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BOSTON BEER CO INC
Form DEF 14A
April 11, 2002

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934 (AMENDMENT NO.)

FILED BY THE REGISTRANT FILED BY A PARTY OTHER THAN THE REGISTRANT

Check the appropriate box:

- Preliminary Proxy Statement
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to sec.240.14a-11(c) or sec.240.14a-12
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

The Boston Beer Company, Inc.
(Name of Registrant as Specified In Its Charter)

The Boston Beer Company, Inc.
(Name of Person(s) Filing Proxy Statement)

PAYMENT OF FILING FEE (CHECK THE APPROPRIATE BOX):

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- 1) Title of each class of securities to which transaction applies:
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- 4) Proposed maximum aggregate value of transaction:
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THE BOSTON BEER COMPANY, INC.

NOTICE OF THE 2002 ANNUAL MEETING OF STOCKHOLDERS

MAY 21, 2002

To the Stockholders:

The 2002 Annual Meeting of the Stockholders of THE BOSTON BEER COMPANY, INC. (the "Company") will be held on Tuesday, May 21, 2002, at 10:00 a.m. at The Brewery located at 30 Germania Street, Jamaica Plain, Boston, Massachusetts, for the following purposes:

1. The election by the holders of the Class A Common Stock of three (3) Class A Directors, each to serve for a term of one (1) year.
2. The election by the sole holder of the Class B Common Stock of four (4) Class B Directors, each to serve for a term of one (1) year.
3. To consider and act upon any other business which may properly come before the meeting.

The Board of Directors has fixed the close of business on March 22, 2002 as the record date for the meeting. Only stockholders of record on that date are entitled to notice of and to vote at the meeting.

The foregoing items of business are more fully described in the Proxy Statement accompanying this letter.

PLEASE COMPLETE AND RETURN THE ENCLOSED PROXY IN THE ENVELOPE PROVIDED, WHETHER OR NOT YOU INTEND TO BE PRESENT AT THE MEETING IN PERSON.

By order of the Board of Directors

C. JAMES KOCH, Clerk

Boston, Massachusetts
April 12, 2002

THE BOSTON BEER COMPANY, INC.

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of The Boston Beer Company, Inc. (the "Company") for use at the 2002 Annual Meeting of Stockholders to be held on Tuesday, May 21, 2002, at the time and place set forth in the notice of the meeting, and at any adjournments thereof. The approximate date on which this Proxy Statement and form of proxy are first being mailed to stockholders is April 12, 2002.

If the enclosed proxy is properly executed and returned, it will be voted in the manner directed by the stockholder. If no instructions are specified with respect to any particular matter to be acted upon, proxies will be voted in favor of such matters. Any person giving the enclosed form of proxy has the power to revoke it by voting in person at the meeting, or by giving written notice of revocation to the Clerk of the Company at any time before the proxy is exercised.

The holders of a majority in interest of the issued and outstanding Class A Common Stock are required to be present in person or to be represented by proxy

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at the meeting in order to constitute a quorum for the election of the Class A Directors. The election of each of the nominees for Class A Director, as hereinafter set forth in greater detail, will be decided by plurality vote of the holders of Class A Common Stock present in person or represented by proxy at the Meeting. The affirmative vote of the sole holder of the outstanding shares of Class B Common Stock, voting in person or by proxy at the meeting, is required to elect the Class B Directors, as hereinafter set forth in greater detail, and to approve all other matters listed in the notice of meeting.

The Company will bear the cost of the solicitation. In addition to mailing this material to shareholders, the Company has asked banks and brokers to forward copies to persons for whom they hold stock of the Company and request authority for execution of the proxies. The Company will reimburse the banks and brokers for their reasonable out-of-pocket expenses in doing so. Officers and regular employees of the Company, without being additionally compensated, may solicit proxies by mail, telephone, telegram, facsimile or personal contact. All reasonable proxy soliciting expenses will be paid by the Company in connection with the solicitation of votes for the Annual Meeting.

The Company's principal executive offices are located at 75 Arlington Street, Boston, Massachusetts 02116, telephone number (617) 368-5000.

RECORD DATE AND VOTING SECURITIES

Only stockholders of record at the close of business on March 22, 2002 are entitled to notice of and to vote at the meeting. On that date, the Company had outstanding and entitled to vote 12,246,023 shares of Class A Common Stock, \$.01 par value per share, and 4,107,355 shares of Class B Common Stock, \$.01 par value per share. Each outstanding share of the Company's Class A and Class B Common Stock entitles the record holder to one (1) vote on each matter properly brought before the Class. The 4,328,300 shares of Class A Common Stock, \$.01 par value per share, held in treasury by the Company at March 22, 2002 are not entitled to vote.

ITEMS 1 AND 2. ELECTION OF CLASS A AND CLASS B DIRECTORS

The Board of Directors proposes that the initial number of Directors for the ensuing year be fixed at seven (7), consisting of three (3) Class A Directors to be elected by the holders of the Class A Common Stock for a term of one (1) year, and four (4) Class B Directors to be elected by the sole holder of the Class B Common Stock, also for a term of one (1) year, reserving the right of the sole holder of the Class B Common Stock to increase the number of Class B Directors to up to six (6) at such time as he deems appropriate and to elect up to two (2) additional Class B Directors accordingly.

It is proposed that the holders of the Class A Common Stock elect each of the three (3) nominees for Class A Director to serve for a term of one (1) year and until his successor is duly elected and qualified or until he sooner dies, resigns or is removed.

It is anticipated that the sole holder of the Class B Common Stock will elect each of the four (4) nominees for Class B Director also to serve for a term of one (1) year and until his successor is duly elected and qualified or until he sooner dies, resigns or is removed.

The person named in the accompanying proxy will vote, unless authority is withheld, for the election as Class A Directors of the three (3) nominees named below. In the event that any of the nominees should become unavailable for election, which is not anticipated, the person named in the accompanying proxy will vote for such substitute nominees as the incumbent Class A Directors, acting pursuant to Section 4.8 of the Company's By-Laws as a Nominating

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Committee, may nominate. As indicated below, except for Messrs. Cummin, Wing and Hiatt, all Directors are either Executive Officers of the Company or its subsidiaries or related to such Executive Officers.

Nominees Proposed in Accordance with the Terms of the Articles of Organization and By-Laws of the Company. Set forth below are the nominees for election as Class A and Class B Directors, respectively, for terms ending in 2003 and certain information about each of them.

CLASS A DIRECTORS:

NAME OF NOMINEE -----	AGE ---	YEAR FIRST ELECTED A DIRECTOR -----	POSITION WITH THE COMPANY OR PRINCIPAL OCCUPATION DURING THE PAST FIVE YEARS -----
Pearson C. Cummin, III.....	59	1995	Mr. Cummin has served as a general partner of Consumer Venture Partners, a Greenwich, Connecticut based venture capital firm, since January 1986. Mr. Cummin also serves as a director of Pacific Sunwear of California, Inc.
James C. Kautz.....	71	1995	Mr. Kautz, formerly a limited partner of T. Boone Jackson, a Goldman Sachs Group, L.P., now serves as a non-profit trustee and private investor. Mr. Kautz is the second cousin of the Company's founder and Chairman, C. James Koch.
Robert N. Hiatt.....	65	1998	Mr. Hiatt was Chairman of Maybelline, Inc. from 1996 until he retired in 1997. From 1990 until 1996, Mr. Hiatt was President and Chief Executive Officer of Maybelline, Inc. Mr. Hiatt also served as a Director of Genovese Drug Stores, Inc. from 1997 to 1999.

