

INDUSTRY	Consumer Services	COMPANY SECRETARY	Ciaran Stone
SECTOR	Food & Drug Retailers	INVESTOR RELATIONS	
SUB-SECTOR	Food Retailers & Wholesalers	TEL	
INCORPORATED	United Kingdom	WEB	www.conviviality.co.uk
LISTINGS	AIM*		

Governance

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Agenda Items

- RES 1** **Report & Accounts:** Absence of explanations for non-compliance. Certain recommended governance disclosures absent. No formal performance evaluation process. No say-on-pay resolution.
- RES 2** **Declare Dividends:** Ordinary dividend not covered by distributable profits.
- RES 3** **Elect Directors (Adams):** No Board Diversity policy disclosed. No say-on-pay resolution. Poor progress on Board gender diversity. Significant other commitments

Remuneration

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Agenda Items

- RES 17** **Ratification of prior act:** That any payments made to the Directors out of the funds of the Company pursuant to Article 101 of the Company's Articles of Association in excess of the aggregate limit specified in Article 101 of the Articles, and any other inadvertent breach by the Directors of the duties imposed by Article 101 of the Articles be ratified
- RES 18** **NED Fee Ceiling:** Aggregate 60% increase in limit on non-executive fees.

Sustainability Disclosure

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RATING	TIMELINESS	PERCENTAGE	OVERALL
Poor	N/A	14%	44

Manifest Contacts

Governance: [George Smith](#)

Remuneration: [Alex Pleasance](#)

Sustainability: [Rosie Clarke](#)

1 Company Overview

1.1 Principal Activities

The Company operates primarily in the alcoholic drinks wholesaling market.

1.2 Strategy

'The Conviviality goal is to be the drinks and impulse products sector's leading specialist wholesaler and distributor to the On Trade and Off Trade by being the most knowledgeable and inspiring partner for our customers'

To achieve this goal, the Company has adopted three strategic themes:

- Maximising returns
- Succeeding together
- Delighting customers & partners

1.2.1 Key Financials

	52 WEEKS ENDED 30/04/2017	53 WEEKS ENDED 01/05/2016
MARKET CAP	£529.1m	£331.7m
TURNOVER	£1,560.1m	£864.5m
PROFIT BEFORE TAX	£22.5m	£9.1m
NET PROFIT	£18.4m	£5.3m
DIVIDENDS PAID	£21.8m	£15.9m
ORDINARY GBP 0.0002		
BASIC EPS	£0.108	£0.046
ADJUSTED EPS	£0.104	£0.147
ORD DIVIDEND PER SHARE	£0.126	£0.095

The financial statements have been prepared in accordance with UK GAAP.

Unqualified audit opinion.

The directors have confirmed the going concern basis has been adopted when preparing the accounts.

1.2.2 Advisors

ADVISOR	NAME	ADVISOR	NAME
AUDITOR	KPMG LLP	BANKER	Royal Bank of Scotland plc; The
NOMINATED ADVISOR	Investec Bank plc	REMUNERATION ADVISOR	Kepler Associates Ltd
SOLICITOR	DLA Piper UK LLP	STOCKBROKER	Investec Bank plc

1.3 Political Donations & Expenditure

The Company has not disclosed a policy in relation to making political donations, nor has it disclosed whether it made any during the year under review.

2 Governing Documents & Shareholder Meetings

Standard UK shareholder rights apply. No significant concerns identified.

The Company, although not required to, has compared its corporate governance practises against that of the UK Code. Due to the Company being listed on AIM, Manifest has compared the corporate governance practices against that of the QCA Code and has added further commentary where applicable.

3 Capital Structure

3.1 Issued Share Capital One Vote Per Share

Share Type:	Ordinary GBP 0.0002	ISIN: GB00BC7H5F74	Primary Listing: AIM
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NOTE: Capital structure is as at end of the financial year.

