

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**  
If you are in any doubt as to the action you should take, please seek advice immediately from an independent financial adviser authorised under the Financial Services and Markets Act 2000.



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**Stock Spirits Group PLC**  
**("the Company")**

19 April 2016

**Dear Shareholder**

**Stock Spirits Group PLC – Annual General Meeting – Monday 23 May 2016**

Please find enclosed the following documents in connection with the Stock Spirits Group PLC upcoming Annual General Meeting:

- Cover letter & summary;
- Chairman's letter;
- Notice of AGM covering resolutions 1–14, as approved by the Board of the Company;
- Notice of Requisitioned Resolutions covering Resolutions 16–18, requisitioned by Western Gate Private Investments Limited ("Western Gate Resolutions")
- Recommendation sheet
- Proxy form
- Important notes.

The Annual General Meeting will take place at 11:30 am on 23 May 2016 at the offices of JP Morgan at 60 Victoria Embankment, London, EC4Y 0JP. The latest time and date for receipt of Forms of Proxy from Stock Spirits Shareholders will be 11:30 am on 19 May 2016 ahead of the Voting Record Time for the General Meeting at 6 pm on 19 May 2016.

On 5 April 2016, your Board announced that it had received a notice from Western Gate Private Investments Limited ("**Western Gate**") to put four extra resolutions to all shareholders at the forthcoming Annual General Meeting of the Company, one of which called for the removal of Chris Heath as a director of the Company. As per the announcement yesterday, Mr Chris Heath has retired. The requisitioned resolution regarding his removal is therefore ineffective as it could not be properly moved at the Annual General Meeting. As a result, this resolution will not be put to shareholders.

The effect of passing the remaining three requisitioned resolutions would be:

- that two additional directors, selected by Western Gate, be appointed as directors of the Company; and
- that the Company conducts a further Board level review of its M&A strategy, and does not implement any M&A projects until such strategy is presented to and approved by shareholders at future General Meetings.

**Your Board unanimously recommends that you VOTE AGAINST the Western Gate Resolutions**

Please read and consider the entirety of this Circular before voting



## SUMMARY OF BOARD'S RECOMMENDATIONS

Your Board unanimously recommends that you **VOTE AGAINST** the Western Gate Resolutions by voting 'FOR' resolutions 1-14 and 'AGAINST' resolutions 16-18.

### Why you should VOTE AGAINST Western Gate's Resolutions

- Luis Amaral is the CEO and largest shareholder in Eurocash, the Company's largest customer. We believe this represents an overriding conflict of interest. Luis Amaral wants to gain undue influence at the expense of other shareholders
- Luis Amaral wants Stock Spirits to chase market share without any reference to profitability
- Any influence gained over Stock Spirits' pricing strategy will directly benefit Luis Amaral through his shareholding in Eurocash
- The Board believes that the interests of all shareholders are best served by a Board that is independent and does not include directors hand-picked by any one shareholder
- To require a full M&A review at this time would be a wholly unnecessary use of Company resources, coming so soon after the recent strategic review
- The actions taken by the Stock Spirits management last year and following the recent Operational Review are working, and the performance in Poland is improving as demonstrated by our recent trading update

# Letter from the chairman



*(Incorporated and registered in England and Wales under the Companies Act 2006  
with registered number 8687223)*

## Directors:

David Maloney (Non-Executive Chairman)  
Lesley Jackson (Chief Financial Officer)  
Andrew Cripps (Non-Executive Director)  
John Nicolson (Non-Executive Director)  
Mirek Stachowicz (Non-Executive Director, Interim CEO)

## Registered Office:

Solar House, Mercury Park  
Wooburn Green,  
Buckinghamshire  
HP10 0HH

**19 April 2016**

Dear Stock Spirits Shareholder,

## Introduction

I am writing to you as Chairman of Stock Spirits ahead of the company's Annual General Meeting ("**AGM**") on 23 May 2016.

Firstly, I draw your attention to recent developments in the Company:

- The 2015 financial results were published on 10 March 2016 and can be found on our website: [www.stockspirits.com](http://www.stockspirits.com)
- Following this, we announced a trading update for Q1 2016 on 14 April 2016, a copy of which is also available on the website
- From these documents you will see that results are starting to improve and whilst there is still much for us to do I firmly believe that the actions that we are taking will move us back into a position of sustainable growth
- On 15 April 2016, we announced the appointment of Marek Sypek as the new Managing Director of our Polish business
- Yesterday, 18 April 2016, we announced that Chris Heath will be stepping down as CEO with immediate effect to take early retirement. He will be replaced by Mirek Stachowicz, an independent Non-Executive Director of Stock Spirits since November 2015, who will serve as Interim CEO until a suitable replacement is found.

On 5 April 2016, your Board announced that it had received a notice from Western Gate Private Investments Limited ("**Western Gate**") to put four extra resolutions to all shareholders at the forthcoming AGM. The effect of passing these resolutions would be:

- that two additional directors, selected by Western Gate, be appointed as directors of the Company;
- that Chris Heath, Chief Executive Officer, is removed as a director of the Company; and
- that the Company conducts a further Board level review of its strategy for mergers and acquisitions ("**M&A**") and does not implement any M&A projects until such strategy is presented to and approved by shareholders at future General Meetings.

We consider these requisitions to be unnecessarily disruptive and detrimental to the majority of shareholders of the Company and proposed by a shareholder who has a material conflict of interest by being both the CEO and largest shareholder of our largest customer.

**The purpose of this Circular is to explain why your Board strongly recommends that you vote against the resolutions proposed by Western Gate (the "Western Gate Resolutions").**

## Background

Since becoming Chairman of Stock Spirits in May 2015 I have met with many shareholders, including Luis Amaral and his Western Gate colleagues. I have listened to all shareholder views and discussed these views in detail with my Board colleagues.

I will now summarise the conclusions of the Board's strategic and operational review and also the actions being taken to improve the performance of the Polish business, and then I will address Western Gate's concerns.

As set out in our preliminary results on 10 March 2016, the Board's conclusions from the strategic review were that although the principal elements of our strategic goals outlined at the time of the Group's Initial Public Offering are still valid, several issues, including the heightened competition in the Polish market and difficulty in completing material acquisitions in the CEE region, mean that we need to refine elements of the strategy. The key actions announced by the Board to address the issues include:

- Returning the Polish business to growth through greater focus on addressing the competitive environment;
- Optimising the return from all our assets, whether through operational initiatives or disposing of assets that are intrinsically undervalued at present;
- Ensuring greater stability of senior management in key positions and adding new operational roles to strengthen our business;
- Adjusting our M&A strategy and focusing on further business development, and I will touch on M&A later in this document;
- Committing that if we are not able to announce a meaningful acquisition in the near term the Board will consider the best way to return surplus capital to shareholders

Returning Poland to growth is our key priority and the Board also undertook an operational review where we enlisted the support of Ernst & Young to ensure that we had an objective view of the situation in Poland. I will not go through all the competitive actions that are being taken as a result of the operational review but these will address the changing consumer and market trends in Poland.