CLASS B DIRECTORS:

C. James Koch.....	52	1995	Mr. Koch founded the Company in 1984 and continues to serve as the Chairman and Clerk of the Board. Until January 2001, Mr. Koch also served as the Company's Chief Executive Officer.
Charles Joseph Koch.....	79	1995	Mr. Koch is the father of founder C. James Koch. In 1989, Mr. Koch retired as founder and chairman of C. J. Koch Chemicals, Inc., a distributor of brewing and industrial chemicals in southwestern Ohio.
John B. Wing.....	55	1995	Since 1993, Mr. Wing has served as President of Wing Aviation, Inc. Mr. Wing also served as Chairman and Chief Executive Officer of The Energy Group Limited, Co., a developer of energy projects in Turkey, Kuwait and China from 1991 through 1998.

NAME OF NOMINEE -----	AGE ---	YEAR FIRST ELECTED A DIRECTOR -----	POSITION WITH THE COMPANY OR PRINCIPAL OCCUPATION DURING THE PAST FIVE YEARS -----
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Martin F. Roper.....	39	1999	Mr. Roper was appointed the Chief Executive Officer of the Company in January 2001, after having served as the President and Chief Operating Officer of the Company since December 1999. Roper joined the Company as Vice President of Manufacturing and Business Development in September 1994 and became the Chief Operating Officer in April 1997.
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INFORMATION CONCERNING THE BOARD OF DIRECTORS

During the Company's 2001 fiscal year, there were five (5) meetings of the Board of Directors of the Company. All of the Directors attended, either in person or by telephone, (i) all of the total number of meetings of the Board of Directors with the exception of one (1) Director who was unable to attend one (1) meeting; and (ii) all of the total number of meetings of the Committees of the Board of Directors on which they served. The Class A Directors in office from time to time serve as a nominating committee for the purpose of nominating persons for election as Class A Directors. The Company does not otherwise have a nominating committee.

The Audit Committee of the Board of Directors reviews with the Company's independent auditors the scope of the audit for the year, the results of the audit when completed and the independent auditors' fees for services performed. The Audit Committee also recommends independent auditors to the Board of Directors and reviews with management various matters related to its internal accounting controls. The present members of the Audit Committee are Pearson C. Cummin, III (Chairman), Robert N. Hiatt, James C. Kautz and John B. Wing. The Audit Committee met on three (3) occasions in 2001.

The Company also has a Compensation Committee, whose purposes are to make recommendations to the full Board of Directors concerning the Company's Employee Equity Incentive Plan and otherwise to act with respect to matters of executive compensation. The members of such Committee are Pearson C. Cummin, III, Robert N. Hiatt, James C. Kautz (Chairman) and John B. Wing. The Compensation Committee met on two (2) occasions in 2001.

SECURITY OWNERSHIP OF PRINCIPAL HOLDERS OF VOTING SECURITIES, DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth certain information regarding beneficial ownership of the Company's Class A Common Stock and Class B Common Stock as of March 22, 2002 (i) by each person (or group of affiliated persons) known by the Company to be the beneficial owner(s) of more than five percent (5%) of the outstanding Class A Common Stock, (ii) by each Director of the Company, (iii) by each person nominated as a Director of the Company, (iv) by the Company's Chief Executive Officer and the other officers named below in the Summary Compensation Table and (v) all of the Company's executive officers and Directors as a group. Unless otherwise indicated, the individuals named below held sole voting and investment power over the shares listed below:

NAMED EXECUTIVE OFFICERS, DIRECTORS AND 5% STOCKHOLDERS -----	SHARES BENEFICIALLY OWNED (1)	
	NUMBER -----	PERCENT -----
C. James Koch(2) (3)	5,368,885	32.8%
Martin F. Roper(3) (4)	591,768	3.6%
Richard P. Lindsay(3) (5)	32,200	*

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Jeffrey D. White(3)(6).....	33,769	*
Robert H. Hall(3)(7).....	30,000	*
Pearson C. Cummin, III(3)(8).....	83,923	*
James C. Kautz(3)(9).....	542,531	3.3%

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NAMED EXECUTIVE OFFICERS, DIRECTORS AND 5% STOCKHOLDERS -----	SHARES BENEFICIALLY OWNED(1)	
	NUMBER -----	PERCENT -----
Charles Joseph Koch(3)(10).....	22,000	*
John B. Wing(3)(11).....	402,250	2.4%
Robert N. Hiatt(3)(12).....	19,000	*
Credit Suisse Asset Management, LLC(13).....	671,402	4.1%
Chilton Investment Company, Inc.(14).....	638,500	3.9%
All Directors and Executive Officers as a group (10 people).....	7,126,326	43.5%

* Less than one percent (1%) of the outstanding shares of Class A Common Stock.

- (1) Beneficial ownership is determined in accordance with rules of the Securities and Exchange Commission and includes general voting and/or investment power with respect to securities. Shares of Class A Common Stock subject to options and warrants currently exercisable or exercisable within sixty (60) days after the record date are deemed outstanding for computing the percentage of a person holding such options but are not deemed outstanding for computing the percentage of any other person. No shares of Class B Common Stock are subject to options or warrants. All shares are Class A Common Stock, except for shares of Class B Common Stock held by C. James Koch. See Note 2 below.
- (2) Includes 4,107,355 shares of Class B Common Stock, constituting all of the outstanding shares of Class B Common Stock. Includes 363,107 shares of Class A Common Stock held in several trusts for the benefit of C. James Koch and certain of his family members; does not include shares deposited in Exchange Funds which have been treated as sales for reporting purposes. Also, includes options to acquire 27,927 shares of Class A Common Stock exercisable currently or within sixty (60) days and 8,906 shares of Class A Common Stock purchased under the Company's Investment Share Plan which are not yet vested.
- (3) Executive officer and/or Director and/or nominee for Director of the Company. Mailing address is c/o The Boston Beer Company, Inc., 75 Arlington Street, Boston, MA 02116.
- (4) Includes options to acquire 574,216 shares of Class A Common Stock exercisable currently or within sixty (60) days and 12,323 shares of Class A Common Stock purchased under the Company's Investment Share Plan which are not yet vested.
- (5) Includes options to acquire 32,000 shares of Class A Common Stock exercisable currently or within sixty (60) days.

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- (6) Includes options to acquire 32,634 shares of Class A Common Stock exercisable currently or within sixty (60) days.
- (7) Consists of options to acquire 30,000 shares of Class A Common Stock exercisable currently or within sixty (60) days.
- (8) Includes options to acquire 20,000 shares of Class A Common Stock exercisable currently or within sixty (60) days and 2,293 shares of Class A Common Stock owned by a profit sharing plan, of which Mr. Cummin is trustee.
- (9) Includes options to acquire 20,000 shares of Class A Common Stock exercisable currently or within sixty (60) days and 522,531 shares of Class A Common Stock owned of record by the Kautz Family Partners, L.P. of which Mr. Kautz is general partner.
- (10) Consists of options to acquire 20,000 shares of Class A Common Stock exercisable currently or within sixty (60) days and 2,000 shares of Class A Common Stock owned by the spouse of Mr. Charles Joseph Koch.
- (11) Includes options to acquire 20,000 shares of Class A Common Stock exercisable currently or within sixty (60) days.