Deferred Shares

'Holders of deferred shares do not have any right to receive notice of any general meeting or to attend, speak or vote at any general meeting of the Company. No dividend shall arise on deferred shares save for a cumulative fixed rate dividend of 0.000001% per annum of the nominal value of the deferred shares. On a return of capital on a winding up, holders of deferred shares shall receive only an amount equal to each deferred share's nominal value after all other shares have received £1,000,000, and deferred shares shall have no other rights to participate in the assets or profits of the Company. The Company may redeem or purchase all or any of the deferred shares for an aggregate sum equal to the accrued, but unpaid dividend due on such shares and any Director may execute any transfer of such deferred shares on behalf of the holders of such deferred shares.'

3.1.1 Share Capital Development

	APR 2017	MAY 2016	APR 2015
Year-end Issued share capital (millions)	172.6	155.2	66.9
Nominal value	GBP 0.0002	GBP 0.0002	GBP 0.0002

3.1.2 Authorisations to Increase Capital

TYPE	SOURCE	SIZE	SIZE - DISAPPLY PRE-EMPTION RIGHTS	EXPIRES	RENEWAL?
Authority to Issue Shares	AGM 2016, RES 14	33.33%	10.0%, for non-cash consideration (>10% prospectus required)	This AGM	RES 13
Authority to Issue Shares without pre-emption rights, for cash	AGM 2016, RES 15	N/A	5.0%, for cash consideration	This AGM	RES 14 & 15

During the year, 15,609,757 shares were issued in relation to the acquisition of Bibendum PLB Group and a further 1,794,689 shares were issued to satisfy various share schemes.

3.1.3 Capital Strength & Distributions

'The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders through optimising the debt and equity balance. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the Company comprising issued capital, reserves and retained earnings as disclosed in the consolidated statement of changes in equity. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's capital is not restricted. Management may seek additional external borrowings to fund the future investment and growth of the Group.'

Share Buyback Authorities

TYPE	SOURCE	SIZE	EXPIRES
Share Buybacks	AGM 2016; RES 16	10%	This AGM

Share Buyback Programme

No formal buyback programme announced.

Buyback History

KPI?	METRIC	APR 2017	MAY 2016	APR 2015
	Buybacks spend	-	-	-
	Average purchase price	N/A	N/A	N/A
	Year-end Share Price	3.06	2.14	1.43
	Shares in Issue (m)	172.6	155.2	66.9

At the date of this report, the share price is £3.9125.

Dividend Policy

The Company has adopted a progressive dividend policy.

4 Ownership

4.1 Disclosed Shareholdings

NAME	% HOLDINGS
Old Mutual plc	8.65
River & Mercantile Asset Management LLP	7.19
Octopus Investments Ltd	6.69
Premier Asset Management plc	5.52
AXA SA	5.47
Hargreave Hale Ltd	4.74
Miton Group plc	4.35
Close Brothers Group plc	4.30
Unicorn Asset Management Ltd	4.02
Jupiter Asset Management	3.18
Janus Henderson Group plc	3.00

5 Internal Control & Risk

5.1 Risk Committee

A separate risk committee has been established which is chaired by the Chief Financial Officer. The Risk Committee reports to the Board.

5.2 Internal Control

Disclosures follow best practice. No specific concerns identified in the corporate governance report.

5.3 Internal Audit

The Company has not established an internal audit function. Such a function is not however a recommendation of the QCA Code.

Company Explanation: 'The Board has reviewed the effectiveness of the Groups system of internal controls and has considered the need for an internal audit function. At this stage the Board has decided that an internal audit function is not required as the Groups internal controls system in place is appropriate. The Board will keep this under review.'

5.4 Risk Management

During the period under review no significant failings or weaknesses have been identified.

6 Audit & Accountability

6.1 Finance Director

Andrew Humphreys has been the Chief Financial Officer since June 2014. He has previously served as CFO for Direct Wines and held various financial roles at Shop Direct Group and Carphone Warehouse Group plc.

6.2 Audit Committee

POSITION	MEMBER	INDEPENDENCE CONCERNS	ATTENDANCE	OTHER AUDIT COMMITTEE ROLES	FINANCIAL EXPERT	BACKGROUND
Chairman	Wilson	-	2 meetings held during the year.	-	Yes	CEO for Headlam Group plc
Member	Adams	-	Individual attendance not disclosed.	Hornby plc, Halfords Group plc, Alexon Group plc, Fevertree Drinks plc	Yes	Ex-FD for House of Fraser plc

Composition complies with recommendations of the AIC Code.