Many of these actions are expected to produce tangible results in the first half of 2016, whilst others will take longer to bear fruit. It is important to note that actions have already been taken to improve the performance of the Polish business and the positive momentum we saw in the second half of 2015 has continued into 2016.

## Who are Western Gate and Luis Amaral?

Western Gate, which holds 9.67% of the issued share capital of Stock Spirits, represents the private family office of Luis Amaral. Luis Amaral is also the CEO and largest shareholder of Eurocash (holding approximately 43.6% of its shares). Eurocash is currently Stock Spirits' largest customer. Western Gate notified the company in early December 2015 that it had acquired an 8.1% holding in the Company and subsequently notified us that it had increased this to 9.67% in February 2016.

## There has been significant engagement with Luis Amaral and Western Gate by the Company

The Board and management meet with all major shareholders regularly, both during investor roadshows and as necessary on an ad hoc basis to discuss any specific issues or concerns those shareholders might have. Members of the Board have met with Luis Amaral on three occasions in the first quarter of 2016, once in February and twice in March. Throughout each of these meetings, the Company has listened to, carefully considered and addressed the points raised by Mr Amaral.

Despite this sustained constructive engagement, the Board was disappointed to learn that subsequent to these meetings Luis Amaral immediately felt the need to speak with members of the press regarding the issues discussed in these meetings, rather than continue the dialogue with the Company directly. We see this as inconsistent with the behaviour of a long term, value-focused investor with the interests of all shareholders in mind.

## Addressing Western Gate's stated concerns as per the announcement published on 5 April 2016

I will address each of the key points highlighted by Western Gate in turn:

*Western Gate said: "A 12.1% drop in market share from 38.4% at IPO to 26.3% as at December 2015, evidenced by a 33.5% decline in Polish revenue from FY13 to FY15 and resulting in the Company surrendering its market leading position in the Polish vodka market"*

We recognise that we have lost significant market share in the last 18 months and are determined to recover lost ground, but not at any cost.

Our competitors have repeatedly reduced prices during this period and some of their core products are now back to 2013 prices. They have effectively absorbed all of the 15% excise duty increase from January 2014. We believe this is a mistake and is damaging the spirits industry generally in the short term.

Our strategy is to focus on value creation by creating products that consumers are prepared to pay a premium for. We allowed our new product development programme to slow down in 2014 and competitors took full advantage of this by launching more new products than previously. We have taken steps to address this and launched 33 new products in Poland in 2015, 29 of which only reached customers in the second-half and therefore are still in the early stage of growth, but we expect them to have a more material impact on our profitability and market share in 2016. In addition, we have launched another three new products so far this year in Poland.

To demonstrate the success of our New Product Development (NPD) since IPO:

- The returns on our NPD investment have improved each year, with total gross margin exceeding the cost of investment by more than 2x over this period, therefore generating an immediate positive cash return;
- The impact of NPD has been margin accretive in all years;
- Even though the majority of NPD released in 2015 was towards the end of the year, it generated almost 6% of total Group turnover for the year.

As previously documented, following our decision to reduce discounts and rebates to "normal" levels, we ended 2014 and started 2015 with very poor relationships with many of our key customers, including Eurocash. This adversely affected our financial results and market share in 2015. We worked hard throughout 2015 to rebuild these relationships and are now trading with all of our regular customers again. We are supporting our customers with appropriate marketing and promotional activities and are increasing the number of small stores we cover in order to close the gap to our main competitor in this type of stores.

We could increase our market share significantly by reducing prices across the range, but this would result in reduced profit for Stock Spirits with the economic benefit transferred across to our customers, including Luis Amaral's Eurocash business. Nevertheless, we are addressing the competitive environment and product price differentials and we have decided to reduce prices on selected core products in order to ensure that we remain competitive – we should expect to see the results of this coming through in Q2 2016 onwards. We will not however participate in an aggressive price war in order to recover market share at any cost.

We expect all of the steps we are taking to have a positive impact on market share in 2016 and beyond.

*Western Gate said: "Corporate costs spiralling up 111% since 2011, whilst revenues have declined 11% over the same period" and "2015 corporate costs of €16.7m, which we believe are mainly comprised of the UK head office costs where the Company has no major revenue generating operations, equating to 31.2% of the Company's reported FY15 EBITDA"*

It is misleading to compare current costs with the cost base in 2011. As explained at the time of our IPO, the previous private equity structure we had then was not suitable for a company listed on the London Stock Exchange. We indicated that additional costs would be necessary and this was approved by the shareholders at the time. The analysis below therefore focuses on 2015 costs and key drivers of movements since IPO.

The comments made by Western Gate about corporate costs are also misleading. As has been clarified to Luis Amaral in each of the meetings he attended with us, our corporate costs include other costs in addition to pure head office costs. These include costs which are controlled through central budgeting but are charged to the operating businesses (market support costs); the direct costs of being a listed company and the costs for any projects which we undertake (for example refinancing or aborted M&A). In addition transactional and translation foreign exchange differences ("FX") are included in this category and FX, as has been highlighted in the results historically, has had a significant impact.

The table below shows the breakdown of those costs for 2015 and key movements since IPO (2013) as this is a more meaningful comparison. As can be seen total Group head office costs were £7m last year, and have reduced since the IPO. Clearly corporate costs are not mainly made up of UK head office costs as claimed by Western Gate. Western Gate has also claimed that the Group could significantly reduce costs by having the head office in Poland rather than the UK. Again as explained to Mr Amaral, the Board has discussed this and concluded that the one off costs and the huge disruption to the management of the business far outweigh any potential cost savings. Given Mr Amaral has stated that he does not wish to see the company delisted, any move of the head offices, would result in the PLC costs remaining.

The Board also notes that Western Gate's proposal to add two additional directors to the Board would unnecessarily increase the corporate costs. Corporate cost increases since the IPO have therefore been driven primarily by the significant impact of FX. The impact of the performance share plan and the costs of being a listed company have added to the cost base. The remaining cost base has reduced by over €3m since IPO to mitigate some of these additional costs. On a constant currency basis, total corporate costs, excluding FX, have actually decreased by €1,427k since IPO, this demonstrates careful management of the cost base not a lack of cost control.

	2015 €000	2013 €000	Variance €000
PLC	1,991	863	(1,128)
Market Support	4,246	5,552	
Head Office	7,029	8,744	
Insurance	1,095	1,051	3,024
Group audit	364	345	
Project costs & Other costs	457	523	
Performance Share Plan	469	-	(469)
<b>Total Corporate Costs at 2015 FX rates</b>	<b>15,651</b>	<b>17,078</b>	<b>1,427</b>
Transactional FX	1,076	(767)	(1,843)
Translation FX	-	2,095	(2,095)
<b>Corporate costs as Reported at actual rates</b>	<b>16,727</b>	<b>14,216</b>	<b>(2,511)</b>

Stock management have focussed on tight cost control since the business was formed in 2008 and will continue to do so going forward. Opportunities to reduce or eliminate unnecessary costs are proactively pursued on an ongoing basis.

