circumstance existing or arising from the beginning of time through the Effective Date (the "Company Claim" or "Company Claims"). Such waiver and release is intended to bar any form of legal Company Claim, charge, complaint or any other form of action against you that seeks any form of relief including, without limitation, equitable relief (whether declaratory, injunctive or otherwise), the recovery of any damages or any other form of monetary recovery whatsoever (including, without limitation, punitive damages, attorney's fees and any other costs) against you, for any alleged action, inaction or circumstance existing or arising through the Effective Date. Nothing in this paragraph (b), however, shall be construed to release any causes of action or claims which may exist that you may have concealed, that may arise out of your violation of any state or federal laws or regulations, or that may arise out of any

action or inaction that would permit the Company to terminate your employment as set forth in paragraph 7.

9. Mutual Non-Disparagement. We have also agreed that neither party will disparage the other and to that effect:

(a) You agree that you will not willfully commit any act or make any statement that that is false or disparaging regarding the Company or any of its products or any of its officers, directors or equity holders, and which results in the Company's loss of a significant portion of its business. You also agree that any violation by you of this non-disparagement commitment will constitute a breach of the Covenants.

(b) For its part, the Company agrees that its executive officers and Directors will not willfully commit any act or make any statement that is false or disparaging regarding you or your service to the Company, including as its Chief Executive Officer.

10. Reporting and Messaging. Upon your acceptance of this letter, it and its substance will be disclosed by the Company in full compliance with the rules under SEC Form 8-K. Any other disclosure regarding your Retirement and the circumstances underlying this letter will be as we mutually agree.

11. Certain Tax Provisions. The Company shall have the right to deduct from all payments under this agreement any federal, state or other taxes or employment-related withholdings the Company determines to be required by law to be withheld with respect to such payments. In addition, the provisions of this agreement are intended not to result in the imposition of additional tax or interest under Section 409A of the Internal Revenue Code, and such provisions shall be interpreted and administered in accordance with such intent. Without limiting the foregoing, this Agreement shall not be amended or terminated in a manner so as to result in the imposition of such tax or interest, any reference to "termination of employment" or similar term shall mean an event that constitutes a "separation from service" within the meaning of Section 409A, and if at separation from service you are considered a Specified Employee within the meaning of said Section 409A, then any payments hereunder that are nonqualified deferred compensation within the meaning of said Section 409A that are to be made upon separation from service shall be deferred and be paid or commence on the first day of the seventh month following the separation from service. The foregoing notwithstanding, the Company shall not be liable to any person for the tax consequences of any failure to comply with the requirements of Section 409A.

12. Other.

(a) This letter (including the attachments and documents referenced herein) and the Covenants represent our entire and integrated agreement with respect to your Retirement, superseding any and all prior understandings or agreements, whether written or oral. Neither this letter nor the Covenants may be amended in any manner, except by a written instrument executed by you and the Company.

(b) Upon your acceptance of this letter, it will take effect as an instrument under seal to be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

If the foregoing accurately reflects our agreement, kindly so indicate by countersigning a copy of this letter and signing a copy of the Covenants and returning the executed documents to the Company.

Very truly yours,

C. James Koch, Chairman

Jean-Michel Valette, Lead Director

AGREED:

/s/ Martin F. Roper
Martin F. Roper

The Boston Beer Company, Inc.
Proprietary Information and Restrictive Covenant Agreement

This **Proprietary Information and Restrictive Covenant Agreement** is being entered into by and between **The Boston Beer Company, Inc.**, a Massachusetts corporation with its principal place of business at One Design Center Place, Suite 850, Massachusetts 02210, for itself and on behalf of all of its subsidiaries and affiliates, including but not limited to **Boston Beer Corporation, American Craft Brewery LLC, and A&S Brewing Collaborative LLC** (collectively, the “Company”), on the one hand, and **MARTIN F. ROPER**, who currently serves as President and Chief Executive Officer of the Company (“you”), on the other, effective as of the date (the “Effective Date”) on which you accepted the Company’s proposal with respect to your Retirement, as defined in the letter agreement that set forth such proposal (the “Retirement Letter Agreement” and any other capitalized terms used in this Agreement and not otherwise defined shall have the respective meanings ascribed to them in the Retirement Letter Agreement).