Despite being a recommendation of the QCA Code, the Company has not made the terms of reference available on the Company website.

6.3 Auditors

6.3.1 Appointment, Tenders & Partner Rotation

KPMG LLP has been the external auditor since November 2015.

6.3.2 Auditor Partner & Audit Opinions

	APR 2017	MAY 2016	APR 2015
Audit Firm	KPMG LLP	KPMG LLP	Grant Thornton UK LLP
Audit Partner	Nicola Quayle	Nicola Quayle	Stuart Muskett
Auditor Liability Limitation Agreement	-	-	-
Audit Opinion	Unqualified	Unqualified	Unqualified
Emphasis of Matter	No	No	No

Audit Partner

Quayle is also audit partner for Pets At Home Group plc (31 Mar) and Card Factory plc (31 Jan).

Source: Manifest data, from latest available annual reports.

6.3.3 Audit Quality & Independence

	APR 2017	MAY 2016	APR 2015
Audit & Audit-related Fees (k)	£251.0	£188.0	£46.0
Audit Fees as % of Revenue	0.02%	0.02%	0.01%
Non-audit Fees (k)	£0	£6.0	£63.0
Non-audit Fees as % of Audit Fees	0.0%	3.2%	137.0%

6.3.4 Non-Audit Services Approval Process

An approval process has not been disclosed.

6.4 Voting Results - For %

RESOLUTION	AGM: Sep 2016
Director Election - Chairs Audit Committee	100.0%
Auditor - Remuneration	100.0%
Auditor - Appointment	100.0%

For full detail of voting results see Meetings page on [Manifest.info](#)

7 The Board

7.1 Composition & Structure

	STRUCTURE	BOARD OF DIRECTORS
Company	Unitary	8
Comparator: Index	Unitary	6.4
Comparator: Sector	Unitary	9.1

7.1.1 Director Summary

NAME	TITLE	AGE	FIRST APPOINTED	C'TEE **	ISSUES
<u>Aylwin, Mark</u>	Managing Director of Conviviality Direct	54	May 2016		
<u>Humphreys, Christopher</u>	Chief Financial Officer	51	Jun 2014		
<u>Hunter, Diana</u>	Chief Executive Officer	49	Feb 2013		
<u>Robinson, David</u>	Managing Director of Conviviality Trading	50	Aug 2016		

NAME	TITLE	AGE	FIRST APPOINTED	C'TEE **	IND (CO)*	IND *	ISSUES
<u>Adams, David</u>	Chairman	62	Jul 2013	A, N, R	✓	✓	
<u>Jones, Ian</u>	Non-executive Director	60	May 2015	N, R	✓	✓	
<u>Newman, Martin</u>	Non-executive Director	51	Feb 2014	N, R	✓	✓	
<u>Wilson, Steve</u>	Lead Independent Director	62	Feb 2014	A, N, R	✓	✓	

NOTE: Data relates to those directors serving on the Board following the meeting and to the latest financial year.

Ind (Co) = Company considers independent; Ind = No independence issues; Ind On Appt = Independent on appointment. **R = Remuneration Committee; A = Audit Committee; N = Nomination Committee; Bold = Chair. Name In Bold = Retiring and standing for (re)election.

7.1.2 Board of Directors Appointments

DATE	NAME	TITLE	REASON
09 May 2016	Jennifer Laing	Non-executive Director	Normal appointment
09 May 2016	Mark Aylwin	Managing Director	'Invited to the Board'
01 Aug 2016	David Robinson	Managing Director	'Invited to the Board'

7.1.3 Board of Directors Departures

DATE	NAME	TITLE	REASON
30 Apr 2017	Jennifer Laing	Non-executive Director	Personal reasons ¹

Changes from 2/May/2016 (Start of last financial year).

7.2 Nomination

7.2.1 Nomination Committee

POSITION	MEMBER	INDEPENDENCE CONCERNS	ATTENDANCE
Chairman	Adams	-	
Member	Jones	-	Individual attendance not disclosed.
Member	Newman	-	
Member	Wilson	-	

Composition complies with recommendations of the AIC Code.

The whole of the Nomination Committee are also members of the Remuneration Committee.

