

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

OF

FOOD NETWORK FOR ETHICAL TRADE

TABLE OF CONTENTS

1.	Interpretation and defined terms	1
2.	Object	3
3.	Powers	3
4.	Application of income	5
5.	Change of Company name	5
6.	Winding up.....	5
7.	Liability of Members	6
8.	Directors' general authority	6
9.	Members' reserve power	6
10.	Strategic Advisory Group	6
11.	Delegation.....	7
12.	Committees.....	8
13.	Directors to take decisions collectively	8
14.	Unanimous decisions	8
15.	Calling a Directors' meeting	8
16.	Participation in Directors' meetings.....	9
17.	Quorum for Directors' meetings	9
18.	Chairing of Directors' meetings.....	10
19.	Casting vote	10
20.	Directors' conflicts of interest.....	10
21.	Records of decisions to be kept	13
22.	Directors' discretion to make further rules	13
23.	Number of Directors	13
24.	Appointment of Directors	14
25.	Termination of Director's appointment	14
26.	Directors' remuneration	15
27.	Directors' expenses.....	15
28.	Secretary	15
29.	Appointment and removal of alternate Directors.....	16
30.	Rights and responsibilities of alternate Directors	16
31.	Termination of alternate Directorship	17
32.	Membership.....	18
33.	Termination of Membership	19
34.	Annual general meetings	20
35.	Attendance and speaking at general meetings	21
36.	Quorum for general meetings.....	21
37.	Chairing general meetings	21
38.	Attendance and speaking by Directors and non-Members.....	22
39.	Adjournment.....	22
40.	Votes of Members	23
41.	Errors and disputes	24
42.	Poll votes.....	24
43.	Proxies	25
44.	Delivery of proxy notices	25
45.	Amendments to resolutions.....	26
46.	Means of communication to be used	26
47.	No right to inspect accounts and other records.....	27
48.	Provision for employees on cessation of business	28
49.	Rules	28
50.	Indemnity and insurance	28

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION
of
FOOD NETWORK FOR ETHICAL TRADE
(the **Company**)

INTERPRETATION, OBJECTS AND LIMITATION OF LIABILITY

1. Interpretation and defined terms

1.1 In these Articles, unless the context otherwise requires:

Act	means the Companies Act 2006;
Appointor	has the meaning given in article 29(1);
Articles	means the Company's articles of association for the time being in force;
Authorised Representative(s)	means the individual (or individuals) which a Member has notified to the Company in writing as being authorised to act on its behalf in relation to the Company and to exercise all of its powers in its capacity as a Member;
bankruptcy	includes insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
Business Day	means any day (other than a Saturday, Sunday or public holiday in England) when banks in London are open for business;
Chair	has the meaning given in article 18.1;
Conflict	means a situation in which a Director has or can have, a direct or indirect interest that conflicts or possibly may conflict, with the interests of the Company;
Director	means an individual who is a director of the Company and

	includes any individual occupying the position of director, by whatever name called;
document	includes, unless otherwise specified, any document sent or supplied in electronic form;
electronic form	has the meaning given in section 1168 of the Act;
Eligible Director	means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding in relation to the authorisation of a Conflict pursuant to article 20, any Director whose vote is not to be counted in respect of the particular matter);
Interested Director	has the meaning given in article 20.1;
Member	means an organisation whose name has been entered in the Company's Register of Members and whose membership of the Company subsists in accordance with these Articles and Membership shall be construed accordingly;
ordinary resolution	has the meaning given in section 282 of the Act;
participate	in relation to a Director's meeting, has the meaning given in article 16;
proxy notice	has the meaning given in article 43;
Retail Director	means a Director of the Company who is an officer or employee of, or is otherwise connected to, a Retail Member;
Retail Member	means a Member which is a retailer in the UK food industry;
Secretary	means the company secretary of the Company and any other person appointed to perform the duties of the company secretary of the Company, including a joint, assistant or deputy secretary;
special resolution	has the meaning given in section 283 of the Act;

subsidiary	has the meaning given in section 1159 of the Act;
Supplier Director	means a Director of the Company who is an officer or employee of, or is otherwise connected to, a Supplier Member;
Supplier Member	means a Member which is a supplier in the UK food industry; and
writing	means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.

1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

1.4 A reference in these Articles to an **article** is a reference to the relevant article of these Articles unless expressly provided otherwise.