The Company is engaged in the business of producing and selling high quality craft beers, hard ciders and flavored malt beverages (the “Products”), which are sold throughout the United States and in some other countries (the “Territory”). Many of the formulas, recipes, processes, techniques, methods and technology used by the Company to produce, market and sell the Products are proprietary and valuable assets of the Company. As the Chief Executive Officer of the Company, you have had and will continue to have access to the valuable Proprietary Information of the Company (as defined below), in order to perform your duties for the Company. To protect this valuable Proprietary Information and the goodwill that the Company has built with its customers, it is necessary to set forth in this Agreement certain restrictions on the use and/or disclosure of this Proprietary Information and your trading upon the Company’s goodwill, and thus to restrict your post-employment, competitive activities after you leave the Company’s employ. That is the purpose of this Agreement.

In consideration of the Company’s commitments to you under the Retirement Letter Agreement, including specifically the Company’s compensatory commitments under paragraphs 6(e) and 7 of the Retirement Letter Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, you hereby agree with the Company as follows:

1. Proprietary Information. You hereby acknowledge that the techniques, recipes, formulas, programs, processes, methods, technology, designs and production, distribution, business and marketing plans, business methods and manuals, sales techniques and strategies, financial data, training methods and materials, pricing programs, customer information, contracts or other arrangements, and any other information of value to the Company that is not generally known to the public or the Company’s competitors (collectively, “Proprietary Information”), including any such information developed by you during the course of your employment with the Company, are of a confidential and secret character, of great value and propriety to the Company. The Company shall give or continue to give you access to the foregoing categories of Proprietary Information as appropriate and necessary to your job duties, so long as you continue to provide services to the Company, and shall permit you to work thereon and become familiar therewith to whatever extent the Company in its sole discretion determines. You agree that, without the prior written consent of the Company, you will not, during your employment with the Company or at any time thereafter, except in the performance of your duties for the Company, directly or indirectly, divulge to anyone or use to your benefit or to the benefit of any other person or entity, any Proprietary Information, unless such Proprietary Information shall be in the public domain in a reasonably integrated form through no fault of you. You further agree (i) to take all reasonable precautions to protect from loss or disclosure all documents supplied to you by the Company and all documents, notebooks, materials and other data relating to any work performed by you or others relating to or containing the Proprietary Information, (ii) not to make any copies of any of these documents, notebooks, materials and data, without the prior written permission of the Company, and (iii) upon termination for whatever reason of your employment with the Company, to deliver these documents, notebooks, materials and data forthwith to the Company, and to delete any copies of electronic information that may remain in your possession after the provision of copies thereof to the Company. Proprietary Information includes information in hard copy and electronic formats. The non-use and non-disclosure restrictions set forth herein apply to any and all forms of information transmittal, including transmittal through any and all forms of social media.

2. Covenant Not-to-Compete.

(a) During the period commencing on the date hereof and continuing until the expiration of five (5) years after your Retirement Date (the “Restriction Period”), you will not, without the prior written consent of the Company, which consent the Company may grant or withhold in its sole discretion, except that the Company will not unreasonably withhold or delay such consent with respect to the Carve-Out Activities set forth below, provided you reaffirm at the time your obligations under Section 1 of this Agreement, directly or indirectly, for your own account or the account of others, as an employee, consultant, partner, officer, director or stockholder (other than a holder of less than five percent (5%) of the issued and outstanding stock or other equity securities of an issuer whose securities are publicly traded), or in any other capacity, provide services to any person or business engaged in the manufacture and distribution of beverage alcohol in the Territory, whether or not such person or business competes directly with the Company.

