

The International Exhibition Co-operative Wine Society Limited
Minutes of 143rd Annual General Meeting held at 5.30pm at
The Queen Elizabeth II Conference Centre, London, W1R 6EL on 12 June 2017

In the Chair: Sarah Evans (Chairman)
Also Present: George Jeffrey (Deputy Chairman)
Robin McMillan (Chief Executive)
Pierre Mansour (Head of Buying)
Ian Adams (Company Secretary)
10 other members of the Committee
Approximately 420 members
Apologies: None

MINUTES OF THE 142nd ANNUAL GENERAL MEETING

The Minutes of the 142nd AGM held on 13 June 2016 were agreed.

ADOPTION OF THE REPORT AND ACCOUNTS

The Chairman addressed the meeting and proposed the adoption of the Accounts for the year ended 27 January 2017.

Eleven members asked questions which were answered by the Chairman, Chief Executive and Company Secretary. There follows a summary of the questions and answers:

- Q A Member referred to the previous AGM when a question had been raised on actual membership numbers. These had not been included in the current accounts. Was there a reason for this?
- A *Sarah Evans replied that the active membership is around 136,000 members, being those members who have purchased wine from The Society in the last twelve months. Shares issued since The Society was founded in 1874 exceed 400,000. The notice of the AGM was sent to 294,929 members which provides an idea of the number of members we are still able to contact.*
- Q A member remarked that he and his wife had just visited Tasmania where they made a point of visiting the two Wine Society suppliers there. They identified themselves as Wine Society members and the feedback was excellent. It was very apparent they enjoyed working with The Wine Society.
- A *Sarah Evans thanked the member for the comments.*
- Q A member referred to the initiative to cut costs which were quoted at 4.9% and questioned whether the initiative would continue as an ongoing exercise.
- A *Sarah Evans confirmed that a focus on costs would continue. Costs had not been slashed dramatically; rather we looked at small incremental savings that could be made as part of the day to day business. Robin McMillan agreed and felt the key to success was engaging with staff to manage our costs better and therefore continue to invest in things that matter to members.*
- Q A member referred to the closure of the Montreuil showroom. He had revisited recently and found that the premises previously occupied were now empty and therefore the hotel had not secured the rent increase from any other business. He questioned the cost of the closure, the arrangements with the staff and the cost of moving all the supplies back to Stevenage.
- A *Robin McMillan replied that The Society had been very keen to look after the staff in Montreuil particularly Veronique Chaumetou who had been our partner for many years. The cost of*

closure totalled approximately £80,000. There was no stock left: it had all been sold in Montreuil, rather too quickly in fact, to the disappointment of some members who subsequently turned up hoping to buy.

Q A member referred to his discussions about the closure of the French showroom and remarked that The Society's rules did not provide for a member to put a resolution to the AGM which he felt was undemocratic. He cited organisations such as the Marylebone Cricket Club which gave the members a right to table a resolution at the AGM and wondered whether this is something the Committee could think about before next year?

A *Sarah Evans responded that to be able to do that The Society would need to change the Rules. These are reviewed periodically: the last time they were revised was in 2013, prior to that 2007. The suggestion could be considered at the next update of the Rules. Sarah Evans remarked that she would be happy for members to put questions in advance of the AGM for consideration which she could then cover in her address. The rules do provide for members to call a Special General Meeting though this requires the support of 150 members.*

Q A member raised a question following his last delivery, when he was told by the driver that he would only take back empty boxes which had Wine Society branding on them but not château-branded boxes. Can you confirm that this is your policy?

A *Robin McMillan replied the main issue behind The Wine Society boxes is that we can reuse them in the business, whereas others would simply be recycled. We will collect empty Wine Society boxes where space permits but there may not be a great deal of awareness among members of this service; perhaps it should be promoted a little more. Sarah Evans affirmed that the limiting factor would be the space in the vans.*

Q A member commented on The Society app which he felt to be very text heavy and cumbersome to use. Comparison was made to the Majestic app which was felt to be more image-based and an easier process of buying the wine. The image of The Wine Society itself was felt to be one of prestige and reputation but this was not being capitalised upon as much as it could.

A *Sarah Evans replied that The Society hadn't spent any time investing in the app over the last few years whilst we have been investing very heavily in our website which is mobile enabled. Perhaps there was a need to make that clearer and to emphasise the website over the app.*

Q A member asked how many pensioners there were in the Defined Benefit Pension Scheme.

