



ASX Release
3 March 2017

Australian Whisky Holdings appoint Chief Executive Officer

Australian Whisky Holdings Limited (AWY) is pleased to announce that it has appointed Christopher Malcom as its new Chief Executive Officer effective from 2 March 2017. Since 17 October 2016, Mr Malcolm has been assisting the Company in an advisory capacity in relation to the Nant Estate acquisition.

AWY Chairman, Terry Cuthbertson said: "We are very excited to have Chris Malcolm come on board as Chief Executive Officer, having consulted to Australian Whisky Holdings Limited for a number of months in relation to the Nant Estate acquisition. Chris is the Chairman of Lark Distillery and brings a wealth of business acumen and in particular, whisky industry experience and we feel he is the perfect choice to guide the company as it evolves into a leading player in the Australian whisky market."

Commenting on his appointment, Mr Malcolm said, "I am very privileged to have the opportunity to work with Australian Whisky Holdings Limited which holds investments in four of the leading whisky distilleries in Tasmania Australia. To my knowledge this is the first time a public company has ever embarked on such an exciting endeavour which is to build and promote the whisky industry of Tasmania and Australia. There is certainly much to do in the coming months and years to bring this incredible vision to fruition. I take the time to acknowledge the vision and tenacity of the Chairman of AWY, Terry Cuthbertson, and I am honoured to be a part of AWY's Australian whisky journey."

Mr Malcolm is also Chairman of Lark Distillery Pty Ltd and Clark Rubber Franchising Pty Ltd, Driclad Pty Ltd (Pools and Spas), Malcolm Property Pty Ltd, Retail Franchise Systems Pty Ltd (RFS Group Pty Ltd), Glenburn Station Pty Ltd and Chairperson of the Malcolm Foundation. Mr Malcolm is a member of the Australian Institute of Company Directors and an accredited franchise executive. He has a Diploma of Company Directorship from the University of New England and Finance Management Certificate from the University of New South Wales. He was awarded with the Franchisor of the Year 2006, inducted into the Franchising Hall of Fame in 2003, and appointed to Government Senator Chris Shacht Franchise Review Committee.

Mr Malcolm is a Committee Member with the Australian Distillery Association, the leading Association involved in the establishment and the development of the spirit section in Australia. Mr Malcolm has visited most whisky distilleries in Australia and has an

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understanding of their development and challenges as they establish a world renowned standard of whisky. Mr Malcolm also understands the importance of the maturing of whisky in Australian fortified wine barrels to achieve whisky excellence in the maceration process. He has over time visited over 35 distilleries spread throughout Scotland and recently in the company of Bill Lark, Mark Nicholson and others, visited over 20 distilleries through Scotland to gain more knowledge and understanding. Mr Malcolm has also spent time in Cognac and also with the Armagnac industry which has been a lifelong passion.

A summary of the terms of Mr Malcolm's appointment is attached at Annexure A.

Further Information

For further information, please contact Company Secretary, Kenneth Lee.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Kenneth Lee', with a long, sweeping horizontal stroke extending to the right.

Company Secretary
Kenneth Lee

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ANNEXURE A
TERMS OF ENGAGEMENT OF CHRIS MALCOLM

Mr Malcolm is engaged via a Consultancy Agreement between AWY and Whisky Negociants Pty Ltd dated 2 March 2017, the terms of which are summarised below:

Item	Summary
Term	5 years, commencing from 17 October 2016
Fixed Remuneration	\$12,500 per month (plus GST) for the initial 12 months of the Term, increasing to \$14,583.33 per month (plus GST) for the balance of the Term.
Sign-On Offer	5,000,000 ordinary shares
Short Term Incentive	<p>5,587,462 options to purchase one ordinary share at an exercise price of \$0.037584147 exercisable at any time prior to 17 October 2019.</p> <p>Two thirds of the Options will be cancelled if Mr Malcolm's engagement is terminated between 17 October 2017 and 16 October 2018.</p> <p>One third of the Options will be cancelled if Mr Malcolm's engagement is terminated between 17 October 2018 and 16 October 2019.</p>
Performance Incentive	<p>Subject to Mr Malcolm fulfilling agreed performance goals across a range of performance measures (<i>Performance Goals</i>), and subject to any required shareholder approval, Mr Malcolm will be issued 5,000,000 Performance Rights each entitling the holder to acquire one ordinary share in AWY for nil consideration.</p> <p>The Performance Rights vest on 16 October 2017, subject to Mr Malcolm fulfilling the Performance Goals and remaining engaged as CEO as at the vesting date.</p>
Long-Term Incentive	<p>A number of options calculated according to the following formula:</p> <p><i>\$100,000/30-day VWAP</i></p> <p>Where "30-day VWAP" means the 30-day volume weighted average price for AWY shares calculated at the date of AWY's 2017 AGM.</p>

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	<p>The options will entitle the holder to purchase one ordinary share at an exercise price equal to the 30 day VWAP calculated at the date of AWY's 2017 AGM exercisable at any time prior to 17 October 2020.</p> <p>Two thirds of the Options will be cancelled if Mr Malcolm's engagement is terminated between 17 October 2018 and 16 October 2019.</p> <p>One third of the Options will be cancelled if Mr Malcolm's engagement is terminated between 17 October 2019 and 16 October 2020.</p>
<p>Bonus Payment</p>	<p>Mr Malcolm will receive a bonus payment to the extent that he is able to achieve a significant growth in the Enterprise Value of AWY and such growth is realised for the benefit of Shareholders.</p> <p>Where:</p> <ul style="list-style-type: none"> (a) AWY sells its main undertaking or is subject to a change in control whereby an entity (other than an entity associated with Mr Malcolm) acquires more than 50% of the voting power in AWY (<i>Trigger Event</i>); and (b) The Enterprise Value of the Company at the time of the Trigger Event is equal to or exceeds \$35 million, <p>then Mr Malcolm will be entitled to a bonus payment of \$700,000.</p>
<p>Termination</p>	<p>Either AWY or Mr Malcolm may terminate Mr Malcolm's engagement by the giving of 12 months written Notice. AWY may elect to provide payment in lieu of notice to Mr Malcolm, subject to the provisions Division 2 of Part 2D.2 of the Corporations Act.</p> <p>Additionally, Mr Malcolm's engagement may be terminated by AWY on the giving of immediate written notice in in certain circumstances including misconduct, breach of agreement, insolvency, unlawful conduct, or in the event of an incapacity exceeding 6 months' in duration.</p>