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- (12) Includes options to acquire 15,000 shares of Class A Common Stock exercisable currently or within sixty (60) days and 1,000 shares of Class A Common Stock owned by the spouse of Mr. Hiatt.
- (13) Based on information provided to the Company on Schedule 13G for the period ended December 31, 2001 by Credit Suisse Asset Management, LLC, 466 Lexington Avenue, New York, NY 10017, representing that it owns 5.5% of the Company's Class A Common Stock.
- (14) Based on information provided to the Company on Schedule 13G dated March 7, 2002 by Chilton Investment Company, Inc., 1266 E. Main Street, 7th Floor, Stamford, CT 06902, representing that it owns 5.2% of the Company's Class A Common Stock.

DIRECTOR COMPENSATION FOR THE LAST FISCAL YEAR

On May 21, 1996, the Company adopted a Non-Employee Director Stock Option Plan pursuant to which each non-employee director of the Company receives the grant of 2,500 shares of the Company's Class A Common Stock annually as of the date of the Annual Meeting of Stockholders of the Company. This Plan was amended on May 30, 2000 to increase the annual grant to 5,000 shares of the Company's Class A Common Stock. The grant price for such options is based upon the fair market value of the Company's stock as of the date of grant. The Shares granted to each non-employee director and the grant price are set forth below:

DATE OF GRANT	GRANT PRICE	NO. OF SHARES GRANTED TO EACH NON-EMPLOYEE DIRECTOR	TOTAL SHARES GRANTED
5/21/96	\$ 18.5624	2,500	10,000
6/03/97	\$ 9.50	2,500	10,000
6/01/98	\$ 11.1875	2,500	12,500

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6/01/99	\$	8.125	2,500	12,500
5/30/00	\$	8.575	5,000	25,000
5/22/01	\$	9.24	5,000	25,000

The grant of stock options under this Non-Employee Director Stock Option Plan is subject to the requirement that each director comply with his fiduciary obligations with the Company. If any breach of such obligations should occur, the Company shall be entitled, in addition to any other remedies available to it, to recover all profit realized by him as a result of the exercise of such option during the last twelve (12) months of his term as director and at any time after the expiration of such term. On December 19, 1997, the Board amended the terms of such Non-Employee Director Stock Option Plan (and of each stock option grant made pursuant to the terms of such Plan) to increase from ninety (90) days to three (3) years the period within which each option would remain exercisable following the date on which the optionee ceased to be a Director of the Company, subject in any case to the ten (10) year term of each option.

Effective May 30, 2000, the Board of Directors adopted a program, which was approved by the Class B Stockholder of the Company, to compensate non-employee directors for attending meetings of the Board of Directors and meetings of the Audit and Compensation Committees, as well as providing a retainer of \$7,500 upon election to the Board of Directors. Under the program, non-employee directors receive \$2,500 for each meeting of the Board of Directors attended in person and \$1,000 for each meeting of the Board of Directors attended by telephone. In addition, non-employee directors receive \$500 for each meeting of the Audit and/or Compensation Committee attended in person and \$200 for each meeting of such committees attended by telephone. Further, Chairmen of the Audit and Compensation Committees each receives \$1,000 as an annual

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retainer upon election to such position. In 2001, the non-employee Directors received the following compensation:

SUMMARY COMPENSATION TABLE FOR NON-EMPLOYEE DIRECTORS
FOR FISCAL YEAR ENDED DECEMBER 29, 2001

NAME	COMPENSATION
----	-----
Pearson C. Cummin, III.....	\$23,500
James C. Kautz.....	\$23,500
Robert N. Hiatt.....	\$22,500
Charles Joseph Koch.....	\$12,500
John B. Wing.....	\$17,200

COMPENSATION COMMITTEE
REPORT ON EXECUTIVE COMPENSATION

Compensation Philosophy. The Company's executive compensation system continues to be comprised of base salaries, annual bonuses and stock option awards. Executive compensation is subject to the oversight and approval of the Compensation Committee of the Board of Directors (the "Committee"), which reviews executive officer compensation annually. Executive compensation is designed to be competitive within the alcoholic beverages industry and other companies of comparable size and complexity, so as to enable the Company to continue to attract and retain talented and motivated individuals in key

positions.

Compensation paid to the Company's executive officers is intended to reflect the responsibility associated with each executive officer's position, the past performance of the specific executive officer, the goals of management and the profitability of the Company. Compensation in any particular case may vary from any industry average on the basis of annual and long-term Company performance, as well as individual performance. The Compensation Committee will exercise its discretion to set compensation where, in its judgment, external or individual circumstances warrant it.

Equity-Based Compensation. During 2001, the Compensation Committee again devoted significant attention to the grant of so-called Discretionary Options under the Company's Employee Equity Incentive Plan. The Discretionary Options feature of the Employee Equity Incentive Plan has been used by the Compensation Committee as an integral part of the overall compensation approach for the officers and senior managers of the Company. Such stock option awards are designed to provide incentive to the Company's key employees to increase the market value of the Company's stock, thus linking corporate performance and stockholder value to executive compensation.

As amended and restated in 1997, the Employee Equity Incentive Plan calls for the Committee to make recommendations to the full Board with respect to the grant of Discretionary Options. In recommending the grant of options, the Compensation Committee takes into account the position and responsibilities of the optionee being considered, the nature and value to the Company of his or her service and accomplishments, his or her present and potential contributions to the success of the Company and such other factors as the Compensation Committee deems relevant. In carrying out these responsibilities in 2001, the Committee met with the Company's Chairman in October to review Management's preliminary thinking with respect to Discretionary Options to be granted effective January 1, 2002. The Committee met again with the Chairman in December to review final recommendations in the context of the overall compensation plan for executives. Based on this review, the Committee recommended that options covering an aggregate of 240,200 shares of Class A Common Stock be granted by the Board, effective as of January 1, 2002. The Committee also recommended, and the Board approved, that a portion of the options granted to the Company's executive officers carry exercise prices representing a premium over the current market price for the Company's Class A Common Stock.

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Up to an aggregate of 3,687,500 shares of Class A Common Stock may be issued under the Employee Equity Incentive Plan. As of March 22, 2002, there were approximately 1,090,185 shares of Class A Common Stock available for grant under the Employee Equity Incentive Plan. A detailed description of the Employee Equity Incentive Plan is included elsewhere in this Proxy Statement. The Employee Equity Incentive Plan may be amended or terminated by the Board of Directors, subject to the approval of the holders of a majority in interest of the Class B Common Stock of the Company.

Chief Executive Officer Compensation. The Compensation Committee reviewed and approved the compensation paid to Martin F. Roper as the Company's Chief Executive Officer during 2001. In reviewing such compensation, the Committee evaluated the Company's success in executing against the Company's strategic plan for maintaining its leading position in the highly competitive craft beer industry. The Compensation Committee believes that the compensation paid to Mr. Roper in 2001 was reasonable in light of the Company's overall performance, especially in the area of profitability. Accordingly, the Compensation Committee recommended, and the Board approved, the grant to Mr. Roper of a Discretionary Option covering 30,000 shares, effective January 1, 2002, of which 22,000 shares

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carry an exercise price of \$17.545; 2,500 shares carry an exercise price of \$23.334; 2,500 shares carry an exercise price of \$29.30; and 3,000 shares carry an exercise price of \$35.09.