(b) Investing in or providing services to the following businesses shall constitute the “Carve-Out Activities” for which the Company will not unreasonably withhold or delay its consent:

(i) Sellers of beverage alcohol at retail, including bars and taverns, restaurants and hotels, and other sellers of beverage alcohol for on-premise consumption and, for purpose of clarity, including an independent “brew pub” or other producer of malt

beverages and/or hard ciders where 75% or more of its production is consumed on its own premises and none of its investors, consultants or licensors is otherwise a manufacturer of malt beverages and/or hard ciders;

(ii) Manufacturers of beverage alcohol products whose only products are spirits or wine; provided that, if you become involved in any fashion with such an entity and subsequently become aware that such entity has begun internal discussions concerning engaging in the manufacture or distribution of any beers, hard ciders or flavored malt beverages, you will refrain from participating in any such discussions and promptly inform the Company of the fact that such internal discussions have begun, and your continued service at or investment in such entity shall require the Company's written approval;

(iii) Businesses operating solely outside of the United States, provided any such business in which you might propose to invest or to which you might propose to provide services confirms to the Company that it has no intention or plans to enter the United States market with any beers, hard ciders or flavored malt beverages.

You acknowledge that the foregoing restrictions are fair and reasonable, given your position with the Company, and that your involvement in any proscribed activity would result in, or constitute a substantial risk of, damage or injury to the legitimate business interests of the Company. The restriction set forth in this Section (and in paragraph 1) shall apply regardless of the reason for your departure from the Company, and regardless of whether you or the Company initiated such departure; provided that the Company provides you with all of the benefits and payments to which you are entitled under the Retirement Letter Agreement dated February 2, 2017 between you and the Company. You acknowledge that you have read and you understand this provision, and that you have agreed to it knowingly and voluntarily, in order to obtain the benefits provided to you by the Company.

3. Non-Solicitation of Employees. You also agree that, during the Restriction Period, you will not, directly or indirectly, solicit, induce, persuade or attempt to solicit, induce, persuade, or assist any third party in the solicitation, inducement, or persuasion of, any person who is an employee of the Company when the initial contact is made to leave the employ of the Company, or in any other manner hire or assist in the hiring of any Company employee away from the Company.

4. Remedy for Breach. You expressly recognize that any breach or threatened breach of this Agreement by you will result in irreparable injury to the Company and agree that, in addition to any other rights or remedies which the Company may have, the Company shall be entitled, if it so elects, to institute and prosecute proceedings in any court of competent jurisdiction either in law or in equity, to obtain damages for any breach of this Agreement; to enforce the specific performance of this Agreement by you; and to enjoin you from activities in violation of this Agreement. In any such action, the Company shall be entitled to recover the costs and attorney's fees incurred by it in such action.

5. Liquidated Damages; Clawback. The damage suffered by the Company as a result of the breach by you of your obligations under Sections 2 and 3, above, or under paragraph 9 of the Retirement Letter Agreement cannot be quantified with certainty. Accordingly, you agree, in the event that you violate any of the restrictions under Sections 2 and 3 or said paragraph 9, in addition to pursuing its rights under Section 4 and not in lieu thereof, (i) you will forfeit any amounts remaining unpaid under Section 6(e) of the Retirement Letter Agreement and (ii) the Company will be entitled to recover from you an amount equal to the unamortized portion of the net after-tax appreciation realized by you as a result of your exercise of the final tranche of the option granted to you on January 1, 2008. For purposes of clause (ii), such net after-tax appreciation will amortize ratably over the fifty-four (54) month period commencing on the last day of the calendar month in which occurs the five month anniversary of your Retirement Date. This liquidated damages remedy is in addition to, and not in substitution for, any other damages or remedies which may be available to the Company, at law or in equity, under applicable law or this Agreement. Provided, that the Company shall not be entitled to any such forfeiture or clawback of payments unless it first provides you with written notice with specific and reasonable detail regarding the alleged breach and you have failed to cure or cease such breach within ten (10) days of your receipt of such written notice.

6. Entire Agreement; Modification. This instrument and the Retirement Letter Agreement contain the entire agreement between the Company and you with respect to the subject matter contained herein, superseding any and all prior agreements that restrict your activities while you are an employee of the Company and thereafter, and may be altered, amended or superseded only by an agreement in writing, signed by both parties. No action or course of conduct shall constitute a waiver of any of the terms and conditions of this Agreement, unless such waiver is specified in writing, and then only to the extent so specified. A waiver of any of the terms and conditions of this Agreement on one occasion shall not constitute a waiver of the other terms and conditions of this Agreement or of such terms and conditions on any other occasion.

