

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**CM OPERATIONS AND MANAGEMENT LTD**  
**(as adopted by written special resolution passed on)**  
**21 FEBRUARY 2020**



## CONTENTS

1.	PRELIMINARY .....	3
2.	SHARE CAPITAL .....	4
3.	ISSUE OF SHARE.....	5
4.	SHAREHOLDERS' RESERVE POWER .....	5
5.	TRANSFER OF SHARES.....	5
6.	NOTICE OF GENERAL MEETINGS.....	5
7.	ALTERNATE DIRECTORS.....	6
8.	DIRECTORS .....	7
9.	SHAREHOLDER DIRECTOR AND OBSERVER.....	8
10.	ASSOCIATE DIRECTORS .....	8
11.	ACCOUNTS AND DOCUMENTS .....	9
12.	LIABILITY .....	9
13.	MATTERS REQUIRING CONSENT OF SHAREHOLDERS .....	10
14.	NOTICES .....	12

## **1. PRELIMINARY**

1.1. In these Articles unless the context otherwise requires the following words and expressions shall bear the following meanings:

Alternate Director	any person appointed as an alternate director pursuant to Article 7;
Associate Director	any person appointed as an associate director pursuant to Article 10;
Annual Business Plan Business	the business plan of the Group for a financial year; the business of the Group, namely acting as a holding company to a group of companies in the business of the supply of milk dairy products, products and equipment related to milk and dairy products to schools, local authorities, nurseries and other customers in the United Kingdom;
the Company Director	CM Operations and Management Ltd; a director for the time being of the Company but excluding an Associate Director and "directors" shall be construed accordingly;
Emoluments	emoluments of every description including, without limitation, salaries, directors' fees, bonuses, commissions, profit shares under any incentive scheme, pension contributions payable by any Group Company and benefits in kind as quantified for income tax purposes;
Encumbrance	any interest or equity of any person (including any right to acquire, option, or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, title retention or any other security agreement or arrangement;
Group	in relation to an undertaking, that undertaking and any undertaking of which it is a Subsidiary (its holding undertaking) and any other subsidiaries of its holding undertaking and "Group Company" shall be construed accordingly;
Model Articles	the model articles for private companies limited by

shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008/(SI 2008/3229) as amended prior to the date of adoption of these Articles and a reference in this Articles to a "Model Article" is a reference to the article of that number in the Model Articles;

Shares	any shares for the time being in the capital of the Company;
Shareholder	a holder for the time being of any Shares and "shareholders" shall be construed accordingly;
Shareholder Director	a Director appointed pursuant to Article 9.1;
Subsidiary	shall have the meaning set out in sections 1159 and 1162 Companies Act 2006.

- 1.2. The "**2006 Act**" means the Companies Act 2006, but so that any reference in these Articles to any provision in the 2006 Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.
- 1.3. Words and expressions defined in the 2006 Act shall unless the context otherwise requires have the same meanings in these Articles. The singular shall include the plural and vice versa.
- 1.4. The Model Articles shall apply to the Company save insofar as they are excluded or varied in these Articles, and such Model Articles save as so excluded or varied together with these Articles shall be the Articles of Association of the Company.
- 1.5. The following Regulations of the Model Articles shall not apply to the Company, namely Model Articles 4, 17(1) and 26(5).
- 1.6. The Company is a private company and accordingly no offer shall be made to the public (whether for cash or otherwise) of any shares in or debentures of the Company and no allotment or agreement to allot (whether for cash or otherwise) shall be made of any shares in or debentures of the Company with a view to all or any of those shares or debentures being offered for sale to the public.

## 2. **SHARE CAPITAL**

The issued share capital of the Company at the date of adoption of these Articles is £300 divided into 300 ordinary shares of £1 each.

### **3. ISSUE OF SHARE**

- 3.1. Subject to the remaining provisions of this Article 3 and Article 13 and to the provisions of the 2006 Act, the Directors are generally and unconditionally authorised, for the purpose of section 551 of the 2006 Act, to exercise any power of the Company to:
- 3.1.1. offer or allot;
  - 3.1.2. grant rights to subscribe for or to convert any security into; or
  - 3.1.3. otherwise deal in, or dispose of,
- any Shares in the Company to any person, at any time and subject to any terms and conditions as the Directors think proper.
- 3.2. No allotment of ordinary Shares shall be made unless previously authorised by a special resolution of the Company.
- 3.3. The Directors are authorised to exercise generally and unconditionally the power to allot equity securities as the same are defined in section 560 of the 2006 Act, as if sections 561 and 562 of the 2006 Act do not apply and the existing shareholders right of pre-emption is excluded generally in relation to the allotment of equity securities in accordance with section 567(2) (a) of the 2006 Act.
- 3.4. Model Article 26(1) is amended so as to read "Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the transferor and, if any of the Shares is nil or partly paid, the transferee".

