

The Companies Acts
Company Limited by Guarantee

Articles of Association
Of
FLOWERS FROM THE FARM LIMITED

Interpretation

In these Articles, unless the context requires otherwise,

(a) "the Act" means the Companies Act 1985 and the Companies Act 2006 as amended and in force prior to adoption of these Articles

(b) "the Board" means the Board of Directors for the time being of the Company

(c) "Member Agreement" means a written contract between a Member and the Company under which the Member participates in the use of the facilities and services provided by the Company for Members

(d) "Partnership" means any unincorporated association of persons who are joint parties to a Member Agreement and "Partner" shall be construed accordingly

(e) "Electronic means" shall include video links and secure authenticated web-site, and if appropriate email, transactions;

(f) The Company shall be known as "the Co-operative" in these articles.

(g) In these Articles of Association the expression "Board meeting" or "meeting of the Board" includes, except where inconsistent with any legal obligation:

i. a physical meeting;

ii. a meeting held by electronic means;

iii. a meeting held by telephone where each of the participants can hear each other throughout.

Unless the context otherwise requires words or expressions contained in these articles have the same meaning as in the 1985 Act or the 2006 Act but excluding any statutory modification not in force when this constitution becomes binding on the Co-operative.

Any statutory instruments or regulations from time to time in force shall be deemed to apply to the Cooperative, whether or not these Articles have been amended to comply with such instrument or regulation.

1. Objects

The objects for which the Co-operative is established are:

1. To encourage more people to grow cut flowers for market in Britain
2. To promote British flowers thereby improving the marketplace for our members' produce
3. To foster friendship and sharing through meetings, activities and communication
4. To provide such additional services to the Members of the Co-operative as the Members deem fit.
5. To carry on any other business which seems to the Co-operative to be capable of being advantageously carried on in connection with the above objects or to be calculated to enhance the value of or render more profitable any of the Co-operative's property or undertaking
6. To do all or any things and exercise all or any powers which the Co-operative deems to be necessary or expedient to further or attain any one or more of the above objects or to be incidental to or consequential upon any one or more of those objects
7. To pay the costs of forming the Co-operative and to give any guarantee or surety for any debt or liability of a member or a subsidiary or an associated Co-operative of the Co-operative and to borrow or raise money in any way and secure the repayment by mortgage, charge or other security and to give or award pensions, annuities, gratuities and other allowances and benefits and charitable aid to any persons who are or have been employed by the Co-operative or the spouses or dependents of such persons and to contribute to insurance premiums and establish and maintain pension schemes for the benefit of all or any such persons.

2. Members

1. The subscribers to the Memorandum of Association and such other person, society, Company, firm, Partnership or association as the Board admits to membership in accordance with these Articles shall be the Members of the Co-operative.

2. The Board may admit to membership any person, society, Company, firm or Partnership who is in support of the objects as provided in article 1 of the articles of association.

3. Upon admission to membership, Members shall be allocated to the following category of membership:

(a) **Full Members:** Shall be any other such persons or organisations who grow or use British flowers and wish to work with others through the Co-operative.

(b) **Associate Members:** Shall be any other such persons or organisations who support the objectives of the Co-operative.

A members category of membership may, from time to time, be varied by the board, providing that the member meets the above stated requirements of their new category of membership.

4. On admission to membership a person, society, Company, firm or Partnership shall be entered in the register of members. Associations and Partnerships shall be represented by their nominees and, in each case, the name of the Partnership shall be entered in the register by the name of the nominee.

5. A Member shall cease to be a Member and that fact shall be noted in the register if the Member :

(a) at any time for a period of sixty consecutive days ceases to be eligible under article 2.2

(b) at any time for a period of sixty consecutive days ceases to be eligible under article 2.3a

(c) resigns in writing to the Co-operative at the registered office

(d) is expelled from membership.

6. If a Member is accused of conduct which in the opinion of the Board could be regarded as detrimental to the Co-operative or to the membership generally then a meeting of the Board shall be convened to consider the matter. The accused Member shall be given not less than twenty-eight days notice of the day, hour and venue of the meeting and the alleged conduct notifying the Member of his/her or its rights to attend the meeting and to make representations to it. At the meeting, after considering any written representations submitted by the accused Member to the secretary not less than two days before the meeting and any oral representations which that Member may reasonably wish to make at the meeting, a vote shall be taken on a resolution for expulsion and if this receives the concurring votes of not less than two-thirds of the directors present then the accused Member shall be expelled from membership.