THE COMPENSATION COMMITTEE:

JAMES C. KAUTZ, Chairman
PEARSON C. CUMMIN, III
ROBERT N. HIATT
JOHN B. WING

EXECUTIVE OFFICERS OF THE COMPANY

Information required by Item 7(b) of Schedule 14A with respect to executive officers of the Company is set forth below. The executive officers of the Company are elected annually by the Board of Directors and hold office until their successors are elected and qualified, or until their earlier removal or resignation.

C. James Koch, 52, currently serves as Chairman and Clerk of the Company. Mr. Koch founded the Company in 1984 and was the Chief Executive Officer since that time until January 2001.

Martin F. Roper, 39, was appointed Chief Executive Officer of the Company in January 2001, and has been President of the Company since December 1999, after having served as its Chief Operating Officer since April 1997. He joined the Company as Vice President of Operations in September 1994.

Richard P. Lindsay, 40, serves as Chief Financial Officer and Treasurer of the Company. Mr. Lindsay joined the Company in 1997 to assist in the acquisition and integration of the Company's Cincinnati brewery. Following the acquisition, Mr. Lindsay served as Corporate Controller until he was appointed Vice President of Finance in November 1998. He assumed his current position in October 1999. Prior to joining the Company, Mr. Lindsay held various finance and consulting positions at Agility, Inc., KPMG Peat Marwick LLP and Shawmut Bank.

Jeffrey D. White, 44, was appointed Chief Operating Officer of the Company in February 2001, after serving as Vice President of Operations since April 1997. Mr. White had served as Director of Operations of the Company from 1994 to 1997, Operations Manager from 1991 to 1994, and as Distribution Manager from 1989 to 1991.

Robert H. Hall, 41, serves the Company as Vice President of Brand Development. Prior to joining the Company in June 2000, Mr. Hall had been employed by Kellogg Company from 1993 to 2000, where he held the positions of Vice President Marketing, US Natural and Functional Foods Division, and Vice President Global Cereal Innovation, North America.

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EXECUTIVE COMPENSATION

The following table sets forth all compensation awarded to, earned by or paid to the Company's Chief Executive Officer and the Company's four (4) highest paid executive officers, other than the Chief Executive Officer, whose total annual salary and bonus exceeded \$100,000 for all services rendered in all capacities to the Company for the Company's three most recent fiscal years ended December 29, 2001, December 30, 2000, and December 25, 1999.

SUMMARY COMPENSATION TABLE FOR FISCAL YEARS
ENDED DECEMBER 29, 2001, DECEMBER 30, 2000 AND DECEMBER 25, 1999

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NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION (1)		OTHER ANNUAL COMPENSATION (2)	OTHER COMPENSATION FROM SECURITIES
		SALARY	BONUS (3)		
C. James Koch..... Chairman and Clerk	2001	\$184,465	--	\$ 864	\$ 7,911
	2000	\$184,465	--	\$ 455	\$ 4,366
	1999	\$184,465	--	\$ 976	\$ 2,072
Martin F. Roper..... President and Chief Executive Officer	2001	\$399,579	\$63,000	\$ 162	\$ 7,825
	2000	\$399,579	\$50,000	\$ 579	--
	1999	\$324,461	\$45,000	\$ 168	--
Richard P. Lindsay..... Chief Financial Officer and Treasurer	2001	\$162,696	\$16,500	\$ 162	--
	2000	\$142,246	\$14,000	\$ 155	--
	1999	\$128,017	\$11,500	\$ 84	--
Jeffrey D. White..... Chief Operating Officer	2001	\$172,489	\$ 9,000	\$ 172	--
	2000	\$121,085	\$12,000	--	--
	1999	\$109,339	\$13,000	\$ 89	\$ 5,471
Robert H. Hall(4)..... Vice President of Brand Development	2001	\$262,350	\$ 2,500	\$ 183	\$54,350
	2000	\$148,891	\$35,000	\$11,858	--
	1999	--	--	--	--

(1) Included in this column are amounts earned, though not necessarily received, during the corresponding fiscal year.

(2) Included in this column are amounts of other compensation paid for miscellaneous taxable employee benefits, including costs relating to Mr. Hall's relocation benefit.

(3) The bonus amounts for the executive officers have been restated so that the bonus for all fiscal year periods is recorded for each officer in the year in which such bonus is paid.

(4) Mr. Hall joined the Company in June 2000.

The following sets forth, as of December 29, 2001, information regarding options exercised by the Executive Officers during the fiscal year ended December 29, 2001 as well as information regarding unexercised options held by such Executive Officers and the value of "in-the-money" options.

AGGREGATED OPTION EXERCISES AND YEAR-END OPTION VALUES
AS OF DECEMBER 29, 2001

SHARES	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FY-END (#)	VALUE O IN-THE- AT F
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NAME	ACQUIRED ON EXERCISE (#)	VALUE REALIZED (\$)	EXERCISABLE	UNEXERCISABLE	EXERCISABLE
C. James Koch.....	0	0	14,927	53,000	\$ 164,278
Martin F. Roper.....	0	0	504,883	250,000	\$3,450,703
Richard P. Lindsay.....	0	0	14,750	70,250	\$ 147,011
Jeffrey D. White.....	0	0	20,034	53,400	\$ 160,289
Robert H. Hall.....	10,000	\$54,350	26,000	164,000	\$ 245,310

(1) Based upon a fair market value at December 28, 2001 of \$17.835 per share, determined in accordance with the rules of the Securities and Exchange Commission, less the option exercise price or purchase price.

EMPLOYMENT AGREEMENTS

The Company has not entered into employment agreements with any of its employees. However, the Stockholder Rights Agreement between the Company and initial stockholders of the Company provides that so long as Mr. Koch remains an employee of the Company (i) he will devote such time and effort, as a full-time, forty (40) hours per week occupation, as may be reasonably necessary for the proper performance of his duties and to satisfy the business needs of the Company, (ii) the Company will provide Mr. Koch benefits no less favorable than those formerly provided to him by the Boston Beer Company Limited Partnership and (iii) the Company will purchase and maintain in effect term life insurance on the life of Mr. Koch.

THE EMPLOYEE EQUITY INCENTIVE PLAN

The Employee Equity Incentive Plan is the successor to the 1995 Management Option Plan of the Boston Beer Company Limited Partnership (the "Partnership"), the various Partnership employee investment unit plans, and various discretionary options granted by the Partnership. The predecessor Incentive Share Plans entitled eligible employees to certain deferred compensation, generally payable after termination of employment and calculated based on appreciation in the value of equity interests in the Company from the date of an award, and (ii) a series of plans under which a broader group of employees of the Partnership were permitted to purchase similar deferred compensation rights.

As of March 22, 2002, there are (i) outstanding Management Options for 18,762 shares of Class A Common Stock at an exercise price of \$0.01 per share, of which options to purchase 17,602 shares are immediately exercisable; (ii) outstanding Discretionary Options for 1,644,693 shares of Class A Common Stock at an average exercise price of \$10.37 per share of which the options to purchase 773,506 shares are immediately exercisable; and (iii) rights to receive 155,144 Investment Shares, of which rights to receive 73,083 shares have vested.

A more complete discussion of the specific terms and provisions of the Employee Equity Incentive Plan is provided below.