### **4. SHAREHOLDERS' RESERVE POWER**

- 4.1. The Shareholders may, acting unanimously, by special resolution, direct the Directors and the Associate Directors to take, or refrain from taking, specified action.
- 4.2. No such special resolution invalidates anything which the Directors and / or the Associate Directors have done before the passing of the resolution.

### **5. TRANSFER OF SHARES**

- 5.1. The Directors may not refuse to register the transfer of a share to a person of whom they do not approve.

### **6. NOTICE OF GENERAL MEETINGS**

- 6.1. Any Shareholder may call a general meeting by giving notice of the meeting to the Shareholders or by authorising the Shareholder Director to give such notice.

## **7. ALTERNATE DIRECTORS**

- 7.1. Any Director (other than an Alternate Director and an Associate Director) may appoint any other Director or any other person approved in writing by all of the Shareholders from time to time and willing to act to be an Alternate Director and may remove from office an Alternate Director so appointed by him. The same person may be appointed as the Alternate Director of more than one Director.
- 7.2. An Alternate Director shall be entitled:
- 7.2.1. to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member;
  - 7.2.2. to attend and be counted in the quorum for and vote at any such meeting at which the Director appointing him is not personally present; and
  - 7.2.3. generally at such meeting to perform all the functions of his appointor as a Director in his absence.

If an Alternate Director is himself a Director or attends any such meeting as an Alternate Director for more than one Director then his voting rights shall be cumulative.

- 7.3. An Alternate Director shall cease to be an Alternate Director if his appointor ceases to be a Director but if a Director retires but is reappointed or deemed to have been reappointed at the meeting at which he retires any appointment of an Alternate Director made by him which was in force immediately prior to his retirement shall continue after his reappointment.
- 7.4. Any appointment or removal of an Alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.
- 7.5. An Alternate Director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.
- 7.6. Save as otherwise provided in these Articles an Alternate Director shall not have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles.
- 7.7. An Alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent as if the necessary changes had been made as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as Alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

## 8. DIRECTORS

- 8.1. Model Article 14 (3) shall be amended by the deletion of paragraph (c) and the insertion of the following:
- “(c) the director's conflict of interest arises from a permitted cause; or  
(d) the director in question is a Shareholder Director.”
- 8.2. Each Director shall comply with his obligations to disclose his interest in existing and proposed transactions or arrangements with the Company pursuant to sections 177 and 182 of the 2006 Act.
- 8.3. Subject to the provisions of these Articles relating to a resolution authorising a Conflict, a Director may vote, at any meeting of the Directors or of any committee of the Directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.
- 8.4. A Director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in a shareholder of the Company or in a member of the Group and may be a Shareholder of the Company without breaching his duty under section 175 of the 2006 Act and no authorisation under Article 13.1 shall be necessary in respect of any such interest. A Director is not accountable to the Company for any remuneration or other benefits which he derives from any such office or employment or from any interest in any such body corporate. Model Article 19(5) is modified accordingly.
- 8.5. Unless otherwise determined by special resolution the maximum number of Directors shall be 6. There is no limit on the number of Associate Directors.
- 8.6. Meetings of the board of Directors shall take place no less frequently than once per calendar month and at least 7 clear working days' notice of each meeting shall be given to each Director provided that if a majority in number of the Directors agree to less frequent meetings and/or to a shorter period of notice then board meetings may be called less frequently and/or on such agreed shorter period of notice provided further that such majority so agreeing must include the Shareholder Director. All board meetings shall take place in the United Kingdom provided that if a majority in number of the Directors agree to the meeting being held at a different place then the board meetings may be held at that agreed place.
- 8.7. The Shareholder Director shall have 10 votes in relation to any resolution of the Directors of the Company while the other Directors of the Company shall each have

one vote only on any such resolution up to a maximum aggregate of 9 votes for such other Directors.

---

**9. SHAREHOLDER DIRECTOR AND OBSERVER**

- 9.1. The holders of the Shares from time to time shall, acting unanimously, be entitled to appoint and maintain in office a Director ("**Shareholder Director**") and to remove any Director so appointed and appoint another Director in his place.
- 9.2. The appointment and removal of the Shareholder Director shall be made by notice in writing (signed by or on behalf of all the Shareholders) served upon the Company at its registered office or by service upon any other Director for the time being of the Company.
- 9.3. The holders of the Shares in the capital of the Company from time to time shall, acting unanimously, be entitled from time to time to appoint any one person to attend all meetings of the Directors of the Company as an observer and any person so appointed (an "**Observer**") shall be given (at the same time as the Directors) notice of all meetings of the directors and all agendas, minutes and other papers relating to such meetings. An Observer shall be entitled to attend any and all such meetings and to speak and place items on the agenda for discussion provided that an Observer shall not be entitled in any circumstances to vote. Such Shareholders may only remove an Observer, by acting unanimously, and appoint another person in his place.
- 9.4. No meeting of the Directors or any sub-committee of the Directors shall be quorate unless the Shareholder Director is present.
- 9.5. No business shall be transacted at any meeting of the Directors except that specified in the agenda for such a meeting unless the Shareholder Director agrees to the transaction of such other business.