*Western Gate said: "A culture of "Group Think" at the Board level which has helped contribute to "Remote control management" from the UK and, as evidenced by the market share loss and share price fall, is not working and may have resulted in the loss of key regional leadership with 5 regional managers (across 3 regions) leaving the Company since IPO and no dedicated Polish CEO in place since January 2015"*

At all times all of our businesses, including Poland, have been run by experienced management teams who have been based in the relevant market. In January 2015, the company appointed three very experienced, senior Group Executives to run the Polish business in place of the previous management team. Ian Croxford took up the role of Managing Director whilst Paula Cardwell took up the role of Finance Director and both were based full time in Poland throughout 2015. Richard Hayes, as Marketing Director, was also based in Poland full time until a local Polish Marketing Manager was appointed in September 2015. Paula Cardwell has now returned to her Group role following the appointment of Bradley Holder as Finance Director in February 2016. Brad has 20 years' experience in consumer goods companies in Poland including Coca Cola and Pepsi. Ian Croxford will remain full time in Poland until we have completed a full handover of the control of our Polish business to Marek Sypek, who will join Stock Spirits in June 2016. Marek Sypek has a wealth of experience of successfully running consumer goods companies in Poland and has delivered strong profit growth in companies including Johnson & Johnson and Agros-Nova (one of Poland's largest producers of soft drinks, jams and preserve vegetable products).

Following the other regional senior management appointments made over the last 12 months, Marek Sypek, our new Polish Managing Director appointment, now completes the regional senior management team, all of whom have significant experience of operating within listed companies.

We have consistently run all of our businesses, including Poland, with on the ground management teams based in the relevant market. There has been no "remote control" management from the UK, and in Poland we have now appointed a very experienced and talented Managing Director, who is a Polish National, to drive this business forward.

There is no "Group Think" at the Board other than ensuring that our Group values and policies are followed while respecting all local cultural differences. Board members visit local operations and debate with local management individually and collectively. The Board has a balance of complementary experiences which were expanded by the addition of a Polish resident national last year.

**Furthermore, Western Gate's proposals are detrimental to the Company as set out below:**

#### **Group Leadership**

Western Gate has requisitioned that Chris Heath be removed as the CEO of the Group.

Following the announcement made yesterday, this proposal is clearly no longer relevant as this resolution would be ineffective. As a result this resolution will not be put to shareholders at the AGM. However I would like to comment as follows. The Board and the Nomination Committee of Stock Spirits have been discussing executive succession plans for some time. This has been considered in the context of the future growth plans of the Group and in terms of the optimum organisational design. I have been discussing this directly with the former CEO of the Company, Chris Heath. In early February 2016, an international executive search firm was contracted to commence a professional search for a successor for the CEO role. The plans of your Board were to ensure that the Company had a new Polish managing director in place before initiating any specific changes at the CEO level, as we believed that the business would not benefit from any further period of uncertainty. Luis Amaral's actions clearly interrupted the Board's careful planning and have brought forward the plans that Chris Heath and the Board had made in this regard.

Notwithstanding the above and that the search is ongoing, the original intention was to announce the change once an appropriate CEO candidate had been selected and the final decision taken. However the Board considers that due to the current disruption, this is the right decision for the Company at this moment and, following the announcement that Chris Heath will be retiring and stepping down as CEO with immediate effect, Mirek Stachowicz has been appointed as interim CEO until a suitable permanent successor has been confirmed. Mirek has considerable experience in leading consumer branded companies in Poland and CEE, comparable in size and complexity to Stock Spirits, both in an executive and non-executive capacity. His experience and knowledge of the consumer goods markets in Poland and CEE equips Mirek, to take the business to the next stage of our recovery. Whilst serving as interim CEO he will be based in the Warsaw office.

**The Board believes that the management team in situ is best placed to see through initiatives currently being undertaken following the completion of the operational review.**



**Western Gate's interests are not necessarily aligned with the long term interests of Stock Spirits shareholders as a whole:**

Luis Amaral is the CEO and largest shareholder in Eurocash, the Company's largest customer. We believe this represents an overriding conflict of interest because as a customer Amaral would potentially benefit from changes to the Company's pricing strategies, understanding our competitive environment, and preventing any geographic diversification away from Eurocash's home market of Poland.

Management has put in place a number of initiatives to improve the performance in Poland. We have chosen not to chase uneconomic market share as this will be detrimental to the company and would only serve to benefit large customers such as Eurocash.

Western Gate and Luis Amaral's interests are therefore not necessarily aligned with other Stock Spirits shareholders who are focused on long term value creation.

**We believe Western Gate is seeking undue influence at the expense of other shareholders**

We believe that Western Gate and Luis Amaral, by proposing the appointment of two hand-picked directors to the Board, are seeking to gain undue influence, thereby limiting the Company's strategic and operational flexibility. This goes against best corporate governance, and would result in a degree of control beyond that which is appropriate for a minority shareholder in a listed company. Additionally, the appointment of directors chosen by Western Gate would effectively provide a transfer of influence, without any commensurate control premium to other Stock Spirits shareholders.

**We do not believe that the proposed directors can be judged to be independent**

The Board believes that any nominee put forward by Western Gate would have an overriding conflict of interest that would deem that nominee inappropriate to act as director of Stock Spirits. The role of the Board in discussing commercially sensitive matters, setting strategy and taking investment decisions would be unacceptably compromised in the presence of any representative appointed by the principal shareholder of Stock Spirit's largest customer.

In any event, the Board is strongly opposed to adding directors to the Board who may favour one particular shareholder over and above the interests of shareholders as a whole and would NOT consider any such nominee to be independent. Accordingly, the appointment of such directors could affect the Company's compliance with the UK Corporate Governance Code.

**The Board believes that the interests of all shareholders are best served by a Board that is independent from any shareholder, and hence the Board does not believe that it is in the interests of shareholders as a whole for any directors nominated by Western Gate to be appointed.**

**The Strength of Stock Spirits' Corporate Governance**

Stock Spirits has an experienced and diverse Board, with the required skills, experience and independence to review and challenge the Company's strategy effectively and in the interests of all shareholders. Three of the four existing non-executive directors, including the Senior Independent Director, were appointed following an extensive selection process prior to the IPO in October 2013.

Mirek Stachowicz, a Polish national based in Warsaw and who has been running consumer businesses in the CEE for the past 21 years, out of which 18 in Poland, was appointed as a non-executive director in November 2015. Mirek's appointment followed an extensive 6 month process comprising a review of the composition of the Board and, subsequently, a search for the most suitable new non-executive director. He has informed and enhanced the Board's focus on the key challenges in Poland.

We are confident that the current Board structure provides the right corporate governance framework for the Company and its shareholders and that the existing members have the appropriate combination of sector, geographic and UK public company experience. Despite the short term measures announced yesterday, the Board of Stock Spirits remains fully compliant with corporate governance best practice, and we do not believe that shareholders would benefit from the appointment of additional directors at this time.