3. General Meetings

1. The Co-operative shall in each calendar year hold a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it, providing that every Annual General Meeting shall be held not more than 15 months after the holding of the last preceding Annual General Meeting. The first Annual General Meeting shall be held within 18 months of incorporation.

2. The Board may call General Meetings whenever they think fit. As per section 303 of the Act 10% of the members may require the Board to convene a general meeting at any time, or 5% if more than twelve months has elapsed since the previous general meeting.

4. Notice of General Meetings

1. The minimum periods of notice required to hold a General Meeting of the Co-operative are:

(a) twenty one clear days notice for an Annual General Meeting or a General Meeting called for the passing of a special resolution

(b) fourteen clear days for all other General Meetings

2. A General Meeting may be called by shorter notice if it is so agreed, in the case of an Annual General Meeting, by all of the Members entitled to attend and vote and, in the case of any other meeting, by a majority in number of those Members being a majority together holding not less than ninety percent of the total voting rights at the meeting of all the Members.

3. Notice of every General Meeting shall be given to every Member and every director and the auditor (if any) and shall specify the time and place of the meeting. In the case of a General Meeting which is to consider a special resolution, such resolution shall be specified in the notices calling the meeting, and in the case of all other General Meetings the general nature of the business to be raised shall be specified and, in the case of an Annual General Meeting, shall designate it as such. The notice must also contain a statement setting out the right of Members to appoint a proxy under s324 of the Companies Act 2006.

4. Where notice is sent by post or by electronic means, notice shall be deemed to have been served by properly addressing, prepaying and posting the notice and to have been served 48 hours after the notice had been posted or sent.

5. Where the Co-operative places communications required by these Articles on its website, notification must be given to all Members who have given their consent to receive communication by this method that documents have been placed for their consideration.

6. The accidental omission to give notice of a meeting to or non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate proceedings at that meeting.

5. Proceedings at General Meetings

1. No business shall be transacted at any General Meeting unless a quorum is present.

2. A number of persons entitled to vote equal to 5% of the total membership or three Members, whichever is greater, each being a Member or a proxy for a Member or a duly authorised representative of a corporation and entitled to vote upon the business to be conducted at the meeting, shall be a quorum, excepting where the membership is less than three members in which case if all of the persons entitled to vote are present they shall be a quorum.

3. If no quorum is present within half an hour after the time appointed for the meeting or if during a meeting a quorum ceases to be present then the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day, time and place as the Board decides. If at that meeting a quorum is not present within thirty minutes after the time appointed for it then the persons present and entitled to vote shall be a quorum.

4. Each General Meeting shall elect a Chairperson whose function will be to conduct the business of the meeting in an orderly manner.

5. The Chairperson may with the consent of the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and place to place but no business shall be transacted at an adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

6. Where a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. Otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

7. A resolution put to the vote at a General Meeting shall be decided on a show of hands unless before, or on the declaration of, the show of hands a secret ballot is demanded by the chairperson of the meeting or by any member present in person or by proxy.

8. A secret ballot shall not be held on the election of a chairperson of a meeting or on a question of adjournment. A secret ballot demanded on any other question shall be taken either immediately or at such time and place as the Chairperson directs being not more than thirty days after the secret ballot is demanded. The demand for a ballot shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the secret ballot was demanded. If a secret ballot is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

9. On a show of hands every Member who, being an individual, is present in person or, being a corporation, is present by a duly authorised representative shall have one vote. On a secret ballot every Member so present or present by proxy shall have one vote.

10. In the case of an equality of votes, whether on a show of hands or on a ballot, the Chairperson of the meeting shall not have a second or casting vote and the resolution shall be deemed to be lost.

11. Any objection raised to the qualification of any voter, made in due time shall be referred to the chairperson of that meeting whose decision shall be final and conclusive.

12. Any member is entitled to appoint another person as a proxy to exercise all or any of the Member's rights to attend and speak and vote at a General Meeting of the Co-operative.

13. Members may agree to resolutions in writing subject to the provisions of the Act. A resolution in writing signed by (or, in the case of a Member organisation, on behalf of) a simple majority of the Members of the Co-operative in the case of ordinary written resolutions and by not less than 75% majority for special written resolutions shall be valid and effective as if the same had been passed at a General Meeting duly convened and held and may consist of several documents in similar form, each signed by or on behalf of one or more Members. Agreement to a written resolution must be received within 28 clear days of the circulation date of the resolution in accordance with the Act.

14. The Co-operative may at its discretion invite other persons to attend its meetings, with or without speaking rights, and without voting rights.

6. Board of Directors

1. The first directors shall be the persons duly notified as such as required by the Act on the incorporation of the Co-operative. For the purposes of Article 6.2, those persons shall be taken to be directors appointed by the Co-operative in General Meeting.