1.5 Unless expressly provided otherwise, a reference to a statute or statutory provision shall include any subordinate legislation from time to time made under that statute or statutory provision.

1.6 Any word following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.7 The relevant model articles for a private company limited by guarantee are hereby expressly excluded.

2. **Object**

The object for which the Company is established is to improve human rights in global food supply chains through a common approach to managing ethical trade.

3. **Powers**

3.1 In pursuance of the objects set out in article 2, the Company has the power to:

- 3.1.1 buy, lease or otherwise acquire and deal with any property real or personal and any rights or privileges of any kind over or in respect of any property real or personal and to improve, manage, develop, construct, repair, sell, lease, mortgage, charge, surrender or dispose of or otherwise deal with all or any part of such property and any and all rights of the Company;
- 3.1.2 borrow and raise money in such manner as the Directors shall think fit and secure the repayment of any money borrowed, raised or owing by mortgage, charge, lien or other security on the Company's property and assets;
- 3.1.3 invest and deal with the funds of the Company not immediately required for its operations in or upon such investments, securities or property as may be thought fit;
- 3.1.4 subscribe for, take, buy or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority in any part of the world;
- 3.1.5 lend and advance money or give credit on such terms as may seem expedient and with or without security to customers and others, to enter into guarantees, contracts of indemnity and suretyships of all kinds to receive money on deposit or loan upon such terms as the Company may approve and to secure or guarantee the payment of any sums of money or the performance of any obligation by any company, firm or person including any holding company or subsidiary;
- 3.1.6 lobby, advertise, publish, educate, examine, research and survey in respect of all matters of law, regulation, economics, accounting, governance, politics and/or other issues and to hold meetings, events and other procedures and co-operate with or assist any other body or organisation in each case in such way or by such means as may, in the opinion of the Directors, affect or advance the objects in any way;
- 3.1.7 pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company and to contract with any person, firm or company to pay the same;
- 3.1.8 enter into contracts to provide services to or on behalf of other bodies;
- 3.1.9 provide and assist in the provision of money, materials or other help;.
- 3.1.10 open and operate bank accounts and other facilities for banking and draw, accept,

endorse, issue or execute promissory notes, bills of exchange, cheques and other instruments;

3.1.11 incorporate subsidiary companies to carry on any trade; and

3.1.12 do all such other lawful things as are incidental or conducive to the pursuit or to the attainment of any of the objects set out in article 2.

4. Application of income

4.1 The income and property of the Company from wherever derived shall be applied solely in promoting the Company's objects.

4.2 No distribution shall be paid or capital otherwise returned to the Members in cash or otherwise. Nothing in these Articles shall prevent any payment in good faith by the Company of:

4.2.1 reasonable and proper remuneration to any Member, officer or servant of the Company for any services rendered to the Company;

4.2.2 any interest on money lent by any Member or any Director at a reasonable and proper rate;

4.2.3 reasonable and proper rent for premises demised or let by any Member or Director; or

4.2.4 reasonable out-of-pocket expenses properly incurred by any Director.

5. Change of Company name

The name of the Company may only be changed by a special resolution of the Members passed in accordance with these Articles and with the Act.

6. Winding up

6.1 On the winding-up or dissolution of the Company, after provision has been made for all its debts and liabilities, any assets or property that remains available to be distributed or paid, shall not be paid or distributed to the Members (except to a Member that qualifies under this article) but shall be:

6.1.1 transferred to another body with objects similar to those of the Company; or

6.1.2 applied in any other manner which is consistent with the Company's objects

as determined by resolution of the Members at or before the time of winding up or dissolution provided that, if the Members are unwilling or unable to pass such a resolution, the matter may be determined by resolution of the Directors at or before the time of winding up or dissolution.

7. Liability of Members

7.1 The liability of each Member is limited to £1, being the amount that each Member undertakes to contribute to the assets of the Company in the event of its being wound up while it is a Member or within one year after it ceases to be a Member, for:

7.1.1 payment of the Company's debts and liabilities contracted before it ceases to be a Member;

7.1.2 payment of the costs, charges and expenses of the winding up; and

7.1.3 adjustment of the rights of the contributories among themselves.

DIRECTORS

Powers and responsibilities

8. Directors' general authority

Subject to these Articles, the Directors are responsible for the management of the Company's business in accordance with its objects, for which purpose they may exercise all the powers of the Company.