The Nomination Committee reviews succession plans twice a year. The Board recognises that effective succession planning is fundamental to Board effectiveness. Ensuring there is development of talented personnel to move into senior management positions where appropriate, and providing cover for such positions, helps to mitigate the risks associated with unforeseen events such as the departure of a key individual, and also assists in promoting diversity. The necessary plans for short-term cover for senior roles were discussed and agreed on. As outlined in last year's Annual Report, a formal permanent succession plan has been developed, and this was enhanced.



## Stock Spirits is fully compliant with the UK Corporate Governance Code

### Stock Spirits' Existing M&A Strategy

As we set out in our preliminary results presentation and as discussed with shareholders including Luis Amaral and Western Gate during our recent roadshow, addressing the issues in Poland is unquestionably our first priority and this will not change until we see some further positive results from the actions being taken.

As part of the strategic review announced with our results, we reiterated that the principal elements of our strategic goals were still valid, but that we needed to make some small adjustments as we could not ignore the change in the Polish market and the difficulties experienced in completing any meaningful acquisitions in the CEE region. We decided to broaden our geographic footprint to include some adjacent territories which were similar in nature to those identified at the time of the IPO. We also believe that there may be attractive brands which are currently or potentially appealing to our existing markets but which are owned outside CEE. We are therefore surprised at Western Gate's false description of an entirely new strategy. We also explained that while our geographic focus for M&A has been broadened, management continue to focus only on the right acquisitions which add value where there are operational synergies. During the shareholder roadshow and the meetings with Western Gate we carefully explained that we did not intend to acquire companies outside our sphere of competence. We also reiterated that any material acquisition would require the approval of our shareholders. For example, taking into account 2015 results and the current share price, any potential acquisition for a purchase price above approximately €90m would in any case require shareholder approval (under the Listing Rules). The Board believes that Mr Amaral is not interested in the Company completing any small M&A transaction in the CEE area either despite this being the strategy approved by shareholders since the IPO.

It should also be said that if there is no success in achieving these goals, or identifying and executing sufficient value-creating investment opportunities in the near term, then capital will be returned to shareholders, but that is only secondary to utilising capital to grow value, which remains our goal as a Board.

In these circumstances, we do not believe that a further M&A review is necessary and would be costly and disruptive for the business.

### Strategy in other markets

The situation in Poland understandably commands the most attention, but we should not forget that our other markets performed very well in 2015. The Board is particularly pleased with the performance of the new products we launched in those markets recently and the progress that is being made with our third party brands. This has enabled us to grow market share and profitability in most markets, with some performing ahead of expectations.

**Stock Spirits' strategy has delivered considerable success in all markets over several years and we are now addressing the recent issues in Poland as recent results demonstrate.**

### Recommendation

For the reasons set out above, the Board of Stock Spirits considers that the Western Gate Resolutions are, in each case, not in the best interests of the Company or Stock Spirits Shareholders as a whole. The Board therefore unanimously recommends that all Stock Spirits Shareholders VOTE AGAINST the Western Gate Resolutions.

### Action to be Taken

You will find enclosed a Form of Proxy for use in connection with the Resolutions.

Please support your Board by completing the last part of the Form of Proxy to vote as indicated on the Form.

I look forward to seeing you at the forthcoming AGM.

Yours sincerely,



**David Maloney**  
Chairman

**Your vote is important we recommend you VOTE AGAINST  
the Requisitioned Resolutions.**





## Stock Spirits Group PLC ('the Company')

Incorporated and registered in England and Wales under number 8687223

# Notice of Annual General Meeting 2016

Notice is hereby given that the Annual General Meeting ("AGM") of Stock Spirits Group PLC will be held at 11:30am on Monday 23 May 2016 at JPMorgan's offices at 60 Victoria Embankment, London EC4Y 0JP to consider and, if thought fit, pass resolutions 1 to 15 overleaf.

### Important information:

This document is important and requires your immediate attention. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other independent professional adviser immediately. If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

A shareholder may appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the meeting, provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a member of the Company. To be valid, any form of proxy or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's Registrar, at the address shown on the form of proxy, or in the case of shares held through CREST, via the CREST system. Alternatively, a shareholder may appoint a proxy electronically at [www.capitashareportal.com](http://www.capitashareportal.com). In each case for proxy appointments to be valid, they must be received no later than 11.30am on Thursday 19 May 2016.

18 April 2016

## Dear Shareholder,

### Annual General Meeting 2016

I am pleased to enclose the Notice of Meeting for the AGM of Stock Spirits Group PLC which will be held on Monday, 23 May 2016 at 11:30am at JPMorgan's office, 60 Victoria Embankment, London EC4Y 0JP. The Notice of AGM, which follows this letter, sets out the business to be considered at the meeting. The purpose of this letter is to explain certain elements of that business to you.

### Resolution 1 – To receive the Company's Annual Report and Accounts

The Directors are required to present the accounts, Directors' Report and Auditor's Report to the meeting. These are contained in the Company's Annual Report and Financial Statements for the period ended 31 December 2015 (the "2015 Annual Report").

### Resolution 2 – To approve the Directors' Remuneration Report

Under section 420 of the Companies Act 2006 (the "Act"), the Directors must prepare an annual report detailing the remuneration of the Directors and a statement by the Chairman of the Remuneration Committee (together the "Directors' Remuneration Report"). The Act also requires that a resolution be put to shareholders each year for their approval of that report (excluding the part containing the Directors' Remuneration Policy). The Directors' Remuneration Report can be found on pages 71 to 84 of the 2015 Annual Report. Resolution 2 is an advisory vote only which means that payments made or promised to Directors will not have to be repaid, reduced or withheld in the event that this resolution is not passed. The Remuneration Policy was approved at the 2014 AGM and no changes to this are proposed.

### Resolution 3 – To approve a final dividend

The Company is proposing to shareholders a final dividend of €0.0455 per ordinary share. If this resolution is passed the recommended final dividend will be paid on 27 May 2016 to shareholders who are on the Register of Members of the Company at close of business on 6 May 2016.

### Resolutions 4 to 8 – Election and Re-election of Directors

The Company's Articles of Association require that each Director appointed to the Board shall retire and seek election at their first AGM following appointment and every three years thereafter. However, the Board has decided to comply with the UK Corporate Governance Code recommendation that all Directors of FTSE 350 companies should be subject to annual election by shareholders. Accordingly, each director will be seeking election or re-election at the AGM.

Each of the Directors standing for re-election has undergone a performance evaluation and has demonstrated that he or she remains committed to the role, continues to be an effective and valuable member of the Board, and is able to dedicate sufficient time to their duties.

The Directors also believe that the Board continues to include an appropriate balance of skills and provides effective leadership for the group. The Board has a variety of skills which include significant financial experience, extensive knowledge of the spirits industry, amongst others, and a wide variety of experience of public companies listed on the London Stock Exchange.