Despite being a recommendation of the QCA Code, the Company has not made the terms of reference available on the Company website.

7.2.2 Succession

Following the resignation of Laing from the Board, a search process was undertaken for her replacement, which is still ongoing.

¹ <https://www.investegate.co.uk/conviviality-plc/rns/board-change/201703220700071412A/>

7.3 Diversity

The QCA Code states that the board must have an appropriate balance of functional and sector skills and experience available to it in order to deliver the strategy, make key decisions and plan for the future. Furthermore, the QCA Code states that the board should seriously consider the promotion of greater board diversity, including a focus on gender diversity.

POSITION	NUMBER	GENDER		NATIONALITY	PROFESSIONAL EXPERIENCE
		MALE	FEMALE		
Chief Executive	1	0	1	British	Retail
Other Executives	3	3	0	British (3)	Finance, Logistics
Chairman	1	1	0	British	Retail
Other NEDs	3	3	0	British (3)	Retail, Finance
TOTAL	8	7	1		

Comparison: Gender Diversity (% of Females)

COMPARATOR	BOARD	EXECUTIVES	NON-EXECUTIVES
Company	12.5%	25.0%	0.0%
FTSE AIM 100 Index	11.9%	7.4%	15.0%
FTSE AIM UK 50 Index	12.1%	8.5%	15.1%
UK & Ireland Food & Drug Retailers Sector	21.4%	7.4%	28.1%

7.4 Leadership

Adams serves as Chairman of the Board and is considered to be independent. Wilson serves as Lead Independent Director

7.5 Independence

The composition of the Board after the AGM is consistent with the recommendations of the QCA Code which recommend that it consists of at least two non-executive directors, (one of whom may be the Chairman), determined by the Board to be independent.

COMPARATOR	EXECUTIVE	NON-EXECUTIVE			
		INDEPENDENT BY COMPANY		INDEPENDENT BY MANIFEST	
		YES	NO	YES	NO
Company	50.0%	50.0%	0.0%	50.0%	0.0%
FTSE AIM UK 50 <i>46 companies</i>	36.5%	42.6%	6.8%	35.8%	19.6%
Food & Drug Retailers <i>44 companies</i>	19.6%	59.6%	15.3%	52.8%	24.5%

NOTE: Manifest's assessment of independence based on a strict application of the local corporate governance code and best practice. Percentages represent the proportion of the Board.

7.6 Attendance & Meetings

MEETINGS	NUMBER HELD	% ATTENDANCE	NOTABLE ABSENCES
Board of Directors	8	97.1%	Laing (attended 7 meetings of 8 eligible), Wilson (attended 7 meetings of 8 eligible)
Non-executive directors in the absence of executive directors	Not disclosed whether such meetings are held	N/A	

7.7 Tenure & Refreshment

COMPARATOR	EXECUTIVE		NON-EXECUTIVE	
	AVERAGE TENURE (YEARS)	YEARS SINCE LAST APPOINTMENT	AVERAGE TENURE (YEARS)	YEARS SINCE LAST APPOINTMENT
Company	2.6	1.1	3.4	2.3
FTSE AIM 100 Index	8.4	-	7.2	-
FTSE AIM UK 50 Index	8.8	-	7.5	-
UK & Ireland Food & Drug Retailers Sector	8.3	-	6.3	-

**Calculated based on first appointment to Board, not current position. Sector relevant to Company.*

7.8 Terms of Office

The non-executive directors' terms of appointment are recorded in letters of appointment. Appointments are for an initial period of three years.

7.9 Director Election Process

All directors stand for annual re-election.

7.10 Performance & Responsiveness

7.10.1 Evaluation

The annual report does not disclose any information regarding whether an evaluation has been undertaken during the year. The QCA Code recommends that the board should periodically review its performance, as well as the performance of its board committees and the performance of individual board members.