STOCK OPTIONS GRANTED

The following table sets forth certain information concerning grants of stock options of the Company's Class A Common Stock made during the year ended December 29, 2001 to the executive officers named below:

OPTION GRANTS TO EXECUTIVE OFFICERS IN YEAR ENDED

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DECEMBER 29, 2001

NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED (#) (1)	PERCENT OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE OR BASE PRICE PER SHARE	EXPIRATION DATE	POTENTIAL RE ASSUMED A STOCK PRI FOR OP	
					0%	5
C. James Koch.....	20,000	7.3%	[See Note 3 below]	[See Note 3 below]	0	0
Martin F. Roper.....	40,000	14.6%	[See Note 4 below]	[See Note 4 below]	0	0
Richard P. Lindsay.....	40,000	14.6%	[See Note 5 below]	[See Note 5 below]	0	\$65
Jeffrey D. White.....	30,000	10.9%	[See Note 6 below]	[See Note 6 below]	0	\$88
Robert H. Hall.....	20,000	7.3%	[See Note 7 below]	[See Note 7 below]	0	0

-
- (1) Options vest at twenty percent (20%) each year. Options become immediately exercisable in full in the event that C. James Koch and/or members of his family cease to control a majority of the Company's issued and outstanding Class B Common Stock.
 - (2) The potential realizable value of the options reported above was calculated by assuming zero percent (0%), five percent (5%) and ten percent (10%) annual rates of appreciation above the fair market value of the Class A Common Stock of the Company from the date of grant (determined in accordance with the rules of the Securities and Exchange Commission) of the options until the expiration of the options. These assumed annual rates of appreciation were used in compliance with the rules of the Securities and Exchange Commission and are not intended to forecast future price appreciation of the Class A Common Stock of the Company. The actual value realized from the options could be higher or lower than the values reported above, depending upon the future appreciation or depreciation of the Class A Common Stock during the option period, the option holder's continued employment through the option period and the timing of the exercise of the options.
 - (3) Options for 4,000 shares carry an exercise price of \$8.84375; 5,000 shares carry an exercise price of \$11.7622; 5,000 shares carry an exercise price of \$14.7691; and 6,000 shares carry an exercise price of \$17.6875. The Options terminate on the expiration of the 10-day period that commences on the third business day after the Company files with the Securities and Exchange Commission its Annual Report on Form 10-K for its 2005 fiscal year.
 - (4) Options for 8,000 shares carry an exercise price of \$8.84375; 10,000 shares carry an exercise price of \$11.7622; 10,000 shares carry an exercise price of \$14.7691; and 12,000 shares carry an exercise price of \$17.6875. The Options terminate on the expiration of the 10-day period that commences on the third business day after the Company files with the Securities and Exchange Commission its Annual Report on Form 10-K for its 2005 fiscal year.
 - (5) Options for 4,000 shares carry an exercise price of \$8.84375; 5,000 shares carry an exercise price of \$11.7622; 5,000 shares carry an exercise price of \$14.7691; and 6,000 shares carry an exercise price of \$17.6875; which

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options terminate on the expiration of the 10-day period that commences on the third business day after the Company files with the Securities and Exchange Commission its Annual Report on

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Form 10-K for its 2005 fiscal year. Options for 20,000 shares carry an exercise price of \$8.84375 and have an expiration date of December 31, 2010.

- (6) Options for 2,000 shares carry an exercise price of \$8.84375; 2,500 shares carry an exercise price of \$11.7622; 2,500 shares carry an exercise price of \$14.7691; and 3,000 shares carry an exercise price of \$17.6875; which options terminate on the expiration of the 10-day period that commences on the third business day after the Company files with the Securities and Exchange Commission its Annual Report on Form 10-K for its 2005 fiscal year. Options for 20,000 shares carry an exercise price of \$8.84375 and have an expiration date of December 31, 2010.
- (7) Options for 4,000 shares carry an exercise price of \$8.84375; 5,000 shares carry an exercise price of \$11.7622; 5,000 shares carry an exercise price of \$14.7691; and 6,000 shares carry an exercise price of \$17.6875. The Options terminate on the expiration of the 10-day period that commences on the third business day after the Company files with the Securities and Exchange Commission its Annual Report on Form 10-K for its 2005 fiscal year.

OTHER RELATED TRANSACTIONS

Company Stock Performance

The chart set forth below shows the value of an investment of \$100 on November 21, 1995 in each of the Company's stock ("Boston Beer Inc."), the Standard & Poor's 500 Index ("S&P 500"), the Standard & Poor's Beverage Index (Alcoholic) ("Beverages-Alcoholic") and a peer group as of December 29, 2001.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN
ASSUMES INITIAL INVESTMENT OF \$100
DECEMBER 2001
[PERFORMANCE CHART]

	BOSTON BEER INC -----	S&P 500 -----	BEVERAGES - -----
1996	100.00	100.00	100.00
1997	76.22	133.36	104.2
1998	82.93	171.47	148.1
1999	70.12	207.56	158.8
2000	85.96	188.66	207.3
2001	167.29	166.24	204.1

	1996	1997	1998	1999	2000	2001
Boston Beer Inc.	100.00	76.22	82.93	70.12	85.96	167.29
S&P 500	100.00	133.36	171.47	207.56	188.66	166.24
Beverages--Alcoholic	100.00	104.24	148.15	158.80	207.30	204.11

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Peer Group	100.00	59.57	44.77	31.54	28.50	33.32
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THE EMPLOYEE EQUITY INCENTIVE PLAN

On November 20, 1995, the Company adopted the Employee Equity Incentive Plan which provided for the grant of Management Options, Discretionary Options and Investment Shares (each is described below). The maximum number of shares of the Company's Class A Common Stock originally authorized for issuance under the Employee Equity Incentive Plan was 1,687,500 shares. On October 20, 1997, the Board of Directors (the "Board") and the sole holder of the Company's Class B Common Stock amended the Employee Equity Incentive Plan to provide for an additional 1,000,000 authorized shares and, on December 19, 1997, the Company further amended the Employee Equity Incentive Plan to delete the provision which had permitted the grant of Management Options which had been granted at a per share exercise price of \$0.01 and to provide for a shift from the Compensation Committee to the full Board of Directors authority to act under the Employee Equity Incentive Plan, based on recommendations brought to it by the Compensation Committee. On December 14, 2001, the Board and the sole holder of Class B Common Stock of the Company amended the Employee Equity Incentive Plan to provide for an additional 1,000,000 authorized shares. Shares of Class A Common Stock which are the subject of Management Options or Discretionary Options which lapse unexercised or Investment Shares which do not vest and are repurchased by the Company or which are redeemed by the Company shall again be available for issuance under the Employee Equity Incentive Plan. The maximum number of shares available for grants is subject to adjustment for capital changes.

In adopting the Employee Equity Incentive Plan, the Company has also approved, subject to certain further restrictions described below, the assumption of rights to acquire equity interests in the Company granted under certain predecessor plans of the Partnership.

ADMINISTRATION, TERMINATION AND AMENDMENT

The Employee Equity Incentive Plan is administered by the Board and the sole holder of the Company's Class B Common Stock, taking into account recommendations from the Compensation Committee of the Board. The Compensation Committee consists of at least two (2) members of the Board, none of whom shall be or at any time have been employees of the Company. The members of the Compensation Committee are appointed by the Board and the Board may at any time, subject to the above restrictions, appoint one or more members of the Compensation Committee in substitution for or in addition to the member or members then in office and may fill vacancies on the Compensation Committee, however caused. The Board, subject to the approval of the holders of a majority in interest of the Company's then issued and outstanding Class B Common Stock, may modify, amend or terminate the Employee Equity Incentive Plan at any time. Termination or amendment of the Employee Equity Incentive Plan shall not, without the consent of any person affected thereby, modify or in any way affect any Discretionary Options granted or Investment Shares purchased prior to such termination or amendment.