Full biographies of all the Directors are set out in the Company's 2015 Annual Report and are also available for viewing on the Company's website ([www.stockspirits.com](http://www.stockspirits.com)).

### Resolution 4 – To re-elect David Maloney as a Director

**Role:** Chairman

**Appointment to the Board:** 21 October 2013

**Committee membership:** Disclosure Committee, Nomination Committee (Chairman).

### Resolution 5 – To re-elect Andrew Cripps as a Director

**Role:** Senior Independent Director

**Appointment to the Board:** 21 October 2013

**Committee membership:** Audit Committee (Chairman), Remuneration Committee, Nomination Committee.

### Resolution 6 – To re-elect Lesley Jackson as a Director

**Role:** Chief Financial Officer

**Appointment to the Board:** 12 September 2013

**Committee membership:** Disclosure Committee.

### Resolution 7 – To re-elect John Nicolson as a Director

**Role:** Non-Executive Director

**Appointment to the Board:** 21 October 2013

**Committee membership:** Audit Committee, Nomination Committee, Remuneration Committee (Chairman).

### Resolution 8 – To elect Miroslaw Stachowicz as a Director

**Role:** Non-Executive Director

**Appointment to the Board:** 9 November 2015

**Committee membership:** Audit Committee and Remuneration Committee

Miroslaw shall act as Interim CEO in order to ensure the orderly continuation of the Company's business until the Board completes the appointment of a permanent CEO.

**Resolution 9 – To re-appoint KPMG LLP as auditor of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company**

This resolution proposes the reappointment of KPMG LLP as auditors of the Company.

**Resolution 10 – To authorise the Directors to determine the remuneration of KPMG LLP**

This resolution gives authority to the Audit Committee to determine the auditor's remuneration.

**Resolution 11 – To authorise the Directors to allot ordinary shares**

The authority in paragraph (a) of this resolution, if passed, would provide the Directors with a general authority to allot shares or grant rights to subscribe for, or convert other securities into, shares up to an aggregate nominal amount equal to £6,666,666 (representing 66,666,660 shares of £0.10 each). This amount is approximately one-third of the issued share capital of the Company as at 18 April 2016, being the last practicable date before the publication of this Notice.

Paragraph (b) under resolution 11 will grant the Directors authority to allot shares or grant rights to subscribe for, or convert other securities into, shares in connection with a rights issue in favour of shareholders up to an aggregate nominal amount equal to £13,333,333 (representing 133,333,330 shares of £0.10 each), as reduced by the nominal amount of any shares issued under paragraph (a) of this resolution. This amount represents approximately two-thirds of the issued share capital of the Company as at 18 April 2016, being the latest practicable date prior to the publication of this Notice. As at the date of this Notice, no ordinary shares are held by the Company in treasury.

This resolution complies with institutional investor guidance to allot a maximum aggregate nominal amount which represents no more than two-thirds of the Company's issued share capital. There are no current plans to allot shares except in connection with the Company's employee share schemes.

This authority will expire at the earlier of 31 May 2017 or the conclusion of the Company's next AGM. It is the intention of the Directors to seek renewal of each aforementioned authority every year.

**Resolution 12 – To authorise the Directors to dis-apply pre-emption rights**

This resolution would, if passed, allow the Directors to allot shares or sell treasury shares for cash (other than in connection with an employee share scheme), without having to offer such shares to existing shareholders in proportion to their own holdings (known as pre-emption rights).

The purpose of paragraph (a) of resolution 12 is to authorise the Directors to allot new shares pursuant to the authority given by paragraph (a) of resolution 11, or sell treasury shares, for cash (i) in connection with a pre-emptive offer or rights issue or (ii) otherwise up to a nominal value of £2,000,000 equivalent to 10% of the total issued ordinary share capital of the Company as at 18 April 2016, in each case without the shares first being offered to existing shareholders in proportion to their existing holdings.

The purpose of paragraph (b) of resolution 12, is to authorise the Directors to allot new shares pursuant to the authority given by paragraph (b) of resolution 11, or sell treasury shares, for cash in connection with a rights issue without the shares first being offered to existing shareholders in proportion to their existing holdings. This is in line with institutional investor guidance.

The board confirms that it will only allot shares representing more than 5% of the issued ordinary share capital of the Company (excluding treasury shares), for cash pursuant to the authority referred to in (a), where that allotment is in connection with an acquisition or specified capital investment (within the meaning given in the Pre-Emption Group's Statement of Principles) which is announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment. In respect of the authority referred to in (a), the board also confirms its intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling 3-year period where the Principles provide that usage in excess of 7.5% of issued ordinary share capital of the Company (excluding treasury shares) should not take place without prior consultation with shareholders, except in connection with an acquisition or specified capital investment as referred to above.

This authority will expire at the earlier of 31 May 2017 or the conclusion of the Company's next AGM. It is the intention of the Directors to seek to renew this authority every year.

### **Resolution 13 – To approve the purchase of the Company’s own shares**

This resolution would, if passed, authorise the Company to make market purchases of up to 20,000,000 of its own ordinary shares, representing 10% of the Company’s issued share capital as at 18 April 2016. The resolution specifies the minimum and maximum prices at which the ordinary shares may be bought under this authority.

This authority will expire at the earlier of 31 May 2017 or the conclusion of the Company’s next AGM. It is the intention of the Directors to seek to renew this authority every year.

The Directors have no present intention to exercise the authority granted by this resolution, but the authority provides the flexibility to allow them to do so in future. The Directors would not exercise the authority unless they believed that doing so would result in an increase in earnings per share and would promote the success of the Company for the benefit of its shareholders as a whole. Any shares purchased would be effected by a purchase in the market and may either be cancelled or held as treasury shares, which may then be cancelled, sold for cash or used to meet the Company’s obligations under its employee share schemes. The Company currently has no shares held in treasury.

As at 18 April 2016, the total number of options to subscribe for shares in the Company was 4,718,789 (approximately 2.36% of the Company’s issued share capital and approximately 2.62% of the Company’s issued share capital if the full authority proposed by resolution 13 was used and the shares purchased were cancelled).

### **Resolution 14 – Notice of general meetings, other than annual general meetings**

Under the Act, the notice period required for all general meetings of the Company is 21 days. AGMs will always be held on at least 21 clear days’ notice but shareholders can approve a shorter notice period for other general meetings.

This resolution would, if passed, allow the Company flexibility to call general meetings, other than AGMs, on not less than 14 clear days’ notice. If approved, it will be effective until the Company’s next AGM, when it is intended that a similar resolution be proposed. It is the Company’s intention that, in accordance with the September 2014 edition of the UK Corporate Governance Code, 14 working days’ notice would be given of any general meeting other than AGMs.

The shorter notice period would not be used as a matter of routine, but only where the flexibility was merited by the business of the meeting and was thought to be in the interests of the shareholders as a whole.