9. Members' reserve power

9.1 The Members may, by special resolution, direct the Directors to take, or refrain from taking, specified action.

9.2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

10. Strategic Advisory Group

10.1 Without prejudice to the generality of articles 11 (Delegation) and 12 (Committees) there shall be a Strategic Advisory Group comprised of the persons listed in article 10.2. The

Strategic Advisory Group's primary responsibility shall be to lead the development of the Company's strategy and ensure that the work and activities of the Company are achieving its objects and agreed strategic aims.

10.2 The members of the Strategic Advisory Group shall be:

10.2.1 the Directors;

10.2.2 three individuals, elected by the Members, each of whom is an officer or employee of, or is otherwise connected to, a Supplier Member; and

10.2.3 two individuals, elected by the Members, each of whom is an officer or employee of, or is otherwise connected to, a Retail Member.

10.3 The Strategic Advisory Group shall:

10.3.1 meet at least four times a year; and

10.3.2 otherwise operate in accordance with article 12 (Committees) and any rules of procedure made by the Directors in accordance with article 12.2.

11. Delegation

11.1 Subject to these Articles, the Directors may delegate any of the powers which are conferred on them under the Articles:

11.1.1 to such person or committee;

11.1.2 by such means (including by power of attorney);

11.1.3 to such an extent;

11.1.4 in relation to such matters or territories; and

11.1.5 on such terms and conditions;

as they think fit.

11.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.

11.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

12. Committees

12.1 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of these Articles which govern the taking of decisions by Directors.

12.2 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from these Articles if they are not consistent with them.

Decision making by Directors

13. Directors to take decisions collectively

Any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with article 14 (Unanimous decisions).

14. Unanimous decisions

14.1 A decision of the Directors is taken in accordance with this article 14 when all Eligible Directors indicate to each other by any means that they share a common view on a matter.

14.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.

14.3 A decision may not be taken in accordance with this article 14 if the Eligible Directors would not have formed a quorum at such a meeting.

15. Calling a Directors' meeting

15.1 The Directors shall determine the number of meetings to be held each year provided that this shall not be less than four.

15.2 Any Director may call a Directors' meeting by giving not less than ten Business Days' notice of the meeting (or such lesser notice as all the Directors may agree) to the Directors or by authorising the Secretary (if any) to give such notice.

15.3 Notice of any Directors' meeting must indicate:

15.3.1 its proposed date and time;

15.3.2 where it is to take place; and

15.3.3 if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

15.4 Notice of a Directors' meeting shall be given to each Director in writing.

15.5 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than seven days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

15.6 A Director who is absent from the UK and who has no registered address in the UK shall not be entitled to notice of the Directors' meeting.

16. Participation in Directors' meetings

16.1 Subject to these Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when:

16.1.1 the meeting has been called and takes place in accordance with these Articles; and

16.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

16.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.

16.3 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

17. Quorum for Directors' meetings

17.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

17.2 Subject to article 17.3, the quorum for the transaction of business at a meeting of Directors is two Eligible Directors of which one must be a Retail Director and one a Supplier Director.

17.3 For the purposes of any meeting (or part of a meeting) held pursuant to article 20 to

authorise a Conflict, if there is only one Eligible Director in office other than the Interested Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.

- 17.4 If the total number of Directors in office for the time being is less than the quorum required, the Directors must not take any decision other than a decision to call a general meeting to enable the Members to appoint further Directors.

18. Chairing of Directors' meetings

- 18.1 The Directors shall, subject to prior consultation with the Strategic Advisory Group, appoint a Supplier Director to chair their meetings (and the person so appointed for the time being shall be known as the **Chair**).

- 18.2 In addition to chairing meetings, the Chair shall have such further responsibilities as the Directors may from time to time agree in writing which shall include chairing meetings of the Strategic Advisory Group.

- 18.3 The Directors may, subject to prior consultation with the Strategic Advisory Group, terminate the Chair's appointment at any time.

- 18.4 If the Chair is not participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it.

19. Casting vote

- 19.1 If the numbers of votes for and against a proposal at a meeting of Directors are equal, the Chair or other Director chairing the meeting has a casting vote.

- 19.2 Article 19.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the Chair or other Director is not an Eligible Director for the purposes of that meeting (or part of a meeting).