A *Ian Adams replied that we have approximately 100 pensioners in that scheme and Sarah Evans emphasised that they were unaffected by the changes previously referred to.*

Q A member remarked that younger people view The Wine Society brand as old fashioned. It was understood that The Society doesn't use advertising. Consequently his question was what tactics were being used to increase brand awareness amongst younger people?

A *Sarah Evans explained The Society had been putting more effort into PR over recent years. The Committee, Matthew Kirk and the marketing team, had been looking at brand awareness and was increasing social media content to widen the appeal to younger people.*

Q A member remarked that last year's AGM was very relaxed about Brexit presumably because it was thought the outcome was going to be 'Remain'. The Chairman was asked whether there had been any impact for The Society and what were her predictions for the future?

A *Sarah Evans replied that she was not going to attempt to make any predictions. The Society manages exchange rates by hedging up to six months in advance and this helps reduce any volatility and as The Society is a fairly small business it is able to respond fairly nimbly to changing economic circumstances and has done so successfully in the past.*

- Q The member sought additional clarification by asking the extent of contingency planning undertaken.
- A *Sarah Evans explained that The Society clearly understood the trading relationships in different parts of the world and fosters good relationships with suppliers. The Society's trade body, the Wine and Spirits Trade Association (WSTA), was very actively involved in this issue and was in dialogue with various non-EU wine-producing countries. The Society would be seeking updates from and working closely with the WSTA as Brexit-related issues develop.*
- Q A member enquired whether the Committee could provide some feedback on the tastings commenced in the last year, particularly focusing on the younger members.
- A *Robin McMillan replied that The Society was exploring a number of new venues and formats aimed at broadening our appeal for new members of The Society. The feedback received was very positive and was helping to inform our thinking on tastings for all members.*
- Q A member sought clarification on the pension issues and questioned the accounting treatment and asked whether the charge to the profit and loss account in the year reported was about £2.3 million and whether it was to address the mistake that was taken in 2010.
- A *Sarah Evans confirmed that treatment reversed a credit that was taken in 2010 when it was thought we would be reducing our liabilities and the Annual Review showed a reversal of that credit plus the interest since that date.*
- Q The member sought clarification of his understanding that the charge was an accounting adjustment to reflect that change in the actuarial liability and doesn't involve cash flowing out?
- A *Sarah Evans confirmed that was correct.*
- Q The member further enquired whether in future years there could be future charges to reflect actuarial liabilities from year to year and whether there was a cost to The Society of buying out the accrued benefits?
- A *Sarah Evans confirmed there was no buy out cost. The deficit on the scheme would be made good over the life of the scheme by The Society. The size of that liability moves up and down all the time according to economic conditions. A regular triennial valuation was currently underway to assess the size of the liability following which The Society and the Trustees would agree a recovery plan and the related funding arrangements.*

The Accounts were adopted on a show of hands without objection.

COMMITTEE REMUNERATION

The meeting considered the remuneration of the Committee in line with a recommendation that the Committee Honoraria be looked at each year by the Annual General Meeting.

It was agreed without objection that the remuneration of the Committee for the year ended 26 January 2018 would be as follows:

- Chairman: £36,000 per annum.
- Deputy Chairman: £18,000 per annum.
- The other Elected Members: £43,800 per annum in aggregate, to be shared in the ratio of the actual number of meetings attended to the total number of possible attendances by Elected Members.

Co-opted Members (other than the Chief Executive), would be paid at the same rate per meeting as calculated for the Elected Members.

COMMITTEE ELECTIONS

Sarah Evans was retiring by rotation and offered herself for re-election.

George Jeffrey was retiring at the end of the Annual General Meeting. Paula Carter was standing for election.

There were no other nominations for election to the Committee and therefore the Chairman declared that she and Paula Carter were elected to the Committee.

COMMITTEE CO-OPTIONS

As required by Rule 27.3, the meeting confirmed the following co-option appointments:

- (a) Paula Carter for a term of one year, from 22nd June 2016
- (b) Ken Brown for a term of one year from 21st September 2016
- (c) Michael Findlay for a term of one year from 24th January 2017
- (d) Paul Powell for a term of one year from 17 December 2016

The Chairman declared the meeting closed at 6.30pm.

(Please note that these are draft minutes of the 2017 AGM and will be tabled for final approval at the 2018 AGM)