### **Resolution 15: Dividend Confirmation**

The Board has recently become aware of a technical issue with regard to the payment of the interim dividend to shareholders in September 2015. The Companies Act 2006 requires that a company must have distributable reserves equal to or greater than the amount of any dividend. Whilst the Company held more than enough cash to fund the amount

of the interim dividend, a portion of the reserves, believed to be distributable at the time the dividend was paid, were technically undistributable and as a consequence, the Company had insufficient distributable reserves. The Company is in the process of ensuring that there are sufficient distributable reserves at the Company level to cover the payment of that interim dividend and provide sufficient headroom for future distributions, including the 2015 final dividend (Resolution 3).

Resolution 15 amongst other things asks shareholders to release the current and former shareholders and directors from any claim by the Company for repayment of the interim dividend or any other claims in relation to it. The purpose of the resolution is to put shareholders and directors in the position in which they were always intended to be in.

### **Recommendation**

The Directors believe that resolutions 1 to 14 contained in the Notice of Meeting are in the best interests of the Company and shareholders as a whole and unanimously recommend that shareholders vote in favour of them, as the Directors intend to do in respect of their beneficial shareholdings.

For the purposes of Chapter 11 of the Listing Rules of the UK Listing Authority (the “Listing Rules”), each person who was a Director of the Company when the Interim Dividend was paid or who is a current Director of the Company is a related party of the Company. The entry by the Company into the Deed of Release for the Directors is therefore deemed to be a “smaller related party transaction” under Listing Rule 11.1.10R. As a result of their interest in its subject matter, such current and former Directors will not vote on Resolution 15.

As a result of their interest in its subject matter, the Directors will not vote on Resolution 15.

### **Action to be Taken**

If you would like to vote on the resolutions but will not be attending the AGM, you may appoint a proxy by completing and returning the enclosed proxy form. Alternatively, you may appoint a proxy electronically via [www.capitashareportal.com](http://www.capitashareportal.com) by following the instructions or, if you hold your shares in CREST, you can appoint a proxy via the CREST system. Notice of your appointment of a proxy should reach the Company’s registrar, Capita Asset Services, at the address shown on the proxy form, by 11.30am on Thursday, 19 May 2016. If you hold your shares through a nominee service, please contact the nominee service provider regarding the process for appointing a proxy.

Yours sincerely,



**David Maloney**  
Chairman

## Notice of Annual General Meeting

Notice is hereby given that the AGM of Stock Spirits Group PLC will be held on Monday, 23 May 2016 at 11.30am at JPMorgan's office, 60 Victoria Embankment, London EC4Y 0JP to transact the business set out in the resolutions below.

Resolutions 1 to 11 (inclusive) will be proposed as ordinary resolutions and resolutions 12 to 15 (inclusive) will be proposed as special resolutions.

Voting on all resolutions will be by way of a poll. Resolutions 1 to 11 will be proposed as ordinary resolutions; this means that for each of those ordinary resolutions to be passed, more than half of the votes cast must be in favour. Resolutions 12 to 15 will be proposed as special resolutions; this means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour.

### Ordinary resolutions

#### Report and accounts

1. To receive the Company's annual accounts for the financial year ended 31 December 2015 together with the Directors' Report and the Auditor's Report on those accounts.

#### Directors' Remuneration Report

2. To approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) set out on pages 71 to 84 of the Company's annual report and accounts for the financial year ended 31 December 2015.

#### Final Dividend

3. To approve a final dividend of €0.0455 per ordinary share in respect of the financial year ended 31 December 2015.

#### Re-election of Directors

4. To re-elect David Maloney as a Director.
5. To re-elect Andrew Cripps as a Director.
6. To re-elect Lesley Jackson as a Director.
7. To re-elect John Nicolson as a Director.
8. To elect Miroslaw Stachowicz as a Director.

#### Re-appointment of auditors

9. To re-appoint KPMG LLP as auditor of the Company, to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which the Company's accounts are laid before the Company.

#### Auditors' remuneration

10. To authorise the Audit Committee to determine the remuneration of the auditors.

#### Authority to allot ordinary shares

11. THAT, in accordance with Section 551 of the Act, the Directors be generally and unconditionally authorised to exercise all the powers of the Company to allot ordinary shares in the Company and to grant rights to subscribe for, or convert any security into ordinary shares in the Company:
  - (a) up to an aggregate nominal amount of £6,666,666 (such amount to be reduced by any allotments or grants made under paragraph (b) below in excess of such sum); and
  - (b) comprising equity securities (as defined in Section 560(1) of the Act) of the Company up to an aggregate nominal amount of £13,333,333 (such amount to be reduced by any allotments or grants made under paragraph (a) above) in connection with an offer by way of a rights issue:
    - I. to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - II. to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

These authorities shall apply in substitution for all previous authorities pursuant to Section 551 of the Act and expire on the date of the next AGM or on 31 May 2017 whichever is the earlier, but in each case save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities under any such offer or agreement as if the authority conferred by this resolution had not expired.



## Special resolutions

### Authority to dis-apply pre-emption rights

12. THAT, subject to the passing of resolution 12 and in accordance with Section 570 of the Act, the Directors be generally empowered to allot equity securities (as defined in Section 560(1) of the Act) for cash under the authority given by that resolution and/or sell ordinary shares held by the Company for cash as if Section 561(1) of the 2006 Act did not apply to any such allotment or sale, such power to be limited:

- (a) in the case of the authority granted under paragraph (a) of resolution 11 and/or in the case of any sale of treasury shares, to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (b) below) up to a nominal amount of £2,000,000; and
- (b) to the allotment of equity securities and sale of treasury shares in connection with an offer of, or invitation to apply for equity securities (but in the case of the authority granted under paragraph (b) of resolution 11, by way of a rights issue only):
  - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
  - (ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

This power shall expire on the date of the next AGM of the Company or on 31 May 2017 whichever is the earlier, save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities under such an offer or agreement as if the authority conferred by this resolution had not expired.

For the purposes of this resolution:

- I. "pre-emptive offer" means an offer of equity securities open for acceptance for a period fixed by the Directors to (a) holders (other than the Company) on the register on a record date fixed by the Directors of ordinary shares in

proportion to their respective holdings and (b) other persons so entitled by virtue of the rights attaching to any other equity securities held by them, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory;

- II. References to an allotment of equity securities shall include a sale of treasury shares; and
- III. The nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

### Purchase of own shares

13. THAT the Company be generally and unconditionally authorised for the purpose of Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of ordinary shares of £0.10 each in the capital of the Company, provided that:

- (a) the maximum number of ordinary shares which may be purchased is 20,000,000;
- (b) the minimum price, exclusive of any expenses, which may be paid for each ordinary share is £0.10;
- (c) the maximum price, exclusive of any expenses, which may be paid for each ordinary share is an amount equal to the higher of:
  - (i) 105% of the average market value of an ordinary share, as derived from the London Stock Exchange Daily Official List for the five business days prior to the day on which the purchase is made; and
  - (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venues where the purchase is carried out at the relevant time.