2. After the first Annual General Meeting the Board shall consist of not less than three and not more

than twelve members, providing that, at any time, the majority of the members will be Full Members. If, at any time, the majority of the members of the board are not Full Members the board should endeavour to recruit or dismiss directors sufficient to meet the noted requirements at the earliest reasonable opportunity.

3. The board shall include a director representing each of the nine areas of the United Kingdom.

7. Powers of Directors

1. The business of the Co-operative shall be managed by the Board who may pay all expenses of the formation of the Co-operative as they think fit and may exercise all such powers of the Co-operative, and do all such acts on behalf of the Co-operative as may be exercised and done by the Cooperative and as are not by statute or by these Articles required to be exercised or done by the Cooperative in General Meeting.

2. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given.

3. Subject to the provisions of the Act, the Board may exercise all the powers of the Co-operative to borrow money and to mortgage or charge its undertaking and property or any part of them and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Co-operative or of a third party.

4. Without prejudice to the generality of Article 7.3, the directors may arrange for Member Agreements to require Members to make loans to the Co-operative of such sums, or sums calculated in such ways, and on such terms as the Member Agreements specify. Notwithstanding Article 7.3, the Cooperative shall not pay interest on any moneys obtained on loan or otherwise borrowed from a Member.

5. The Board may, by power of attorney or otherwise, appoint any person to be the agent of the Cooperative for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his/her powers.

8. Delegation of Directors Powers

1. The Board may delegate any of its powers to sub-committees consisting of such Members of the Co-operative as it thinks fit. Any sub-committee so formed shall conform to any regulations that may be imposed on it by the Board.

9. Appointment and Retirement of Directors

1. At the first and every Annual General Meeting, all officers and one-third of the elected members of the Board of Directors, or if their number is not a multiple of three then the number nearest to one third, shall retire from office. The members to retire shall be those longest in office since their last election. Regarding members of the Board of Directors who have been in office for the same length of time, the members to retire shall be selected by lot. A retiring Board member shall be eligible for re-election. Co-opted members of the Board shall retire at the Annual General Meeting following their appointment but shall be eligible for further co-option.

2. No person shall be qualified for appointment as a director unless s/he is an individual who is

(a) a Member of the Co-operative or

(b) an employee of a Member of the Co-operative or

(c) a Member of a corporation or a Partnership which itself is a Member of the Co-operative.

3. No person other than a director retiring at a meeting shall be appointed a director at that meeting unless

(a) s/he is recommended by the Board or

(b) not less than seven days before the day appointed for the meeting notice signed by or on behalf of a Member qualified to vote at the meeting has been given to the Co-operative of the intention to nominate that person for appointment with notice signed by that person of his/her willingness to be appointed.

4. The Board may by resolution appoint a person, who is willing to act, to be a director either to fill a casual vacancy or as an additional director, [provided said appointed person is a Member of the Cooperative].

A director appointed under this Article shall retire at the end of the next Annual General Meeting after which s/he may be reappointed but s/he shall not be taken into account in deciding the directors to retire by rotation.

10. Disqualification and Removal of Directors

1. In addition to the powers conferred by the Act, the Co-operative may at any time by ordinary resolution remove any director from the Board.

2. The office of a director shall be vacated if

(a) ceases to be a Member or representative of a Member of the Co-operative

- (b) s/he is removed from office under Article 42
- (c) s/he ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director
- (d) s/he is an undischarged bankrupt or makes any composition or scheme of arrangement with his/her creditors generally
- (e) s/he is or may be suffering from mental disorder and either
- (f) s/he is admitted to hospital on an application for admission treatment under the Mental Health Act 1983 or, in Scotland, an application under the Mental Health (Scotland) Act 1960 or
- (g) an order is made by a court having jurisdiction (in the United Kingdom or elsewhere) in matters concerning mental disorder for his/her detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his/her property or affairs
- (h) s/he resigns his/her office by notice to the Co-operative or
- (i) for more than six consecutive months s/he is absent without permission of the Board from all its meetings held during that period and the Board resolves that his/her office be vacated.
- (j) in the opinion of a majority of the other directors expressed by a duly recorded resolution of the Board, s/he trades in competition with the Co-operative, whether as a sole trader or in Partnership, or is a director of, or holds a controlling interest in, a corporation which competes in business with the Co-operative or is an employee or agent of a proprietor, Partnership or corporation which so competes.

11. Remuneration of Directors

1. Directors, as such, may be paid remuneration provided that, in any given year, no more than three Directors may receive remuneration for fees or services actually rendered.

