



Top Shelf International Holdings Ltd

Principal Place of Business:
16-18 National Boulevard
Campbellfield
Victoria
Australia 3061

14 September 2023

ASX ANNOUNCEMENT (ASX:TSI)

Material terms of Board and Management agreements

Further to the announcements released on 21 April 2023 and 31 July 2023, Top Shelf International Holdings Ltd (ASX: TSI) (**Top Shelf** or the **Company**) advises that the terms of Trent Fraser's appointment as Chief Executive Officer, Adem Karafili's variation to Executive Director, and Julian Davidson's appointment as Non-Executive Chair have been finalised and the parties have entered into the relevant agreements. The material terms of the respective agreements are set out in Annexures A, B and C attached.

Ends

This announcement was approved by Top Shelf's Chairman, Julian Davidson, on behalf of the Top Shelf Board.

For more information (investors and media)

For further information, please visit our investor website <https://www.topshelfgroup.com.au/investors> or contact investor relations at info@topshelfgroup.com.au or on (03) 8317 9990.

Media enquiries, please contact Matt Slade 0409 916 474.

About Top Shelf

Top Shelf International is a Melbourne based distiller and marketer of premium Australian spirits, with distinctive brands in NED Australian Whisky and Grainshaker Hand Made Australian Vodka. The Company has a track record of success creating high quality, premium Australian products and brands; each in its own way encapsulating a distinctive Aussie attitude, social experience and flavour profile.

The Company has expertise in the development and production of distilled spirits, undertakes a significant level of research and development and operates modern fermentation, distillation and packaging facilities in Campbellfield, Victoria.

The Company is creating Australia's first agave spirit range and is developing an Agave farm in The Whitsundays region of Queensland specifically chosen for the suitability of its climate for growing blue agave. In development of the farm the Company has committed to the application of up-to-date and innovative horticultural practices.

In addition to distilling and manufacturing its own portfolio of spirit brands, Top Shelf also provides canning, bottling and packaging services to a range of customers.

Annexure A: Material Contract Terms – Trent Fraser

The material terms of Trent Fraser's engagement as CEO are as follows:

- Trent's employment agreement is effective from 21 April 2023 and replaces and supersedes any previous agreement with the Company in respect of his employment by the Company.
- Cash remuneration of \$441,319.64 per annum (including superannuation and novated vehicle allowance) (**Total Annual Fixed Remuneration**).
- Trent will be eligible to receive an annual short term incentive up to the value of 40% of the Total Annual Fixed Remuneration, subject to the achievement of certain annual targets.
- Subject to the Company having sufficient capacity under its rights plan (**Rights Plan**) and obtaining all necessary shareholder or regulatory approvals, Trent will be eligible to receive an annual long term incentive up to the value of 40% of the Total Annual Fixed Remuneration, subject to the achievement of certain annual targets and personal targets.
- Subject to obtaining all necessary shareholder approvals at the Company's 2023 annual general meeting, the Company will issue to Trent 674,790 rights under the Rights Plan convertible into ordinary shares on a 1:1 basis for nil (\$0) upon satisfaction of service-based milestones (**Retention Rights**) on the following key terms:
 - the Retention Rights will vest as follows:
 - 367,383 Retention Rights will vest on 30 June 2024; and
 - 307,407 Retention Rights will vest on 30 June 2025,(each an **Initial Vesting Date**), provided that Trent continues to be an employee of the Company on the relevant Initial Vesting Date and no notice of termination has been given under the Agreement;
 - the Retention Rights will expire on the date that is 15 years from the date of issue; and
 - as the Retention Rights will be issued under the Rights Plan, the terms of the Rights Plan apply.
- From 1 July 2025, subject to the Company having sufficient capacity under its Rights Plan at the relevant time, and the Company obtaining any shareholder or regulatory approvals (if required), Trent will be issued Retention Rights to the value of \$100,000 on an annual basis, on the following terms:
 - the number of Retention Rights to be issued is equal to \$100,000 divided by the closing share price of the Company on 1 July of the relevant financial year;
 - the Retention Rights will vest on 30 June (**Vesting Date**) of the relevant financial year to which the Retention Rights relate, provided that Trent continues to be an employee of the Company on the Vesting Date and no notice of termination has been given under the Agreement;
 - the Retention Rights will expire on the date that is 15 years from the date of issue; and
 - as the Retention Rights will be issued under the Rights Plan, the terms of the Rights Plan apply.
- Either party may terminate the employment agreement for any reason on giving six months' notice. The Company may elect to make a payment in lieu of the notice period.
- Trent's employment is otherwise on customary terms for an agreement of this nature.

Annexure B: Material Contract Terms – Adem Karafili

The material terms of the variation to Adem Karafili's executive services agreement are as follows:

- Adem's employment as Executive Director is effective from 31 July 2023.
- Cash remuneration remains the same at \$386,000.84 per annum (including superannuation and vehicle allowance) (**Total Annual Fixed Remuneration**).
- Adem will be eligible to receive an annual short term incentive up to the value of 40% of the Total Annual Fixed Remuneration, subject to the achievement of certain annual targets.
- Subject to the Company having sufficient capacity under its rights plan (**Rights Plan**) and obtaining all necessary shareholder or regulatory approvals, Adem will be eligible to receive an annual long term incentive up to the value of 40% of the Total Annual Fixed Remuneration, subject to the achievement of certain annual targets and personal targets.
- Adem will focus on the completion of a number of strategic projects before transitioning to Non-Executive Director.
- On close of business of the date of the Company's 2023 annual general meeting (**NED Transition Date**), Adem will give notice to terminate his employment with the Company and remain a Non-Executive Director of the Company and enter into a non-executive director appointment letter on customary terms to the Company.
- On or prior to the NED Transition Date, either party may terminate the employment agreement without cause by giving six months' notice. The Company may elect to make a payment in lieu of the notice period.
- Adem's employment is otherwise on customary terms for an agreement of this nature.

Annexure C: Material Contract Terms – Julian Davidson

Julian will be paid an annual cash fee of AUD\$60,000 (inclusive of compulsory superannuation, retirement benefits or other tax contributions, if any) for his services as a Non-Executive Director of the Company.

During Julian's tenure as Chairman of the Board from 31 July 2023, Julian will also be paid an additional fee of AUD \$100,000 per annum (inclusive of compulsory superannuation, retirement benefits or other tax contributions, if any) for his services as Chair.

Julian's remuneration for his services has been benchmarked as a Non-Executive Chairman based on Australian companies of a similar size and scale to the Company.