7.10.2 Company Performance

Market Capitalisation

KPI?	METRIC	APR 2017	APR 2016	APR 2015
	Market Cap	£529.1m	£331.7m	£95.7m
	Share Price at Year-end	£3.06	£2.14	£1.43

8 Remuneration Governance Overview

8.1 Remuneration Committee

MEMBER	IND?	ATTEND.	OTHER REM COM ROLES	BACKGROUND	LISTED CO CEO?
Adams	-	5 meetings held during the year.	Hornby plc, Halfords Group plc, Alexon Group plc, Fevertree Drinks plc	Ex-FD for House of Fraser plc	-
Jones	-	Individual attendance not disclosed.	-	Retail	-
Newman	-		-	Retail industry	-
Wilson	-		-	CEO for Headlam Group plc	Yes

Composition complies with recommendations of the QCA Code.

Despite being a recommendation of the QCA Code, the Company has not made the terms of reference available on the Company website.

8.2 Advisors

SOURCE	NATURE OF ADVICE	FEES	OTHER SERVICES TO GROUP
Kepler Associates Ltd	Services provided by Kepler included advice on remuneration packages for executives and assistance with a review of their incentive arrangements, drafting the Director's Remuneration Report, as well as other ad-hoc advice related to remuneration.	Not disclosed	None

8.3 Engagement

Shareholder Engagement

'During this year, we have reviewed that framework and engaged in consultation with our major shareholders, holding around 60% of the share capital of the business, on two topics executive bonus deferral, and the introduction of an extra level of potential LTIP, awarded in return for exceptional performance. Feedback from the consultation exercise was taken into account in our approach going forward in these two areas of remuneration. The key changes in the annual bonus deferral arrangements are a mandatory deferral of 25% of any bonus earned, the opportunity to defer up to 100% at the executive's discretion, the introduction of an extra allocation of shares as an incentive to do so, and the introduction of a three year holding period. For the Long Term Incentive Plan we have introduced a "super stretch" target with a 20% higher award potential, taking the CEO award to a potential 150% of base salary and other executive directors to 120%. A two year holding period has been introduced on top of the three year vesting period.'

Stakeholder & Employee Engagement

None.

9 Pay Equity

9.1 Pay Ratios – CEO to Other Executive Directors

	2015	2016	2017
CEO Single Figure	£581,468	£845,345	£966,000
CFO Single Figure	£298,257	£477,177	£554,000
CEO to CFO Multiple	2	2	2
Next Highest Paid	£287,625	£86,093	£677,000
CEO Multiple	2	10	1

9.2 All-Employee Share Schemes

- Employee Share Option Plan

10 Fees: Non-Executive Directors

10.1 Policy

Annual Fee ('Retainer')	Basic fee with supplementary fees for additional Board / committee responsibilities. No meeting attendance fees.
Benchmarking	'Fee levels are benchmarked against similar roles at comparable companies.'
Delivery	Entirely in cash.
Meeting -related Benefits	None noted.
Other Benefits	No entitlement.
Bonus / LTIP	No entitlement.
Notice	Letter of appointment specified three months.
Severance	No entitlement to any compensation on loss of office.
Pension	No entitlement.

10.2 Fee Rates

BASIC FEE	FROM MAY 2017 (GBP)	FROM MAY-2016 (GBP)	% CHANGE
Chairman	120,000	120,000	0%
Non-executive Director	45,000	45,000	0%
ADDITIONAL FEES			% CHANGE
Lead Independent	5,000	5,000	0%
Audit Committee - Chairman	5,000	5,000	0%
Remuneration Committee - Chairman	5,000	5,000	0%

10.3 Fees Received

NAME	POSITION	FULL YEAR?		GBP	FEE
		2017	2016		% CHANGE
Adams	Chairman	✓	✓	120,000	84.62
Jones	NED	✓	N/A	45,000	-
Laing	NED	x	N/A	50,000	-
Newman	NED	✓	✓	45,000	12.50
Wilson	LID	✓	✓	55,000	37.50

10.4 Comparison: Chairman's Fees

COMPARISON	MARKET CAP PERCENTILE	FEE RANK	CHAIR ADAMS £120k
FTSE AIM 100 Index <i>43 companies</i>	69	Percentile Rank	77
		Upper Quartile	£113k
		Median	£80k
FTSE AIM UK 50 Index <i>31 companies</i>	63	Percentile Rank	71
		Upper Quartile	£121k
		Median	£90k
UK & Ireland Food & Drug Retailers Sector <i>8 companies</i>	19	Percentile Rank	19
		Upper Quartile	£425k
		Median	£189k

Data relates to latest financial year and only to those directors serving for the entire year.