12. Directors' Expenses

1. Directors shall be entitled to be reimbursed for all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Board, General Meetings of the Co-operative and otherwise in connection with the discharge of their functions.

13. Directors' Appointments

1. Subject to the provisions of the Act, the Board may appoint one or more directors to the office of managing director or to any other executive office in the Co-operative[, providing that at no time may said executive officers form a majority of the members of the Board,] and having regard to Articles 14.6 and 15.1 may make an agreement with any director for his/her employment by the Co-operative or for the supply by him/her of any services to it outside the scope of the ordinary duties of a director. Any such appointment or agreement may be made on such terms as the Board decides including, subject to Article 12.1, such remuneration as the Board thinks fit. Any appointment of a director to an executive office shall terminate if s/he ceases to be a director but without prejudice to any claim for damages for breach of contract between the director and the Co-operative. Executive office holders, as defined by the Board, shall not be subject to retirement by rotation.

14. Proceedings of the Board

1. Subject to these Articles, the Board may regulate its proceedings as it thinks fit. Any director may, and the secretary at the request of any director shall, call a meeting of the Board. Meetings of the Board may also be held via telephone or other electronic means: provided that all members of the Board wishing to participate by such means are able to do so and are able to communicate with each other at all times. At least one meeting where members of the Board must be present in person must be held every year. The Board will aim to operate in a consensual way, with items discussed until agreement is reached on a way forward. Questions put to the vote shall be decided by a simple majority of votes. In the case of an equality of votes the Chairperson of the meeting shall not have a second or casting vote and the resolution shall be deemed to be lost.
2. Prior to the first general meeting the quorum for the transaction of business at a Board meeting shall be one half of the number of directors.
3. After the first general meeting the quorum shall be one half of the number of directors for the time being but, in any case, not less than three.
4. The continuing directors may act notwithstanding any vacancies in their number but, if there is only one director for the time being in office, s/he may act only for the purpose of calling a General Meeting.
5. At every Board meeting the Board members present shall choose one of their number to be Chairperson of the meeting, whose function shall be to conduct the business of the meeting in an orderly manner.
6. All acts done by any meeting of the Board or by any person acting as a member of the Board shall, even if it be afterwards discovered that there was some defect in the appointment of any Board member or person acting as such, or that they or any of them were disqualified, be as valid as if

every such person had been duly appointed and was qualified to be a Board member.

15. Directors Interests

1. Whenever a Board member has a personal, financial or material interest, whether directly or indirectly in a matter to be discussed at a meeting and whenever such a person has an interest in another unincorporated or corporate body whose interests are reasonably likely to conflict with those of the Co-operative in relation to a matter to be discussed at a meeting, notwithstanding matters relating to the terms of business of the Co-operative, s/he must:

- (a) declare an interest before the discussion begins on the matter;
- (b) withdraw from that part of the meeting unless expressly invited by the Chair of the meeting to remain;
- (c) not be counted in the quorum for that part of the meeting;
- (d) withdraw during the vote and have no vote on the matter.

Provided that nothing in this Article shall prevent a Board member voting in respect of his/her own contract of employment.

2. Subject to anything contrary in these Articles:

- (a) in accordance (but subject to) the provisions of s175 of the 2006 Act, the Board may give authorisation in respect of a situation in which a Board member has, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Co-operative; and
- (b) in authorising a situation the Board may decide (whether at the time of giving the authorisation or subsequently) that if the conflicted Board member has obtained any information through his/her involvement in the situation otherwise than as a Board member and in respect of which s/he owes a duty of confidentiality to another person, the Board member is under no obligation to:
 - i. disclose that information to the Co-operative
 - ii. use that information for the benefit of the Co-operativewhere to do so would amount to a breach of confidence.

16. Secretary

1. The Board may appoint a Secretary of the Co-operative, who may but need not be also a member of the Board, for such term, at such remuneration and upon such conditions as they think fit; and any Secretary so appointed may be removed by them.

2. The Board may at any time appoint a person to act temporarily as substitute for the secretary for the time being of the Co-operative and any person so appointed shall, while so acting, be taken for all purposes to be the Secretary of the Co-operative.

16. Minutes

1. The Board shall cause minutes to be made in books kept for the purpose of all appointments of officers made by the Board, of all proceedings of the Co-operative, the Board and its committees and of all resolutions of the Co-operative adopted otherwise than in general meeting. It shall not be necessary for directors to sign their names in the minute book.

17.The Seal

1. If the Co-operative does not have a seal then any documents issued by the Co-operative may be signed by a director and the Secretary or by one director without being sealed.