ELIGIBILITY TO PARTICIPATE

Employees eligible to participate in the Employee Equity Incentive Plan ("Eligible Employees") are those employees of the Company who (i) have been employed by the Company for at least one (1) year and (ii) have entered into an Employment Agreement with the Company containing certain terms and conditions as the Board, in its discretion, may from time to time require. Only full-time

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management-level Eligible Employees, as determined by the Compensation Committee in its sole discretion, shall be selected by the Compensation Committee for a recommendation to the Board to be granted Discretionary Options. In designating Optionees for Discretionary Options, the Compensation Committee shall take into account each prospective Optionee's level of responsibility, performance, potential and such other considerations as the Compensation Committee deems appropriate.

TERMS AND PROVISIONS

Management Options and Discretionary Options. While Management Options granted prior to December 31, 1997 remain outstanding, effective as of December 19, 1997, the Employee Equity Incentive Plan no longer provides for the grant of Management Options. Therefore, as of the date of its meeting in October of

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each year, the Compensation Committee shall make its recommendation to the Board concerning the overall total number of shares which are eligible for option grants and such other and further details as the Compensation Committee may deem appropriate. Immediately prior to the Board's meeting in December of each year, the Compensation Committee will finalize its recommendation, taking into consideration the recommendations of management, and will thereafter makes its final recommendation to the Board with respect to the grant of Discretionary Options to selected Optionees. The terms of each Discretionary Option shall be set forth in an Option Agreement, which shall include the following terms, conditions and restrictions:

(i) The right to exercise a Discretionary Option shall vest over the period of five (5) years after the Option Date at the rate of twenty percent (20%) of the Option Shares covered thereby per year, or upon such other vesting schedule as the Compensation Committee recommends, and the Board shall so approve, so long as the Optionee continues to be employed by the Company as of each vesting date, provided, however, that (i) the Board may permit accelerated vesting in its discretion, (ii) Discretionary Options shall become exercisable in full in the event of an Optionee's retirement at or after reaching age sixty-five (65), death or disability, and (iii) the Compensation Committee may recommend, and the Board may so approve, tying exercisability to compliance by an Optionee with any applicable restrictive covenants; and

(ii) Except as recommended by the Compensation Committee, and approved by the Board, from time to time, a Discretionary Option shall terminate on the earlier to occur of the expiration of (i) ninety (90) days after the Optionee ceases to be an employee of the Company and (ii) ten (10) years after the Option Date.

Investment Shares. Eligible Employees may also become Participants in the Employee Equity Incentive Plan and invest up to ten percent (10%) of their most recent annual W-2 earnings in shares ("Investment Shares") of Class A Common Stock. The number of Investment Shares which can be purchased by each Participant will be computed by dividing ten percent (10%) of the Participant's W-2 earnings by the Investment Share Value. The "Investment Share Value" shall be the mean between the high and the low prices at which shares of Class A Common Stock traded on the New York Stock Exchange or on any other exchange on which such shares may be traded, on the day next preceding the date of a Participant's investment in Investment Shares, which ordinarily shall be effective as of January 1 in each applicable year (based upon the market value of the shares, determined as set forth above, as of the last trading day in December immediately preceding such January 1) and discounted, according to the Participant's years of service with the Company, as follows:

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YEARS OF SERVICE -----	DISCOUNT -----
Less than 2 years.....	0%
2-3 years.....	20%
3-4 years.....	30%
More than 4 years.....	40%

For each full year Investment Shares are held after issuance and the Participant remains employed with the Company, twenty percent (20%) of such Investment Shares will become vested. All Investment Shares which have not yet vested shall automatically vest in the event of the termination of a Participant's employment with the Company by reason of his or her retirement at or after reaching age sixty-five (65), death or disability. The Compensation Committee may also accelerate vesting at any time in its discretion. All unvested Investment Shares shall be held in escrow by an escrow agent selected by the Compensation Committee, pursuant to a Restricted Stock Escrow Agreement.

Any Participant who is not subject to the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended, shall have the right at any time to cause the Company to redeem all, but not less than all, of such Participant's Investment Shares at a price equal to the lesser of (i) the Discounted Investment Share Value at which the Investment Shares were issued and (ii) the fair market value of such Investment Shares, as of the date next preceding the date on which the Investment Shares are tendered for redemption.

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In the event that a Participant's employment with the Company is terminated other than because of retirement at or after the age of sixty-five (65), death or disability, the Company has the right, but not the obligation, to redeem within ninety (90) days after such termination any or all of the Investment Shares previously purchased by the Participant which have not vested, at a price, payable in cash, equal to the lesser of (i) the Discounted Investment Share Value at which the Shares were issued and (ii) the fair market value of such Investment Shares, as of the date next preceding the date on which the Investment Shares are called for redemption.

Except as otherwise specifically provided for above, no right or interest under the Employee Equity Incentive Plan of any Eligible Employee shall be assignable or transferable, in whole or in part, either directly or by operation of law or otherwise, including, but not by way of limitation, execution, levy, garnishment, attachment, pledge, bankruptcy or in any other manner, other than by will or the laws of descent and distribution; and no such right or interest of any Eligible Employee shall be subject to any obligation or liability of such Eligible Employee. A Management Option or Discretionary Option shall be null and void and without effect upon the bankruptcy of the Optionee or upon the attempted assignment or transfer, except as hereinabove provided, including without limitation any purported assignment, whether voluntary or by operation of law, pledge, hypothecation or other disposition contrary to the provisions hereof, or levy of execution, attachment, trustee process or similar process, whether legal or equitable, upon the option.

RECENT GRANTS

The following sets forth the details of Discretionary Options granted during the year ended December 29, 2001:

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NAME AND POSITION -----	DISCRETIONARY OPTION GRANTS	
	DOLLAR VALUE(1) -----	NUMBER OF SHARES -----
C. James Koch, Chairman.....	\$ 82,544	20,000
Martin F. Roper, President and Chief Executive Officer.....	\$ 165,087	40,000
Richard P. Lindsay, Chief Financial Officer and Treasurer...	\$ 262,369	40,000
Jeffrey D. White, Chief Operating Officer.....	\$ 221,097	30,000
Robert H. Hall, Vice President of Brand Development.....	\$ 82,544	20,000
Employees as a Group (excluding Executive Officers).....	\$1,119,411	124,500

 (1) Dollar values below are based upon a fair market value of Class A Common Stock at December 28, 2001 of \$17.835 per share, determined in accordance with the rules of the Securities and Exchange Commission, less the option exercise price, and multiplying by the number of shares subject to Discretionary Options granted.

RECAPITALIZATION, REORGANIZATIONS

The Employee Equity Incentive Plan provides that in the event that the outstanding shares of Class A Stock are changed into or exchanged for a different number or kind of shares or other securities of the Company 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 which may be issued under the Employee Equity Incentive Plan and as to which outstanding Management Options or Discretionary 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; such adjustment in outstanding Discretionary Options shall be made without change in the total price applicable to the unexercised portion of such Discretionary Options and with a corresponding adjustment in the exercise price per share. The exercise price per share of Management Options shall remain \$0.01 per share.