**10. ASSOCIATE DIRECTORS**

- 10.1. The Directors may at any time and from time to time appoint any employee of the Company to the position of Associate Director.
- 10.2. An Associate Director shall advise and assist the Directors but shall not attend board meetings except at the invitation of the Directors, and when present at the board meetings he shall not be entitled to vote, nor be counted in the quorum, but subject as aforesaid he shall as Associate Director have such powers, authorities and duties as the Directors may in the particular case from time to time determine.
- 10.3. An Associate Director shall not be deemed a member of the board, nor any committee thereof, nor shall he be a Director for any of the purposes of these



Articles of Association or (so far as provision may lawfully be made on his behalf) for any of the purposes of the 2006 Act.

- 10.4. Without prejudice to any rights or claims the Associate Director may have under any contract with the Company, any appointment as an Associate Director may be terminated by the Directors at any time and shall ipso facto terminate if the Associate Director shall from any cause cease to be an employee of the Company.
- 10.5. An Associate Director may receive such remuneration (if any) in addition to the remuneration received as an employee of the Company as the Directors shall from time to time determine.

## 11. ACCOUNTS AND DOCUMENTS

A Shareholder (subject to such conditions and regulations as the Directors may determine having regard to the confidential nature of such information and any obligation binding upon the Company to keep confidential information supplied to it by other persons) may inspect personally or by his agent at any time any account or other record of the finances of the Company (and take and retain copies of such account or record). Model Article 50 shall not apply.

## 12. LIABILITY

- 12.1. For the purposes of this Article a "**Liability**" is any liability incurred by a person in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or otherwise in connection with his duties, powers or office or any liability incurred by an auditor in connection with any negligence, breach of duty or breach of trust by him in relation to the Company occurring in the course of the audit of accounts. Subject to the provisions of the 2006 Act and without prejudice to any protection from liability which may otherwise apply:
  - 12.1.1. the Directors shall have the power to purchase and maintain for any Director of the Company, any director of an associated body corporate (as defined at section 256 of the 2006 Act), and any officer of the Company (not being a Director or auditor of the Company), insurance against any Liability; and
  - 12.1.2. every Director or auditor of the Company and every officer of the Company (not being a Director or auditor of the Company) shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in

connection with any application in which relief is granted to him by the court from any Liability.

### **13. MATTERS REQUIRING UNANIMOUS CONSENT OF SHAREHOLDERS**

13.1. In addition to any other authority required in law or any agreement, the unanimous authority of all the Shareholders in a general meeting or in writing shall be required for the Company to do any of the following:

- 13.1.1. issue, allot or grant (or agree to grant) any option over or right to subscribe for any of its Shares or any debenture, debenture stock or other securities of whatsoever nature convertible into shares;
- 13.1.2. purchase, redeem, consolidate, reduce, subdivide or convert any of its Shares (issued or unissued, present or future) nor contract to do so save as contemplated by their respective articles of association;
- 13.1.3. alter or replace its articles of association;
- 13.1.4. take any steps to have itself wound up (other than for the purposes of amalgamation or reconstruction);
- 13.1.5. acquire, incorporate or subscribe for shares in the capital of a company or dispose of any shares in a company or any interest in them;
- 13.1.6. acquire the whole or any significant part of a business or undertaking or sell, transfer, lease, licence or assign or otherwise dispose of a business or undertaking or any significant part of its assets or any interest in them (or agree so to do) or ceases to trade;
- 13.1.7. change its registered office;
- 13.1.8. change the nature or scope of the Business or commence any new business not being ancillary or incidental to the Business or effect any expansion, development or evolution of its business (whether to be conducted as part of or in connection with its main business or ancillary to it) otherwise than through another Group Company;
- 13.1.9. declare or pay any dividend or other distribution or capitalise any reserves of the Company or apply any amount for the time being standing to the credit of the share premium account or capital redemption reserve of the Company for any purpose;
- 13.1.10. use in its publicity material or otherwise in connection with its trade or business any Shareholders' name;
- 13.1.11. change its auditors, accounting reference date or accounting policies, bases or practices (unless such change is required by law or by virtue of a new statement of standard accounting practice);
- 13.1.12. make any amendment to any Annual Business Plan or adopt any plan or