20. Directors' conflicts of interest

- 20.1 The Directors may, in accordance with the requirements set out in this article 20, authorise any Conflict proposed to them by any Director which would, if not authorised, involve a Director (an **Interested Director**) breaching his/her duty to avoid conflicts of interest under section 175 of the Act.

- 20.2 Any authorisation under this article 20 shall be effective only if:

20.2.1 the matter in question shall have been proposed by any Director for consideration

in the same way that any other matter may be proposed to the Directors under the provisions of these Articles;

20.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and

20.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

20.3 Any authorisation of a Conflict under this article 20 may (whether at the time of giving the authorisation or subsequently):

20.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

20.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;

20.3.3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;

20.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;

20.3.5 provide that, where the Interested Director obtains, or has obtained (through his/her involvement in the Conflict and otherwise than through his/her position as a Director) information that is confidential to a third party, he/she shall not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and

20.3.6 permit the Interested Director to absent him/herself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.

20.4 Where the Directors authorise a Conflict, the Interested Director shall be obliged to conduct him/herself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.

- 20.5 The Directors may revoke or vary such authorisation at any time, but this shall not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 20.6 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director) to account to the Company for any remuneration, profit or other benefit which he/she derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 20.7 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act, and provided he/she has declared the nature and extent of his/her interest in accordance with the requirements of the Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 20.7.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
 - 20.7.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such existing or proposed transaction or arrangement in which he/she is interested;
 - 20.7.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he/she is interested;
 - 20.7.4 may act by him/herself or his/her firm in a professional capacity for the Company (otherwise than as auditor) and he/she or his/her firm shall be entitled to remuneration for professional services as if he/she were not a Director;
 - 20.7.5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
 - 20.7.6 shall not, save as he/she may otherwise agree, be accountable to the Company for any benefit which he/she (or a person connected with him/her (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the

grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his/her duty under section 176 of the Act.

- 20.8 For the purposes of this article 20, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.
- 20.9 Subject to article 20.10, if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chair (or other Director chairing the meeting) whose ruling in relation to any Director (other than him/herself) is to be final and conclusive.
- 20.10 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chair (or other Director chairing the meeting), the question is to be decided by a decision of the Directors at that meeting, for which purpose Chair (or other Director chairing the meeting) is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

21. Records of decisions to be kept

- 21.1 The Directors must ensure that the Company keeps a record, in writing, for at least ten years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors.
- 21.2 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

22. Directors' discretion to make further rules

Subject to these Articles, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors.

Appointment of Directors

23. Number of Directors

Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate Directors) shall be three of which two must be Supplier Directors and one must be a Retail Director.

24. Appointment of Directors

24.1 Subject to article 24.2, any person who is willing to act as a Director, and is permitted by law to do so, may be appointed (or reappointed) to be a Director by ordinary resolution of the Members. Unless otherwise specified by the ordinary resolution of the Members, Directors shall be appointed for a term of two-years.

24.2 A director may (where so reappointed by the Members) serve for a maximum of three consecutive terms. No person may serve as a Director for more than six years in aggregate.

25. Termination of Director's appointment

25.1 A person ceases to be a Director as soon as:

25.1.1 that person's term of office is completed (unless reappointed in accordance with article 24);

25.1.2 that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;

25.1.3 a bankruptcy order is made against that person;

25.1.4 a composition is made with that person's creditors generally in satisfaction of that person's debts;

25.1.5 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;

25.1.6 that person is absent for three or more consecutive meetings of the Directors and the other Directors resolve that that person's appointment be terminated for this reason;

25.1.7 that person is removed by ordinary resolution of the Members provided that he/she has been given the opportunity to present his/her views to the Members prior to the resolution being passed; or

25.1.8 notification is received by the Company from that person that he/she is resigning from office, and such resignation has taken effect in accordance with its terms.

26. Directors' remuneration

- 26.1 Directors may undertake any services for the Company that the Directors decide.
- 26.2 Directors are not entitled to be remunerated for their services to the Company, including their service as Directors and any other service which they undertake for the Company.
- 26.3 Unless the Directors decide otherwise, Directors are not accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.
- 26.4 Subject to these Articles, a Director's remuneration may:
- 26.4.1 take any form; and
 - 26.4.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director.