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PREVIOUSLY GRANTED OPTIONS AND INVESTMENT SHARES

All options granted by the Partnership prior to November 20, 1995, which were assumed under the Employee Equity Incentive Plan on that date and became Management Options or Discretionary Options, first became exercisable, to the extent that the right to exercise had otherwise then vested, on March 1, 1996, except that any such options held by Optionees subject to the provisions of Section 16(b) of the 1934 Act did not become exercisable until May 20, 1996. All Investment Shares purchased from the Partnership prior to November 20, 1995, which had vested prior to March 1, 1996, were issued to the applicable Participants on that date, except that vested Investment Shares otherwise then issuable to Participants subject to the provisions of Section 16 (b) of the 1934 Act did not become issuable until May 20, 1996.

RESALE RESTRICTIONS

Notwithstanding any other provision of the Employee Equity Incentive Plan, the Company may delay the issuance of shares covered by the exercise of a

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Management Option or a Discretionary Option or any Investment Shares which have vested (in any such case, "Shares") until one of the following conditions shall be satisfied:

(i) Such Shares are at the time of issuance effectively registered under applicable federal and state securities acts, as now in force or hereafter amended; or

(ii) Counsel for the Company shall have given an opinion, which opinion shall not be unreasonably conditioned or withheld, that the issuance of such Shares is exempt from registration under applicable federal and state securities acts, as now in force or hereafter amended.

Moreover, unless the Shares to be issued have been effectively registered under the Securities Act of 1933, as amended (the "1933 Act"), the Company shall be under no obligation to issue such Shares unless the Optionee or Participant shall first give written representation to the Company, satisfactory in form and scope to the Company's counsel and upon which in the opinion of such counsel the Company may reasonably rely, that he or she is acquiring the Shares to be issued to him or her as an investment and not with a view to or for sale in connection with any distribution thereof in violation of the 1933 Act. The Company shall have no obligation, contractual or otherwise, to any Optionee or Participant to register under any federal or state securities laws any Shares issued under the Employee Equity Incentive Plan to such Optionee or Participant.

Notwithstanding the above, Shares acquired under the Employee Equity Incentive Plan while a Registration Statement relating to such Shares is in effect under the 1933 Act, by persons who are not affiliates of the Company may be sold by such persons without registration under the 1933 Act, and without the need to comply with Rule 144 thereunder. Public resales of shares acquired (while a Registration Statement relating to such shares is in effect under the 1933 Act) under the Employee Equity Incentive Plan by persons who are affiliates of the Company will be subject to registration or compliance with the requirements of Rule 144 under the 1933 Act, other than the holding period requirement of paragraph (d) of that Rule. Employees who are Directors or officers of the Company may be deemed to be affiliates of the Company.

TAX EFFECTS OF EMPLOYEE EQUITY INCENTIVE PLAN PARTICIPATION

The Employee Equity Incentive Plan described herein is not a qualified plan under Section 401 of the Internal Revenue Code and is not subject to the provisions of the Employee Retirement Income Security Act of 1974.

Management and Discretionary Options. Upon the grant of a Management Option or Discretionary Option, the Participant will not recognize ordinary income nor will the Company be entitled to a deduction. Upon the exercise of a Management Option or a Discretionary Option, the Participant will generally recognize ordinary income in the amount by which the fair market value of Class A Common Stock at the time of exercise exceeds the exercise price for the Shares then purchased and the Company will generally be entitled to a deduction for such amount of ordinary income recognized. Upon a subsequent disposition of Class A Common Stock, the Participant will realize a short-term or long-term capital gain or loss, depending upon the

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holding period of the Class A Common Stock, with the basis for computing such gain or loss equal to the fair market value of Class A Common Stock on the date of exercise.

Investment Shares. Upon the purchase of an Investment Share, the Participant will not recognize ordinary income provided the Participant makes an

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election under Section 83(b) of the Internal Revenue Code (such election is referred to herein as a "Section 83(b) election"). If the Participant makes a Section 83(b) election then the Participant will immediately recognize ordinary income in the amount by which the fair market value of the Investment Shares on the date of acquisition exceeds the purchase price therefor. If the Participant does not make a Section 83(b) election, then, upon vesting of the Investment Shares, the Participant will recognize ordinary income in the amount by which the fair market value of the Investment Shares then vesting, as of the date of vesting, exceeds the purchase price therefor. The Company will generally be allowed a deduction in an amount equal to the income recognized by the Participant in the tax year in which such income is recognized. Upon the disposition of Investment Shares, the Participant will realize a short-term or long-term capital gain or loss, depending upon the holding period of the Investment Shares, after they have vested, with the basis for computing such gain or loss equal to the amount of ordinary income realized on such shares plus the purchase price therefor. Participants purchasing Investment Shares should consult their tax advisors regarding the advisability of making a Section 83(b) election. A Section 83(b) election must be made within thirty (30) days of the purchase of Investment Shares.

REPORT OF THE AUDIT COMMITTEE((1))

The following is the report of the Audit Committee with respect to the Company's audited financial statements for the fiscal year ended December 29, 2001.

The Audit Committee has reviewed and discussed the Company's audited financial statements with management. The Audit Committee has discussed with Arthur Andersen LLP, the Company's independent accountants, the matters required to be discussed by Statement of Auditing Standards No. 61, Communication with Audit Committees, which provides that certain matters related to the conduct of the audit of the Company's financial statements are to be communicated to the Audit Committee. The Audit Committee has also received the written disclosures and the letter from Arthur Andersen LLP required by Independence Standards Board Standard No. 1 relating to the accountant's independence from the Company, has discussed with Arthur Andersen LLP their independence from the Company, and has considered the compatibility of non-audit services with the accountant's independence.

Fees paid to the Company's independent auditors' for fiscal 2001 were comprised of the following:

- Audit Fees. Arthur Andersen LLP's fee for its audit of the Company's annual financial statements for the year ended December 29, 2001 was \$135,000. This is comprised of fees for the annual audit and quarterly reviews.
- Financial Information Systems Design and Implementation. Arthur Anderson LLP billed the Company a total of \$0 in fees for financial information systems design and implementation in 2001.
- All Other Fees. Arthur Andersen LLP billed the Company a total of \$40,000 in 2001 for all other services. This is comprised of fees for accounting-related tax and consulting services.

The Audit Committee acts pursuant to the written Audit Committee Charter. Each of the members of the Audit Committee qualifies as an "independent" Director under the current listing standards on the NYSE.

(1)The material in this report, including the Audit Committee Charter, is

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not "soliciting material," is not deemed filed with the SEC and is not to be incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

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Based on the review and discussions referred to above, the Audit Committee recommended to the Company's Board of Directors that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2001.

AUDIT COMMITTEE:
PEARSON C. CUMMIN, III, Chairman
ROBERT N. HIATT
JAMES C. KAUTZ
JOHN B. WING

INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors appointed Arthur Andersen, LLP as independent auditors to examine the consolidated financial statements of the Company for the fiscal year ending December 29, 2001. The engagement of Arthur Andersen, LLP was approved by the Board of Directors, at the recommendation of the Audit Committee of the Board of Directors, and by the sole holder of the Company's Class B Common Stock.

A representative of Arthur Andersen, LLP is expected to be present at the meeting and will have the opportunity to make a statement if he or she so desires and to respond to appropriate questions.

