

17<sup>th</sup> May 2016

## Western Gate Private Investments Limited

### Response to Stock Spirits' update in relation to Western Gate requisitioned resolutions

Western Gate Private Investments Limited ("Western Gate" or "we"), a 9.7% shareholder in Stock Spirits Group plc ("Stock Spirits" or the "Company"), notes today's release by Stock Spirits of an update regarding its upcoming AGM and its decision to undertake a process to appoint two additional independent non-executive directors.

While Western Gate is pleased that the company finally appears to have listened to its shareholders, and reached a sensible conclusion in relation to the need for additional experience on the Board, it is concerning that it has taken so long for this realisation to be made. It is also extremely disappointing that the Company continues to discredit their largest shareholder without whom none of these potential changes may have taken place in the first instance given the Board's reluctance to embrace change and acknowledge the challenges facing our Company.

In this regard Western Gate wishes to note the following:

- The Board of the Company, and in particular the Chairman Mr. Maloney who is also the head of the Nomination Committee, continues to be the only party that holds the view that Alberto da Ponte and Randy Pankevicz are not independent and lack the skills required to add value to the incumbent Board – this stance has been refuted by each of the three leading proxy advisory agencies; ISS, Glass Lewis and PIRC as well as the majority of shareholders Western Gate has engaged with to date;
- Western Gate reiterates for the benefit of all shareholders that the independent candidates already proposed are superbly qualified having run large organisations with much larger turnovers and each with over 20+ years in the European drinks industry as can be seen from their CVs here: [www.Westerngate.eu](http://www.Westerngate.eu)
- Western Gate has consulted extensively with its fellow shareholders and remains steadfastly of the view that a significant proportion of the Company's shareholders are fully supportive of its proposals and recognise the urgent need to add fresh perspectives to the Board of Stock Spirits;
- Having taken over six weeks following Western Gate's public proposal (and even longer since our initial engagement with the Board) to discuss these important issues with shareholders, a Board that has continually failed to deliver value is now asking those same shareholders for more time and to take another leap of faith – the process to be undertaken by the Company to appoint the new directors had not begun as of this morning and there is no guarantee of the timing required to identify potential candidates (or that any candidates identified will be any more qualified than the highly experienced candidates already identified) – with market share in Poland falling to an all time low in March 2016 Western Gate does not believe the Company can afford this luxury any longer; and
- Lastly, Western Gate does not believe the use of further shareholder capital to hire additional recruitment consultants is warranted when two such highly experienced, independent candidates have already been identified by a highly regarded independent executive search firm such as Heidrick & Struggles.

It is Western Gate's hope that the Company will accept the results of the votes at the AGM and not pursue any further value destructive proposals simply because the conflicted Board continues to harbour certain unjustified views regarding the proposed candidates.

**Luis Amaral said:**

*"I fail to understand the Board's continued resistance to the appointment of two highly experienced, independent candidates, especially when they have now taken the time to listen to their shareholders and agreed that additional experience is required. The promise of future performance is one that the Company has failed to live up to historically and the Company is running out of time given the continued deterioration of its performance in Poland.*

*The communication from Stock Spirits today has come as a surprise given I have been pushing for this type of action for months. I received a call from the Chairman asking me to withdraw my resolutions only a few hours before the release of the Company's announcement, which was likely already drafted. The Chairman could not put forward any names of their proposed candidates as the Company had not even met with an executive search firm yet and that is simply no basis to withdraw my resolutions given the support received from other shareholders for these proposals.*

*The Board needs to be strengthened and there are two extremely experienced independent candidates on the table who can start immediately after the general meeting, so I would urge all my fellow shareholders to support these important proposals."*

**Ends**

**Contact**

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**Notes to editors**

Alberto da Ponte is a veteran of the drinks industry for 25 years having run businesses for Heineken Group, Scottish and Newcastle, Unilever and Cadbury Schweppes.

Randy Pankevicz has worked in the drinks industry for 25 years primarily at PepsiCo International and has held senior commercial, operational and financial positions across its Central and Eastern Europe divisions.