27. Directors' expenses

- 27.1 The Company may pay any reasonable expenses which the Directors (including alternate Directors) and the Secretary properly incur in connection with their attendance at:
- 27.1.1 meetings of Directors or committees of Directors;
 - 27.1.2 general meetings; or
 - 27.1.3 separate meetings of the holders of debentures of the Company
- or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

28. Secretary

The Directors may appoint any person who is willing to act as the Secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement, in each case by a decision of the Directors.

Alternate Directors

29. Appointment and removal of alternate Directors

29.1 Any Director (other than an alternate Director) (**Appointor**) may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to:

29.1.1 exercise that Director's powers; and

29.1.2 carry out that Director's responsibilities,

in relation to the taking of decisions by the Directors, in the absence of the Appointor.

29.2 Any appointment or removal of an alternate Director must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the Directors.

29.3 The notice must:

29.3.1 identify the proposed alternate; and

29.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that he/she is willing to act as the alternate of the Director giving the notice.

30. Rights and responsibilities of alternate Directors

30.1 An alternate Director may act as alternate Director to more than one Director and has the same rights in relation to any decision of the Directors as the Appointor.

30.2 Except as the Articles specify otherwise, alternate Directors are:

30.2.1 deemed for all purposes to be Directors;

30.2.2 liable for their own acts and omissions;

30.2.3 subject to the same restrictions as their Appointors; and

30.2.4 not deemed to be agents of or for their Appointors

and, in particular (without limitation), each alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which

his/her Appointor is a Member.

30.3 A person who is an alternate Director but not a Director:

30.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's Appointor is not participating);

30.3.2 may participate in a unanimous decision of the Directors (but only if his/her Appointor is an Eligible Director in relation to that decision, but does not participate); and

30.3.3 shall not be counted as more than one Director for the purposes of article 30.3.

30.4 A Director who is also an alternate Director is entitled, in the absence of his/her Appointor(s), to a separate vote on behalf of each Appointor, in addition to his/her own vote on any decision of the Directors (provided that an Appointor for whom he/she exercises a separate vote is an Eligible Director in relation to that decision), but shall not count as more than one Director for the purposes of determining whether a quorum is present.

30.5 An alternate Director may be paid expenses and may be indemnified by the Company to the same extent as if he/she were a Director but shall not be entitled to receive any remuneration from the Company for serving as an alternate Director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.

31. Termination of alternate Directorship

31.1 An alternate Director's appointment as an alternate (in respect of a particular Appointor) terminates:

31.1.1 when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

31.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a Director;

31.1.3 on the death of the alternate's Appointor; or

31.1.4 when the alternate Director's Appointor ceases to be a Director for whatever reason.

MEMBERS

Becoming and ceasing to be a Member

32. Membership

32.1 The Company shall admit to Membership an organisation which:

32.1.1 applies to the Company using the application process approved by the Directors;

32.1.2 meets the requirements of article 32.2; and

32.1.3 is approved by the Directors

provided that the Directors may in their absolute discretion decline to accept any application for Membership where they are satisfied that doing so would be in the best interests of the Company and need not give reasons for doing so.

32.2 A Member must:

32.2.1 be a company or other incorporated business entity registered and operating in the UK which is involved in the food industry; and

32.2.2 meet any other criteria for Membership prescribed by the Directors from time to time

provided that the Directors shall not be obliged to accept organisations fulfilling the criteria above as Members.

32.3 Each organisation which the Directors approve for admission to Membership must:

32.3.1 pay to the Company the annual subscription fee as decided by the Directors from time to time;

32.3.2 nominate one or more Authorised Representatives; and

32.3.3 enter into and comply with the terms of a written membership agreement with the Company in agreed form

and the organisation's Membership shall not commence until all of the conditions above have been satisfied and the organisation has been entered in the Company's Register of

Members.

- 32.4 The details of each Member shall be entered into the Register of Members by the Secretary (if any) or the Directors.
- 32.5 The Register of Members shall include the name of the Authorised Representative(s) for the time being of each Member. Each Member must promptly notify the Company in writing of any change in its Authorised Representative(s) following which the Register of Members shall be updated accordingly. The Company shall not be required to recognise the authority of any individual to act on behalf of a Member unless that individual's appointment as an Authorised Representative has been notified the Company in writing.
- 32.6 The Directors may establish different classes of Members and set out the different rights and obligations for each class, with such rights and obligations recorded in the Register of Members.
- 32.7 Membership shall be personal and may not be transferred to any other organisation or person, provided that the Directors may in their absolute discretion agree to a transfer of Membership to another company or other incorporated entity which is in the same company group as the Member and which meets the requirements of this article 32.