18.Distribution of Surplus Income

1. The Co-operative shall operate as a [not-]for-profit organisation and accordingly the profit shall be applied, in such proportion and in such a manner as the General Meeting shall decide from time to time and in accordance with the provisions in article 18.2 below.

2.(a) The income and property of the Co-operative shall be directed primarily towards the promotion of the objects as provided in article 1 of the articles of association.

(b) The income or property of the Co-operative may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to the Full Members of the Co-operative, [provided that any distribution is made on some reasonable basis which reflects the amount a member contributes to the income or property of the Co-operative and the amount distributed to them. Said basis may be decided from time to time by the Board.]

19.Accounts

1.(a) The Directors must prepare for each financial year accounts as required by the 2006 Act. The accounts must be prepared to show a true and fair view and follow accounting standards issued and adopted by the Accounting Standards Board.

(b) The Directors must keep accounting records as required by the 2006 Act.

20.Notices

1. The Co-operative may give notice to a member by sending it in writing by prepaid post addressed to the member at his/her registered address or by leaving it at that address or shall be given using

electronic communication to an address for the time being notified for that purpose. A member present, either in person or by proxy, at a meeting of the Co-operative shall be taken to have received notice of the meeting and, where requisite, of the purposes for which it was called.

2. A notice sent by post to a member's registered address, and a notice sent by email to a member's registered email address shall be deemed to have been duly served forty-eight hours after the notice has been posted or sent.

3. The accidental omission to give notice of a meeting to or non-receipt of notice of a meeting by any person entitled to receive notice for any reason shall not invalidate proceedings at that meeting.

21. Indemnity

1. Every Member, auditor or officer of the Co-operative shall be indemnified out of the assets of the Co-operative against any losses or liabilities incurred by him/her in or about the execution or discharge of the duties of his/her office, except to the extent that such losses or liabilities shall be attributable to:

(a) fraud or other matters in respect of which the member concerned shall be convicted of a criminal offence; or

(b) negligence; or

(c) actions knowingly beyond the scope of a specific authority or limit thereon on the part of the person in question.

3. Subject to the provisions of the Act, the Co-operative may purchase and maintain for any director or

for any other officer of the Co-operative insurance cover against any liability which may attach to him/her by virtue of any rule of law in respect of negligence, default, breach of duty or breach of trust of which s/he may be guilty in relation to the Co-operative and against all costs, charges, losses and expenses incurred by him/her in connection with such liability.

22. Liability of Members

1. The liability of each member is limited to £1, being the amount that each member undertakes to contribute to the assets of the Co-operative in the event of its being wound up while he is a member or within one year after he ceases to be a member, for:

(a) payment of the Co-operative's debts and liabilities contracted before he ceases to be a member,

(b) payment of the costs, charges and expenses of winding up, and

(c) adjustment of the rights of the contributories among themselves.

23. Winding-up

1. The Co-operative is a co-ownership [common ownership] enterprise. If on the winding up or dissolution of the Co-operative any of its assets remain to be disposed of after its liabilities are satisfied (termed the "residual assets"), these residual assets shall be distributed among the Members [with any distribution being made on some reasonable basis which reflects the amount a member contributed to said residual assets of the Co-operative and the amount distributed to them. The board may, from time to time, decide on said basis.], but shall be transferred instead to some other common ownership enterprise(s) or other non-profit organisation(s), as may be decided by the Members at the time of or prior to the dissolution provided that said organisation(s) or enterprise(s) are in agreement with the objects of the Co-operative.] [In the event that for whatever reason any residual assets cannot be so transferred, they shall be given for charitable purposes.]

24. Co-operative Values and Principles

1. In accordance with Co-operative principles, the interest paid by the Co-operative on money borrowed shall not exceed such a rate as is necessary to attract and retain the capital required to further the Co-operatives objects.

2. The Co-operative may receive interest-free loans and donations towards its objects.

3. The Co-operative shall abide by the internationally recognised values and principles of co-operative identity as defined by the International Co-operative Alliance, in particular the values of self-help, selfresponsibility, democracy, equality, equity and solidarity, and the ethical values of honesty and openness.

4. In conducting its business the Co-operative will, at all times, have due regard for the health and wellbeing of its employees, partners and the broader community of which it forms a part.

25. Special Resolutions

1. Any amendment of the Articles requires the passing of a special resolution at General Meeting or the passing of a written special resolution.

2. Changing the name of the Co-operative requires the passing of a special resolution at General Meeting or the passing of a written special resolution.

3. To be passed, a special resolution requires an affirmative vote by 75% of those members entitled to vote on the resolution.