11 Meeting Business Analysis

Resolution 1: To adopt the report & accounts for the year ended 30 April 2017

This resolution seeks to approve the annual report and accounts for the financial year under review.

REGULATION	SOURCE	STATUS
Accounts sent to shareholders not later than six months after the end of the financial year to which they relate.	AIM Rules for Companies (Rule 19)	Compliant
Accounts circulated to members at least 21 days before AGM	Companies Act 2006 (s424)	Compliant
AGM to be held within six months of the accounting reference date	Companies Act 2006 (s336)	Compliant

The QCA Guidelines recommend that annual reports should attempt to link governance to strategy, performance and the management of the risks arising out of its strategy. A clear statement of the company's strategy and plans, linked into its financial reporting and how it is run, will enable investors to make informed decisions on the company.

It further recommends that companies should publish a corporate governance statement annually that describes how they achieve good governance. The corporate governance statement should feature clear and succinct disclosures which describe the corporate governance structures at the Company and, where they depart from the basic principles included in the QCA Guidelines, provide an explanation of why the Company's arrangements are best for the Company given its current stage of development.

The following issues have been identified which may be of interest to shareholders:

No performance evaluation process in place for the Board, individual directors and the executive board.

The Company has not put its remuneration policy or report forward for shareholder approval.

The Company has not provided all of the recommended governance disclosures.

Non-compliance with corporate governance code provisions has been identified, however the explanation for non-compliance has not been provided. As such the Company has failed to adhere to the comply or explain basis in its reporting.

Manifest Sustainability Disclosure Assessment

Manifest has assessed the Company's disclosures against the recommendations of the AIC Code, institutional investor guidelines and the disclosure requirements set out in both the Companies Acts and the UKLA Listing Rules.

Company Grade	E
Company Score	44

Resolution 2: To declare a dividend

ORD DIVIDEND PER SHARE	APR 2017	MAY 2016	% CHANGE
Ordinary GBP 0.0002	£0.126	£0.095	32.63%
SPECIAL DIVIDEND PER SHARE	APR 2017	MAY 2016	% CHANGE
Ordinary GBP 0.0002	£0	£0	N/A
DIVIDEND DETAILS	APR 2017	MAY 2016	% CHANGE
Ordinary Dividend	£21,787,538	£15,903,000	37.00%
Total Dividend	£21,787,538	£15,903,000	37.00%
Profit Attributable To Shareholders	£18,446,000	£5,270,000	250.02%
Dividend Cover	0.85 times	0.33 times	-

Dividends have not been covered by earnings.

Resolution 3: To re-elect as a director, David Adams

Chairman	Age: 62	First Appointed: Jul 2013	Last re-elected: Sep 2016 (98.3% For)
Company Consider Independent: Yes		Notice Period: 3 month Letter of Appointment	
Manifest Consider Independent: Yes			
Member of the Audit Committee. Chairman of the Nomination Committee. Chairman of the Remuneration Committee.			
Other Directorships: Chairman of Alexon Group plc & Ecovision Ltd & Musto Ltd & Park Cameras Ltd, Lead Independent Director of Halfords Group plc & Hornby plc, Non-executive Director of Elegant Hotels Group plc & Fevertree Drinks plc & Thinksmart Plc			
Nationality: British			
Qualifications: MA (Hons), FCMA			

Manifest has been unable to identify any publicly disclosed Board diversity policy.

Given that the nominee holds a number of other non-executive roles held at listed companies, these represent significant other commitments. There may be concerns as to whether the nominee will be able to meet the time commitments expected of this role.

The Company has shown poor progress in terms of increasing Board diversity in relation to gender.

The Company has not put its remuneration policy or report forward for shareholder approval.