- take any action materially inconsistent with such Annual Business Plan;
- 13.1.13. enter into any lease, licence, tenancy, hire purchase agreement, credit sale agreement, conditional sale agreement, equipment leasing agreement, factoring agreement or agreements to discount invoices (together the “**finance agreements**”) or otherwise borrow (including amounts raised by loan or overdraft) so that the total amount of the value of the finance agreements and/or the total amount of the borrowings of the Group exceeds the amount of credit or borrowings (as the case may be) provided for in the Annual Business Plan for that financial year;
- 13.1.14. create or allow to subsist any Encumbrance over any of its assets save for charges arising by operation of law in the ordinary course of business or give any guarantee, indemnity or security in respect of the obligations of any person other than a Group Company;
- 13.1.15. make any loan or advance or provide any credit other than:
- 13.1.15.1. for the deposit of moneys with a bank which is an authorised institution under any banking legislation;
  - 13.1.15.2. normal trade credit;
  - 13.1.15.3. to another Group Company;
  - 13.1.15.4. bona fide expenses advanced to employees of the Group;
- 13.1.16. factor or assign any of its book debts;
- 13.1.17. enter into any partnership, consortium or joint venture with any other person;
- 13.1.18. acquire or dispose of any freehold or leasehold property or grant or surrender a lease in respect of such property;
- 13.1.19. commence or settle any legal or arbitration proceedings (other than routine debt collection);
- 13.1.20. make any material change to the level, scope or extent of the Company's insurance cover;
- 13.1.21. enter into any contract or commitment:
- 13.1.21.1. under which the consideration payable or receivable represents more than 10% of the turnover of the Group as projected in the budget of the relevant Annual Business Plan;
  - 13.1.21.2. which is incapable of complete performance in accordance with its terms or cannot be terminated by it without penalty within 6 months of its commencement;

- 13.1.21.3. which is outside the ordinary course of its business or whereby any person would or might receive remuneration calculated by reference to its income or profits; or
- 13.1.21.4. which is not on arms length terms;
- 13.1.22. appoint a Director to office or remove a Director from office; or
- 13.1.23. appoint an Associate Director as such or remove an Associate Director as such;
- 13.1.24. enter into, terminate or vary any contract or arrangement (whether legally or binding or not) with or the Emoluments of any Director or Associate Director or with any connected person (within the meaning of section 1122 Corporation Tax Act 2010) of a Director or Associate Director;
- 13.1.25. enter into any service agreement with any employee or Director which is not terminable without payment of compensation on not more than 3 months notice; and
- 13.1.26. provides for Emoluments in excess of £50,000 per annum or such larger sum as the Shareholders shall unanimously agree in writing from time to time;
- 13.1.27. enter into or adopt any death, retirement, profit sharing, bonus, share option or other scheme for the benefit of the Directors, Associate Directors, officers or employees of the Group Company or any material variation (including any increase in the percentage amount of the contributions) of any such scheme or grant options or make, pay or procure benefits to any of the Directors or Associate Directors under any such schemes or arrangements save as expressly provided in their service agreements;
- 13.1.28. make any gift or political or charitable donation in excess of £100 or in aggregate in excess of £1,000 per financial year;
- 13.1.29. pay any compensation for loss of office to a Director or Associate Director save pursuant to a decision or order of a court of competent jurisdiction or an industrial tribunal; and
- 13.1.30. in respect of any matters referred to in this Article permit any power or authority of the Directors to be delegated.

## 14. NOTICES

- 14.1. The Company can deliver a notice or other document pursuant to these Articles to a Shareholder or any other person (other than a notice calling a meeting of the directors):

- 14.1.1. by delivering it by hand to the address recorded for the Shareholder on the register;
  - 14.1.2. by sending it by post or other delivery service in an envelope (with postage or delivery paid) to the address recorded for the Shareholder on the register; or
  - 14.1.3. by fax (except for share certificates) to a fax number notified by the Shareholder in writing.
- 14.2. This Article does not affect any provision in any relevant legislation or the Articles requiring notices or documents to be delivered in a particular way.
- 14.3. If a notice or document is delivered by hand, it is treated as being delivered at the time it is handed to or left for the Shareholder. If a notice or document is sent by post or other delivery service not referred to below, it is treated as being delivered:
- 14.3.1. 24 hours after it was posted, if first class post was used; or
  - 14.3.2. 72 hours after it was posted or given to delivery agents, if first class post was not used;
- provided it can be proved conclusively that a notice or document was delivered by post or other delivery service by showing that the envelope containing the notice or document was:
- 14.3.3. properly addressed; and
  - 14.3.4. put into the post system or given to delivery agents with postage or delivery paid.
- 14.4. If a notice or document (other than a share certificate) is sent by fax, it is treated as being delivered at the time it was sent.