This authority shall expire on the date of the next AGM of the Company, or on 31 May 2017 whichever is the earlier, but, in each case, provided that the Company may, before such expiry, enter into a contract to purchase shares which will or may be executed wholly or partly after the expiry of such authority.

**Notice of general meetings, other than annual general meetings**

14. THAT a general meeting, other than an AGM, may be called on not less than 14 clear days' notice.

**Confirmation of Dividend**

15. THAT:

- (a) the Company hereby confirms the payment of the amount of €0.0125 per Ordinary Share by way of interim dividend on 25 September 2015 (the "Interim Dividend") to shareholders on the Register of Members on 28 August 2015, whereby distributable profits of the Company were appropriated to the payment of the Interim Dividend;
- (b) any and all claims which the Company may have in respect of the payment of the Interim Dividend against its shareholders who appeared on the Register of Members on the relevant record date for the Interim Dividend be released and a deed of release in favour of such shareholders be entered into by the Company in the form of the deed produced to this meeting and signed by the Chairman for the purposes of identification;
- (c) any distribution involved in the giving of any such release in relation to the Interim Dividend be made out of the profits appropriated to each Interim Dividend as aforesaid by reference to a record date identical to the record date for such Interim Dividend; and

- (d) any and all claims which the Company may have against its Directors (both past and present) arising out of the payment of the Interim Dividend be released and that a deed of release in favour of the Company's Directors be entered into by the Company in the form of the deed produced to this meeting and signed by the Chairman for the purposes of identification.

By order of the Board



**Elisa Gomez de Bonilla**  
Company Secretary  
19 April 2016

Stock Spirits Group PLC  
Registered Office: Solar House, Mercury Park,  
Wooburn Green, Buckinghamshire, HP10 0HH





**Stock Spirits Group PLC**  
**("the Company")**

(Incorporated and registered in England and Wales under number 8687223)

## **Notice of Requisitioned Resolutions at the Annual General Meeting 2016**

The following requisitioned resolutions will be added to the agenda of the Annual General Meeting ("AGM") to be held at 11:30am on Monday, 23 May 2016 at JPMorgan's office at 60 Victoria Embankment, London EC4Y 0JP.

Requisitioned Resolutions 16 to 17 (inclusive) will be proposed as ordinary resolutions; this means that for each of those ordinary resolutions to be passed, more than half of the votes cast must be in favour. Resolution 18 will be proposed as a special resolution; this means that for that resolution to be passed, at least three-quarters of the votes cast must be in favour.

As Mr Heath has retired, the requisitioned resolution regarding his removal is no longer effective and could not be properly moved at the AGM, and will therefore not be put to shareholders.

### **Ordinary resolutions**

16. THAT Mr Alberto Da Ponte be appointed as director of the Company with immediate effect.

17. THAT Mr Randy M. Pankevicz be appointed as a director of the Company with immediate effect.

### **Special resolution**

18. THAT we as shareholders of the Company direct the Company to conduct a further board level review of its M&A strategy and not to implement any M&A projects until such strategy is presented to and approved by the shareholders.

A shareholder has requisitioned putting forward these additional resolutions to this year's AGM, in accordance with section 338 of the Companies Act 2006.

By order of the Board

**Elisa Gomez de Bonilla**  
**Company Secretary**

19 April 2016

Stock Spirits Group PLC  
Registered Office: Solar House, Mercury Park, Wooburn Green, Buckinghamshire. HP10 0HH



## **STOCK SPIRITS GROUP PLC (THE “COMPANY”)**

RESOLUTIONS PROPOSED BY WESTERN GATE PRIVATE INVESTMENTS LIMITED (“WESTERN GATE”) TO ELECT MR ALBERTO DA PONTE AND MR RANDY M. PANKEVICZ AS DIRECTORS OF THE COMPANY, AND TO DIRECT THE COMPANY TO CONDUCT A FURTHER BOARD LEVEL REVIEW OF ITS M&A STRATEGY AND NOT TO IMPLEMENT ANY M&A PROJECTS UNTIL SUCH STRATEGY IS PRESENTED TO AND APPROVED BY THE SHAREHOLDERS

**Your Board UNANIMOUSLY recommends that you VOTE AGAINST the Resolutions proposed by the Western Gate (or Luis Amaral’s Western Gate Vehicle)**

**YOUR VOTE IS IMPORTANT!**

**Please lodge your Form of Proxy by  
NO LATER THAN  
11:30am on Thursday 19 May 2016**

**Your Board UNANIMOUSLY recommends that you VOTE AGAINST the requisitioned resolutions**

## NOTICE OF AVAILABILITY - VARIOUS DOCUMENTS

Important - please read carefully

You can now access the 2015 Report and Accounts and Notice of the 2016 AGM via the internet on [www.stockspirits.com](http://www.stockspirits.com).

You may also submit your proxy electronically using the Share Portal service at [www.capitashareportal.com](http://www.capitashareportal.com). If not already registered for the Share Portal, you will need your Investor Code below. Please note the deadline for receiving proxies is 11:30am on Thursday 19 May 2016.

## Annual General Meeting attendance card

The Annual General Meeting of Stock Spirits Group PLC will be held at 11.30am local time on Monday 23 May 2016 at JP Morgan's offices at 60 Victoria Embankment, London EC4Y 0SP.

If you would like to attend the meeting in your capacity as a holder of Ordinary Shares, please bring this card with you and present it on arrival.

Please detach the attendance card before posting the Form of Proxy.

Barcode:

Investor Code:

Signature of person attending

## Form of Proxy

For use at the Annual General Meeting of Stocks Spirits Group PLC to be held at 11.30am local time on Monday 23 May 2016 at JP Morgan's offices at 60 Victoria Embankment, London EC4Y 0SP.

Barcode:

Investor Code:

Before completing this form, please read the explanatory notes overleaf.

Event Code:

I/We..... being a member of the Company appoint the Chairman of the meeting, OR the following person

Number of shares for which proxy is authorised



as my/our proxy to attend, speak and vote on my/our behalf at the Annual General Meeting of the Company to be held at 11.30am local time on Monday 23 May 2016 at JP Morgan's offices at 60 Victoria Embankment, London EC4Y 0SP.

I/We direct my/our proxy to vote on the following resolutions as I/we have indicated on this form. If no indication is given, my/our proxy will vote or abstain from voting at his or her discretion and unless otherwise instructed, may vote as he/she sees fit or abstain in relation to any business of the meeting or adjourned meeting.  Please tick if multiple appointments made.