COMPLIANCE WITH SECTION 16(a) OF THE SECURITIES EXCHANGE ACT OF 1934

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's officers and Directors and persons owning more than ten percent (10%) of the outstanding Class A Common Stock of the Company to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Officers, Directors and greater than ten percent (10%) holders of Class A Common Stock are required by SEC regulation to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on copies of such forms furnished as provided above, or written representations that no Forms 5 were required, the Company believes that during the fiscal year ended December 29, 2001, all Section 16(a) filing requirements applicable to its officers, Directors, and beneficial owners of greater than ten percent (10%) of its Common Stock were complied with, except that through inadvertence (i) Martin F. Roper reported the vesting on January 1, 2001 of 1,720 Investment Shares purchased under the Company's Employee Equity Incentive Plan on a Form 5 filed on February 14, 2002, rather than on a Form 4 that should have been filed no later than February 10, 2001; (ii) C. James Koch reported the vesting on January 1, 2001 of 1,870 Investment Shares purchased under the Company's Employee Equity Incentive Plan on a Form 5 filed on February 14, 2002, rather than on a Form 4 that should have been filed no later than February 10, 2001; (iii) Robert H. Hall reported the exercise of 10,000 options in December, 2001, on a Form 5 filed on February 14, 2002, rather than on a Form 4 that should have been filed no later than January 10, 2002; and (iv) David Grinnell reported the exercise of 8,836 options in December, 2001, on a Form 5 filed on February 14, 2002, rather than on a Form 4 that should have been filed no later than January 10, 2002.

DEADLINES FOR SUBMISSION OF STOCKHOLDER PROPOSALS

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Under regulations adopted by the Securities and Exchange Commission, any proposal submitted for inclusion in the Company's Proxy Statement relating to the Annual Meeting of Stockholders to be held in 2003 must be received at the Company's principal executive offices in Boston, Massachusetts on or before December 14, 2002. Receipt by the Company of any such proposal from a qualified stockholder in a timely manner will not ensure its inclusion in the proxy material because there are other requirements in the proxy rules for such inclusion.

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OTHER MATTERS

Management knows of no matters which may properly be and are likely to be brought before the meeting other than the matters discussed herein. However, if any other matters properly come before the meeting, the persons named in the enclosed proxy will vote in accordance with their best judgment.

The cost of this solicitation will be borne by the Company. It is expected that the solicitation will be made primarily by mail, but regular employees or representatives of the Company may also solicit proxies by telephone, telegraph and in person and arrange for brokerage houses and other custodians, nominees and fiduciaries to send proxies and proxy material to their principals at the expense of the Company.

10-K REPORT

THE COMPANY WILL PROVIDE EACH BENEFICIAL OWNER OF ITS SECURITIES WITH A COPY OF AN ANNUAL REPORT ON FORM 10-K, INCLUDING THE FINANCIAL STATEMENTS AND SCHEDULES THERETO, REQUIRED TO BE FILED WITH THE SECURITIES AND EXCHANGE COMMISSION FOR THE COMPANY'S MOST RECENT FISCAL YEAR, WITHOUT CHARGE, UPON RECEIPT OF A WRITTEN REQUEST FROM SUCH PERSON. SUCH REQUEST SHOULD BE SENT TO RICHARD P. LINDSAY, CHIEF FINANCIAL OFFICER, THE BOSTON BEER COMPANY, INC., 75 ARLINGTON STREET, BOSTON, MA 02116.

VOTING PROXIES

The Board of Directors recommends an affirmative vote for all nominees specified herein. Proxies will be voted as specified. If signed proxies are returned without specifying an affirmative or negative vote, the shares represented by such proxies will be voted in favor of the nominees.

By order of the Board of Directors

C. JAMES KOCH, Clerk

Boston, Massachusetts
April 12, 2002

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THE BOSTON BEER COMPANY, INC.

PROXY - ANNUAL MEETING OF STOCKHOLDERS - MAY 21, 2002

CLASS A COMMON STOCK

The undersigned, a stockholder of THE BOSTON BEER COMPANY, INC., does hereby appoint C. James Koch and Frederick H. Grein, Jr., or either of them, acting singly, the undersigned's proxy, with full power of substitution, to

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appear and vote at the Annual Meeting of Stockholders, to be held on May 21, 2002 at 10:00 A.M., local time, or at any adjournments thereof, upon such matters as may come before the Meeting.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.

The undersigned hereby instructs said proxy, or his substitute, to vote as specified on the reverse side on the following matters and in accordance with his judgment on other matters which may properly come before the Meeting.

(Continued and to be Completed on Reverse Side)

A FOLD AND DETACH HERE

ADMISSION TICKET

THE BOSTON BEER COMPANY, INC.

2002 ANNUAL MEETING

Tuesday, May 21, 2002
10:00 A.M.
The Brewery
30 Germania Street
Boston, MA

Please mark [X]
your vote as
indicated in
this example

TO VOTE IN ACCORDANCE WITH THE BOARD OF DIRECTORS RECOMMENDATION, SIGN AND DATE THIS CARD IN THE SPACE BELOW, NO BOXES NEED TO BE CHECKED.

1. Election of Class A Directors

FOR all nominees listed
(Except as marked
to the contrary
to the right.)

WITHHOLD authority
for all nominees
listed.

[]

[]

01 Pearson C. Cummin, III. 02 James C. Kautz and 03 Robert M. Hiatt
(Instructions: To withhold authority to vote for any individual nominee,
write that nominee's name in the space provided below.)

PLANNING TO ATTEND? Please help our planning efforts by letting us know if you expect to attend the Annual Meeting Please call (800) 372-1131 Ext. 5050, and check the box below.

[]

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THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED AS DIRECTED. IF NO DIRECTION IS INDICATED SUCH SHARES WILL BE VOTED IN FAVOR OF SUCH ITEM.

IMPORTANT: Before returning this Proxy, please sign your name or number on the line(s) below exactly as shown thereon. Executor, administrator, trustee, guardian or corporate officers should indicate their full title when signing. Where shares are registered in the name of joint tenant or trustee, each joint tenant or trustee should sign.

Date: _____, 2002

_____ (L.E.)

_____ (L.S.)

Signature(s) sign here

PLEASE MARK SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE

FOLD AND DETACH HERE

[MAP]

DIRECTIONS TO THE BREWERY
FROM THE SOUTH OF BOSTON

Take 95N to exit 18 (Mass Ave and Roxbury exit. Go straight down Melnea Cass Blvd toward Roxbury, once on Melnea Cass Blvd you will go through seven lights. At the eight light make a left on Tremont St. (Landmark-Northeastern University and Ruggles T Station will be on your right when you turn onto Tremont St. Note: Tremont St. eventually becomes Columbus Ave). Follow Tremont St. through seven lights. Take a right on Amory St. (Landmark, look for a big powder blue Muffler Mart Shop on the right - directly after Centre Street). Follow Amory St. through 2 lights. After the 2nd light take a left on Porter St. (Landmark Directly after Boylston St.). Go to the end of Porter St. and the Brewery is on the right.

FROM THE NORTH OF BOSTON

Take 93S to exit 18 (Mass Ave and Roxbury exit)
and follow the above directions.

FROM THE SUBWAY

Take the Orange line outbound toward Forest Hills. exit at the Stony Brook stop. Above ground take a left onto Boylston St. Take your first right onto Amory St. Then take your first left onto Porter St. to Brewery gate (the Brewery will be at the end of Porter St. on your right).