7. Severability. You and the Company hereby expressly agree that the provisions of this Agreement are severable and, in the event that any court of competent jurisdiction shall determine that any provision or covenant herein contained is overbroad or invalid, in whole or in part, in any manner, the remaining provisions shall remain in full force and effect and any such provision or covenant shall nevertheless be enforceable to the maximum extent permitted by such Court.

8. Binding Effect; Benefit. This Agreement shall be binding upon you and upon you and your administrators, executors, heirs, successors and assigns and shall inure to the benefit of the Company and its affiliates and subsidiaries and its and their respective successors and assigns.

9. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered and have the force and effect of an original.

10. Governing Law. The validity, interpretation and performance of this Agreement shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts. Any dispute between you and the Company shall be litigated exclusively in the state or federal courts of The Commonwealth of Massachusetts, to whose jurisdiction you hereby agree to submit. This Agreement shall be considered a sealed instrument under Massachusetts law.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed on its behalf and the undersigned have hereunto set their hands and seals in Boston, Massachusetts, all as of the date set forth below.

THE BOSTON BEER COMPANY, INC.

By: /s/ C. James Koch

C. James Koch, Chairman

/s/ Martin F. Roper

Martin F. Roper

MEDIA CONTACTS:

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Martin Roper to Retire as CEO of Boston Beer Company in 2018*Board initiates Successor search***BOSTON, February 2, 2017 -**

The Boston Beer Company, Inc. (NYSE:SAM) today announced that Martin Roper, President and Chief Executive Officer, plans to retire in 2018 after leading the Company for more than 17 years. The Board of Directors has created a search committee and retained Korn Ferry to assist in identifying and evaluating the best candidates to succeed Roper as CEO.

In announcing his planned retirement, Roper said “I have advised the Board of Directors of my intentions a year in advance to assure a very smooth transition and a full and thorough search process for my replacement. I remain fully engaged and committed to leading the business as CEO until a successor is found and a seamless transition is completed. I am incredibly proud of everything that the employees of Boston Beer have accomplished and believe our future is very bright.”

Commenting on the announcement, Jim Koch, Founder and Chairman, said, “The Board has been discussing Martin’s plans for over a year. We are appreciative that his continued commitment to Boston Beer affords us the time to conduct a comprehensive search for his successor, while continuing to make progress against our 2017 business objectives.”

“Our performance under Martin’s stewardship has been incredible, and I am very grateful for his leadership, partnership and friendship over the last 22 years, during which the Company has grown eight fold,” Koch added. “With the strong leadership team he has built, we are set up for success, and I am confident we will find a very capable CEO to step into his big shoes and lead Boston Beer into the future.”

ABOUT THE BOSTON BEER COMPANY

The Boston Beer Company began in 1984 with a generations-old family recipe that Founder and Brewer Jim Koch uncovered in his father’s attic. Inspired and unafraid to challenge conventional thinking about beer, Jim brought the recipe to life in his kitchen. Pleased with the results of his work, Jim decided to sample his beer with bars in Boston in the hopes that drinkers would appreciate the complex, full-flavored beer he brewed fresh in America. That beer was aptly named Samuel Adams Boston Lager, in recognition of one of our nation’s great founding fathers, a man of independent mind and spirit. Little did Jim know at the time, Samuel Adams Boston Lager would soon become a catalyst of the American craft beer revolution.

Today, The Boston Beer Company brews more than 60 styles of beer. It relentlessly pursues the development of new styles and the perfection of classic beers by searching the world for the finest ingredients. Using the traditional four vessel brewing process, the Company often takes extra steps like dry-hopping, barrel-aging and a secondary fermentation known as krausening. The Company has also pioneered another revolution, the ‘extreme beer’ movement, where it seeks to challenge drinker’s perceptions of what beer can be. The Boston Beer Company has been committed to elevating the image of American craft beer by entering festivals and competitions around the globe, and is one of world’s most awarded breweries at international beer competitions. As an independent company, brewing quality beer remains its primary focus. Although Samuel Adams beer is America’s leading craft beer, it accounts for only one percent of the U.S. beer market. The Boston Beer Company will continue its independently-minded quest to brew great beer and to advocate for the growth of craft beer across America. For more information, please visit www.samueladams.com.

Samuel Adams and Samuel Adams Boston Lager are registered trademarks of The Boston Beer Company.

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