Please mark 'x' to indicate how you wish to vote

### Resolutions

	For	Against	Vote withheld
1. To receive the Accounts, the Directors' and Auditor's Reports.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To approve the Directors' Remuneration Report.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To declare a final dividend of €0.0455 per share.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect David Maloney as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-elect Andrew Cripps as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-elect Lesley Jackson as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. To re-elect John Nicolson as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. To elect Miroslaw Stachowicz as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. To re-appoint KPMG LLP as Auditor.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. To authorise the Audit Committee to determine KPMG's remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Resolutions

	For	Against	Vote withheld
11. To authorise the Directors to allot ordinary shares.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. To authorise the Directors to dis-apply pre-emption rights.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. To authorise the Company to purchase its own shares.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. To allow general meetings to be held on not less than 14 clear days' notice.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Confirmation of Dividend	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Requisitioned Resolutions

	For	Against	Vote withheld
16. To elect Alberto Da Ponte as a director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. To elect Randy M. Pankevich as a director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. To conduct a further board level review of M&A strategy and not implement any M&A projects until such strategy is presented to and approved by the shareholders.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you would like to follow your Board's recommendation then mark X in the boxes below

Signature of shareholder

Date

## Notes to the Proxy Form:

1. As a shareholder you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. Appointment of a proxy does not preclude you from attending and voting in person. If you have appointed a proxy and attend in person, your proxy appointment will automatically terminate. Unless you nominate someone else, the Chairman will act as your proxy who must vote as you direct and cannot change your votes. You are responsible for ensuring that your proxy attends the meeting and knows how you wish to vote. If you or your proxy does not attend, your vote will not be cast. Only registered shareholders can appoint a proxy.
2. If your proxy is being appointed in relation to less than your full voting entitlement, please enter the number of shares for which they are authorised to act in the space provided. If left blank, your proxy will be deemed to be authorised for your full voting entitlement. To appoint more than one proxy you may photocopy this form. Please also indicate if the proxy instruction is one of multiple instructions being given by ticking the box. All forms must be signed and returned together in the same envelope.
3. Place an 'X' where indicated showing how you wish to vote for each resolution. If you do not mark a resolution your proxy can decide how to vote. The "Vote withheld" option overleaf is provided to enable you to abstain on any particular resolution. However it should be noted that a "vote withheld" is not a vote in law and will not be counted. Sign and date the Proxy Card in the spaces provided. Where shares are held in joint names, only one shareholder needs to sign. If the shareholder is a corporation, the form must be executed under its common seal or signed by an officer, attorney or other person duly authorised by the corporation. Any alterations to this Proxy Card should be initialled.
4. Any power of attorney or other formal authority (if any) that has not already been lodged with Capita Asset Services and under which the Proxy Card is signed, or a notarially certified copy of such power or authority, must accompany the Proxy Card. Once completed, return the Proxy Card in the business reply envelope enclosed with this form or send to Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4TU. To be valid, Proxy Cards must be received by 11.30am (UK time) on Thursday 19 May 2016.
5. To be entitled to attend and vote at the meeting a holder of ordinary shares must be registered in the Register of Members by not later than 6.00pm (UK time) on Thursday 19 May 2016. Changes to the Register of Members after that time shall be disregarded in determining the rights of any holders to attend and vote at such meeting.



## Important notes

The following notes explain your general rights as a shareholder and your right to attend and vote at this AGM or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at 6:00pm on 19 May 2016 (or, in the event of any adjournment, 6.00pm on the date which is 48 hours before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting. There are no other procedures or requirements for entitled shareholders to comply with in order to attend and vote at the AGM. In alignment with best practice for Listed Companies, it is the current intention that voting at the AGM will be conducted by way of a poll and not by a show of hands. The Company believes that a poll is more representative of shareholders' voting intentions because shareholder votes are counted according to the number of ordinary shares held and all votes tendered are taken into account.
2. The doors will open at 11:00 am and you may wish to arrive by 11:15 am to enable you to register and take your seat in good time. Light refreshments will be provided at the meeting. If you have any special needs or require wheelchair access to the premises where the AGM is held, please, in advance of the meeting, contact Capita Asset Services, on 0871 664 0300. \*Calls to this number cost 12p per minute plus network extras. Lines are open Monday – Friday, 9.00am – 5.30pm (excluding public holidays in England and Wales). Mobile phones may not be used in the meeting hall and cameras and recording equipment are not allowed in the meeting hall.
3. Members are entitled to appoint a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the AGM. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company. A form of proxy which may be used to make such appointment and give proxy instructions accompanies this Notice. If you do not have a form of proxy and believe that you should have one, or if you require additional forms, please contact our Registrar, Capita Asset Services, on 0871 664 0300. \*Calls to this number cost 12p per minute plus network extras. Lines are open Monday – Friday, 9.00am – 5.30pm (excluding public holidays in England and Wales).
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
5. Any person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
6. The statement of the rights of shareholders in relation to the appointment of proxies in notes 3, 4 and 8 do not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
7. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.
8. To be valid, any form of proxy or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's Registrar, at the address shown on the form of proxy or in the case of shares held through CREST, via the CREST system, (see note 11 below). As an alternative to completing your hard-copy proxy form, you can appoint a proxy electronically at [www.capitashareportal.com](http://www.capitashareportal.com). In each case for proxy appointments to be valid, they must be received by no later than 11:30am on 19 May 2016. If you return more than one proxy appointment, either by paper or electronic communication, that received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.

9. The return of a completed form of proxy, other such instrument or any CREST Proxy Instruction (as described in note 11 below) will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM (and any adjournment of the AGM) by using the procedures described in the CREST Manual (available from <https://my.euroclear.com>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
11. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuers' agent (ID RA10) by 11:30am on 19 May 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuers' agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.
13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that no more than one corporate representative exercises powers in relation to the same shares.
14. As at 18 April 2016 (being the last practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 200,000,000 ordinary shares, carrying one vote each. No shares are held in treasury. Therefore, the total voting rights in the Company as at 18 April 2016 are 200,000,000.
15. Under Section 527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.
16. Any shareholder attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

17. Copies of Directors' service contracts, non-Executive Directors' letters of appointment, and in connection with Resolution 15, the deeds of release in favour of current and former Shareholders and Directors will be available for inspection at the registered office of the Company during normal business hours on any weekday (public holidays excepted) from the date of this Notice until the time of the AGM and may also be inspected at the AGM venue for 15 minutes prior to and during the meeting.
18. You may not use any electronic address provided in either this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website at <http://www.stockspirits.com>.

#### Location of Annual General Meeting



JPMorgan's office is located at:

**60 Victoria Embankment, London EC4Y 0JP**

Building address, please note that the main visiting entrance is 1 John Carpenter Street.

#### Underground

The following underground stations are within short walking distance:

**Blackfriars Station** is located approximately 100 meters east and provides access from the District and Circle underground lines.

**Temple Station** is located approximately 600 meters west and provides access from the Circle and District underground lines.

**St. Pauls** is also close by and provides access from central underground lines.

#### Rail

**Waterloo Station** is located approximately 1.4 kilometers south west and provides access from the mainline rail services to London and the South East and West as well as Northern, Waterloo and City, Bakerloo and Jubilee underground lines.

**City Thameslink** is located approximately 400 meters north and provides access from Thameslink mainline services between Bedford and Brighton.

**Blackfriars Station** provides access from Thameslink mainline services between Bedford and Brighton.