Resolution 4: To re-elect as a director, Diana Hunter

Chief Executive Officer	Age: 49	First Appointed: Feb 2013	Last re-elected: Sep 2016 (100.0% For)
Company Consider Independent: N/A		Notice Period: 12 month Open Ended Contract - Rolling Notice Period	
Termination Provisions: Basic salary in lieu of notice.			
Termination Provisions (Change of Control): No additional provisions			
Not a committee member.			
Other Directorships: None noted.			
Nationality: British			

Resolution 5: To re-elect as a director, Andrew Humphreys

Chief Financial Officer & Company Secretary	Age: 51	First Appointed: Jun 2014	Last re-elected: Sep 2016 (100.0% For)
Company Consider Independent: N/A		Notice Period: 6 month Open Ended Contract - Rolling Notice Period	
Termination Provisions: Basic salary in lieu of notice.			
Termination Provisions (Change of Control): No additional provisions			
Not a committee member.			
Other Directorships: None noted.			
Nationality: British			

Resolution 6: To re-elect as a director, Ian Jones

Non-executive Director	Age: 60	First Appointed: May 2015	Last re-elected: Sep 2016 (100.0% For)
Company Consider Independent: Yes		Notice Period: 3 month Letter of Appointment	
Manifest Consider Independent: Yes			
Member of the Nomination Committee. Member of the Remuneration Committee.			
Other Directorships: None noted.			
Nationality: British			

Resolution 7: To re-elect as a director, Martin Newman

Non-executive Director	Age: 51	First Appointed: Feb 2014	Last re-elected: Sep 2016 (100.0% For)
Company Consider Independent: Yes		Notice Period: 3 month Letter of Appointment	
Manifest Consider Independent: Yes			
Member of the Nomination Committee. Member of the Remuneration Committee.			
Other Directorships: None noted.			
Nationality: British			

Resolution 8: To re-elect as a director, Steve Wilson

Lead Independent Director	Age: 62	First Appointed: Feb 2014	Last re-elected: Sep 2016 (100.0% For)
Company Consider Independent: Yes		Notice Period: 3 month Letter of Appointment	
Manifest Consider Independent: Yes			
Chairman of the Audit Committee. Member of the Nomination Committee. Member of the Remuneration Committee.			
Other Directorships: Chief Executive of Headlam Group plc			
Nationality: British			
Qualifications: FCA			

Resolution 9: To re-elect as a director, Mark Aylwin

Managing Director of Conviviality Direct	Age: 54	First Appointed: May 2016	Last re-elected: Sep 2016 (100.0% For)
Company Consider Independent: N/A		Notice Period: 6 month Open Ended Contract - Rolling Notice Period	
Termination Provisions: Basic salary in lieu of notice.			
Termination Provisions (Change of Control): No additional provisions			
Not a committee member.			
Other Directorships: None noted.			
Nationality: British			

Resolution 10: To re-elect as a director, David Robinson

Managing Director of Conviviality Trading	Age: 50	First Appointed: Aug 2016	Last re-elected: Sep 2016 (100.0% For)
Company Consider Independent: N/A		Notice Period: 6 month Open Ended Contract - Rolling Notice Period	
Termination Provisions: Basic salary in lieu of notice.			
Termination Provisions (Change of Control): No additional provisions			
Not a committee member.			
Other Directorships: None noted.			
Nationality: British			

Resolution 11: To re-appoint as auditors, KPMG LLP**Resolution 12: To authorise the directors to determine the auditor's remuneration**

KPMG LLP	APR 2017	MAY 2016	2 YEAR TOTAL
Audit Fees:	£236,000	£170,000	£406,000
Audit Related Fees:	£15,000	£18,000	£33,000
Non-audit Fees:	£0	£6,000	£6,000
As a % of Audit Fees:	0.00%	3.19%	1.37%
Non-audit Breakdown	N/A	Other assurance services: £6,000	

Resolution 13: To approve a general authority to the directors to issue shares

The proposed authority will give the Board the power to issue shares with pre-emption rights up to the following amounts:

NAME	NOMINAL AMOUNT	PERCENTAGE	WITH PRE-EMPTION?	EXPIRES
General amount	£11,526,2716	33.3%	Yes	Next AGM

This resolution is considered to be drafted in line with applicable [UK market best practice guidelines](#).

SHARES IN ISSUE	APR-2017	MAY-2016	% CHANGE
Ordinary GBP 0.0002	172,642,934	155,238,488	11.2%

Resolution 14: To approve a general authority to the directors to dis-apply pre-emption rights on the issue of shares for cash

Resolution 15: To approve a specific authority to the directors to dis-apply pre-emption rights on the issue of shares for cash for an acquisition or capital investment

The proposed authority will give the Board the power to issues for *cash consideration without* pre-emption rights.