33. Termination of Membership

- 33.1 A Member may withdraw from Membership by giving not less than seven days' notice to the Company in writing.
- 33.2 The Directors may with immediate effect terminate the Membership of any Member without its consent by giving the Member written notice if:
- 33.2.1 the Member ceases to fulfil any one or more of the criteria set out in articles 32.2 and 32.3;
- 33.2.2 the Member goes into receivership, administrative receivership, administration, liquidation or other arrangement for the winding up of a company; and/or
- 33.2.3 in the reasonable opinion of the Directors, the Member:
- (a) is guilty of conduct which has or is likely to have a serious adverse effect on the Company or bring the Company or any or all of the Members and Directors into disrepute;
 - (b) has acted or has threatened to act in a manner which is contrary to the

interests of the Company as a whole; or

(c) has failed to observe the terms of these Articles and/or the Rules (if any).

- 33.3 On termination of Membership in accordance with this article 33 (or for any other reason) the Company's Register of Members shall be updated accordingly but any failure or delay in the updating of the Register shall not affect the validity of effectiveness of the termination of Membership.
- 33.4 Where Membership has been terminated under article 33.2.1 or 33.2.3, the Member concerned must be given the opportunity to make written representations to the Directors as to why its Membership should not have been terminated and should be reinstated. The Directors must consider any such representations made by the Member and inform the Member of their decision following such consideration within 30 Business Days of receipt of the written representations provided that there shall be no right to appeal from a decision of the Directors to terminate and not reinstate the Membership of a Member.
- 33.5 A Member whose Membership is terminated under this article 33 shall not be entitled to a refund of any subscription or Membership fee and shall remain liable to pay to the Company any subscription or other sum it owes.

Organisation of general meetings

34. Annual general meetings

- 34.1 The Company shall hold its first annual general meeting within 18 months of its incorporation and in each subsequent year, with not more than 15 months elapsing between successive annual general meetings.
- 34.2 Each notice calling an annual general meeting shall specify the meeting as such and each annual general meeting shall take place at such time and place as the Directors shall think fit.
- 34.3 The business at an annual general meeting shall include:
- 34.3.1 the consideration of the accounts, balance sheets, reports of the Directors and auditors; and
 - 34.3.2 the appointment of the auditors (unless an exemption from audit applies).

35. Attendance and speaking at general meetings

35.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

35.2 A person is able to exercise the right to vote at a general meeting when:

35.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and

35.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

35.3 The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

35.4 Members shall attend general meetings through the attendance of one of their Authorised Representatives.

35.5 In determining attendance at a general meeting, it is immaterial whether any two or more persons attending the meeting are in the same place as each other.

35.6 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

36. Quorum for general meetings

36.1 No business other than the appointment of the chair of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

36.2 The quorum for a general meeting shall be not less than 50% of the Membership as at the date of the general meeting of which at least three persons shall be Authorised Representatives (or validly appointed proxies) of Retail Members and at least a further three shall be the equivalent of Supplier Members.

37. Chairing general meetings

37.1 If the Directors have appointed a Chair, he/she shall chair general meetings if present and

willing to do so.

37.2 If the Directors have not appointed a Chair, or if he/she is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:

37.2.1 the Directors present; or

37.2.2 if no Directors are present, the meeting

must appoint a Director or Member to chair the meeting, and the appointment of the chair of the meeting must be the first business of the meeting.

37.3 The person chairing a meeting in accordance with this article 37 is referred to as **the chair of the meeting**.

38. Attendance and speaking by Directors and non-Members

38.1 Directors may attend and speak at general meetings, whether or not they are Members.

38.2 The chair of the meeting may permit other persons who are not Members to attend and speak at a general meeting.

39. Adjournment

39.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chair of the meeting must adjourn it.

39.2 The chair of the meeting may adjourn a general meeting at which a quorum is present if:

39.2.1 the meeting consents to an adjournment; or

39.2.2 it appears to the chair of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

39.3 The chair of the meeting must adjourn a general meeting if directed to do so by the meeting.

39.4 When adjourning a general meeting, the chair of the meeting must:

39.4.1 either specify the time and place to which it is adjourned or state that it is to

continue at a time and place to be fixed by the Directors; and

39.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

39.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

39.5.1 to the same persons to whom notice of the Company's general meetings is required to be given; and

39.5.2 containing the same information which such notice is required to contain.