NAME	NOMINAL AMOUNT	PERCENTAGE	WITH PRE-EMPTION?	EXPIRES
General amount	£1,728.9408	5%	No	Next AGM
Additional amount	£1,728.9408	5%	No	

This resolution is considered to be drafted in line with applicable UK market best practice guidelines.

The Company **has confirmed** that the extra 5% will only be used in connection with an acquisition or specified capital investment as required by the Pre-emption Group Principles.

Resolution 16: To allow the Company to make market purchases of its own shares

The Board is seeking the power for the Company to purchase the Company's shares:

NUMBER OF SHARES	PERCENTAGE	EXPIRES	SHAREHOLDER ASSURANCE STATEMENT	COMPANY P&L ACCOUNT ON BALANCE SHEET
17,289,408	1%	Next AGM	Yes	£14,306,000

Resolution 17: To ratify any payments made to the Directors out of the funds of the Company pursuant to Article 101

That any payments made to the Directors out of the funds of the Company pursuant to Article 101 of the Company's Articles of Association (the "Articles") in excess of the aggregate limit specified in Article 101 of the Articles, and any other inadvertent breach by the Directors of the duties imposed by Article 101 of the Articles be ratified.

The proposal seeks to ratify a prior action.

Resolution 18: To increase the maximum aggregate limit on directors' fees payable

The Company is seeking to amend the articles of association as follows;

'That Article 101 of the Articles be amended by deleting the figure "£250,000" and replacing it with the figure "£400,000"'

It is proposed to increase the aggregate limit of directors' fees by 60%

The proposal seeks to amend the governing documents of the Company.

12 Agenda

AGM 10.00AM THURSDAY 7 SEPTEMBER 2017				
ITEM	TYPE*	RESOLUTIONS	BOARD REC*	MANIFEST COMMENT
<u>1</u>	Ord	To adopt the report & accounts for the year ended 30 April 2017	For	Absence of explanations for non-compliance. Certain recommended governance disclosures absent. No formal performance evaluation process. No say-on-pay resolution. Sustainability disclosure assessment - grade E.
<u>2</u>	Ord	To declare a dividend	For	Ordinary dividend not covered by distributable profits.
<u>3</u>	Ord	To re-elect as a director, David Adams	For	No Board Diversity policy disclosed. No say-on-pay resolution. Poor progress on Board gender diversity. Significant other commitments
<u>4</u>	Ord	To re-elect as a director, Diana Hunter	For	
<u>5</u>	Ord	To re-elect as a director, Andrew Humphreys	For	
<u>6</u>	Ord	To re-elect as a director, Ian Jones	For	
<u>7</u>	Ord	To re-elect as a director, Martin Newman	For	
<u>8</u>	Ord	To re-elect as a director, Steve Wilson	For	
<u>9</u>	Ord	To re-elect as a director, Mark Aylwin	For	
<u>10</u>	Ord	To re-elect as a director, David Robinson	For	
<u>11</u>	Ord	To re-appoint as auditors, KPMG LLP	For	
<u>12</u>	Ord	To authorise the directors to determine the auditor's remuneration	For	
<u>13</u>	Ord	To approve a general authority to the directors to issue shares	For	
<u>14</u>	Spc	To approve a general authority to the directors to dis-apply pre-emption rights on the issue of shares for cash	For	
<u>15</u>	Spc	To approve a specific authority to the directors to dis-apply pre-emption rights on the issue of shares for cash for an acquisition or capital investment	For	
<u>16</u>	Spc	To allow the Company to make market purchases of its own shares	For	
<u>17</u>	Ord	To ratify any payments made to the Directors out of the funds of the Company pursuant to Article 101	For	Ratify prior act.
<u>18</u>	Ord	To increase the maximum aggregate limit on directors' fees payable	For	Aggregate 60% increase in limit on non-executive fees.

*Key: Ord = Ordinary, Spc = Special, Ext = Extraordinary, Crt = Court. Board Rec = Board's Recommendation.

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