39.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

Voting at general meetings

40. Votes of Members

40.1 Subject to the Act, at any general meeting every Member who is present in person (through one of their Authorised Representatives or by proxy) shall, whether on a show of hands or a poll, have one vote.

40.2 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these Articles and shall be passed if supported by:

40.2.1 a simple majority (in the case of an ordinary resolution); or

40.2.2 not less than a 75% majority (in the case of a special resolution)

of those Members present at the general meeting (whether in person or by proxy) and voting.

40.3 A written resolution prepared in accordance with the requirements of the Act and executed by or on behalf of a simple majority (or in the case of a special resolution, a majority of not less than 75%) of the Members who would have been entitled to vote upon it if it had been proposed at a general meeting at which they were present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more such Members.

41. Errors and disputes

41.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

41.2 Any such objection must be referred to the chair of the meeting whose decision is final.

42. Poll votes

42.1 A poll on a resolution may be demanded:

42.1.1 in advance of the general meeting where it is to be put to the vote; or

42.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

42.2 A poll may be demanded by:

42.2.1 the chair of the meeting;

42.2.2 the Directors;

42.2.3 two or more persons having the right to vote on the resolution; or

42.2.4 a person or persons representing not less than one tenth of the total voting rights of all the Members having the right to vote on the resolution.

42.3 A demand for a poll may be withdrawn if:

42.3.1 the poll has not yet been taken; and

42.3.2 the chair of the meeting consents to the withdrawal

and a demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.

42.4 Polls must be taken immediately and in such manner as the chair of the meeting directs.

43. Proxies

43.1 Proxies may only validly be appointed by a notice in writing (a **proxy notice**) which:

43.1.1 states the name and address of the Member appointing the proxy;

43.1.2 identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed;

43.1.3 is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Directors may determine; and

43.1.4 is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting (or adjourned meeting) at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate

and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting.

43.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

43.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

43.4 Unless a proxy notice indicates otherwise, it must be treated as:

43.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and

43.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

44. Delivery of proxy notices

44.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.

44.2 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

44.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

45. Amendments to resolutions

45.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:

45.1.1 notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chair of the meeting may determine); and

45.1.2 the proposed amendment does not, in the reasonable opinion of the chair of the meeting, materially alter the scope of the resolution.

45.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:

45.2.1 the chair of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and

45.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

45.3 If the chair of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chair of the meeting's error does not invalidate the vote on that resolution.

ADMINISTRATIVE ARRANGEMENTS

46. Means of communication to be used

46.1 Subject to these Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.

46.2 Subject to these Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.

46.3 A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

46.4 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

46.4.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

46.4.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

46.4.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

46.4.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

and for the purposes of this article 46, no account shall be taken of any part of a day that is not a Business Day.

46.5 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

47. No right to inspect accounts and other records

Except as provided by law or authorised by the Directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records

or documents merely by virtue of being a Member.

48. Provision for employees on cessation of business

The Directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a Director or former Director or shadow Director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

49. Rules

The Directors may establish rules governing matters relating to Company administration that are required from time to time for the effective operation of the Company (for example, the provisions relating to classes of Members, Membership fees and subscriptions and the admission criteria for Members). If there is a conflict between the terms of these Articles and any rules established under this article 49, the terms of these Articles shall prevail.

50. Indemnity and insurance

50.1 Subject to article 50.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

50.1.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him/her as a relevant officer:

- (a) in the actual or purported execution and/or discharge of his/her duties, or in relation to them; and
- (b) in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act)

including (in each case) any liability incurred by him/her in defending any civil or criminal proceedings, in which judgment is given in his/her favour or in which he/she is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his/her part or in connection with any application in which the court grants him/her, in his/her capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and

- 50.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him/her in connection with any proceedings or application referred to in article 50.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- 50.2 This article 50 does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Act or by any other provision of law and any such indemnity is limited accordingly.
- 50.3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.
- 50.4 In this article 50:
- 50.4.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- 50.4.2 a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and
- 50.4.3 a **relevant officer** means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he/she is also a Director or other officer), to the extent he/she acts in his/her capacity as auditor).