

DEED OF IRREVOCABLE UNDERTAKING

(Director Shareholders)

The Directors

Associated British Foods plc (**Offeror**)
Weston Centre,
10 Grosvenor Street,
London,
W1K 4QY

31 May 2023

Dear Directors

PROPOSED ACQUISITION OF NATIONAL MILK RECORDS PLC (THE OFFEREE)

I understand that the Offeror proposes to acquire (the **Acquisition**) all the issued and to be issued ordinary shares of 0.25p each in the Offeree (the **Shares**) for the consideration, and otherwise substantially on the terms and subject to the conditions, set out in the draft press announcement attached to this letter (the **Announcement**) to be made pursuant to Rule 2.7 of the City Code on Takeovers and Mergers (the **Code**), subject to such amendments or additions to such terms and conditions as may be required by the Code, the Panel on Takeovers and Mergers (the **Panel**), the London Stock Exchange plc (the **LSE**), Aquis Stock Exchange Limited (**Aquis**), the Financial Conduct Authority (the **FCA**), the High Court of Justice in England and Wales (the **Court**) or any applicable law or regulation.

I also understand that:

- (i) the **Acquisition** is expected to be implemented by way of a scheme of arrangement of the Offeree under Part 26 of the Companies Act 2006 (the **Scheme**) but that the Offeror is entitled, in the circumstances to be set out in the **Announcement** and/or the formal document containing the explanatory statement in respect of the **Scheme** (the **Scheme Document**) and subject to the terms of the Co-operation Agreement to be entered into between the Offeror and the Offeree, to implement the **Acquisition** by way of takeover offer (within the meaning of section 974 of the Companies Act 2006) (an **Offer**); and
- (ii) references in this letter to the **Acquisition** as described above include any new, revised, improved or increased acquisition of the Offeree by the Offeror (or by one of its subsidiaries).

Certain other terms used in this letter are defined in paragraph 9.5.

In consideration (subject to paragraph 8.2) of the Offeror agreeing to make the Acquisition, I undertake, confirm, represent, warrant and agree to and with the Offeror on the terms set out in this letter, which is entered into as a deed.

1 REPRESENTATIONS AND WARRANTIES

1.1 I represent and warrant to you that:

- (a) I am the registered holder and beneficial owner of (or otherwise able to procure the transfer of and control the exercise of all other rights, including voting rights, attaching to) the number of Shares specified in the Schedule to this letter (the **Committed Shares**);
- (b) the Schedule sets out true, complete and accurate details of:
 - (i) the registration, ownership and control of the Committed Shares; and
 - (ii) all options, warrants and other rights I may have to subscribe for, purchase or otherwise acquire any securities of the Offeree;
- (c) the Committed Shares are held, and will be acquired by the Offeror pursuant to the Acquisition, free from all liens, charges, options, equities, rights of pre-emption and other encumbrances and third party rights and interests of any nature and together with all rights (including the right to all dividends and distributions) now or at any time attaching or accruing to them;
- (d) I am not acting in concert with any other person, as defined in the Code (disregarding for this purpose any person I may be deemed to be acting in concert with because they are giving an irrevocable undertaking to the Offeror); and
- (e) I have full power and authority and the right (free from any legal or other restrictions), and will at all times continue to have all relevant power and authority and the right, to enter into this letter and to perform my obligations contained in this paragraph 1.1.

1.2 In this letter, the term **Committed Shares** includes any further shares in the capital of the Offeree of which (notwithstanding paragraph 3) I may become the registered holder or beneficial owner of, or in respect of which we may otherwise become entitled to exercise all rights and interests, after the date of this letter, whether or not deriving from or attributable to the Committed Shares specified in the Schedule.

1.3 The warranties and representations in paragraph 1.1 shall not be affected or extinguished

by completion of the Acquisition.

2 UNDERTAKING TO VOTE IN FAVOUR OF THE SCHEME AND OTHER OBLIGATIONS

2.1 Unless and until this letter lapses in accordance with paragraph 8, I irrevocably undertake (in my capacity as a shareholder but not as a director of the Company) to the Offeror that:

- (a) I have the full power and authority to, and shall exercise, or, where applicable procure the exercise of, all voting rights attaching to the Committed Shares to vote in favour of all resolutions (whether or not amended and whether put on a show of hands or a poll) to approve the Scheme, and to vote only in accordance with the Offeror's written instructions in respect of any other Scheme Resolution (as defined below), in each case as proposed at any general meeting (**General Meeting**) and Court convened meeting (**Court Meeting**) of the Offeree in connection with the Scheme, or at an adjournment of any such General Meeting and/or Court Meeting;
- (b) I shall exercise, or where applicable, procure the exercise of, all rights attaching to the Committed Shares to requisition or join in the requisitioning of any General Meeting as the Offeror may request for the purpose of considering any Scheme Resolution, or to require the Offeree to give notice of any such meeting, only in accordance with Offeror's instructions;
- (c) for the purposes of voting on any Scheme Resolution, I shall, if required by the Offeror, execute any form of proxy and, in respect of my Committed Shares in uncertificated form, take any action to make a valid proxy appointment and give valid proxy instructions, appointing any person nominated by the Offeror to attend and exercise all voting rights attaching to the Committed Shares at any meeting of the shareholders of the Offeree as directed by the Offeror;
- (d) in particular, but without limiting the generality of clause 2.1(c) above, I shall, if required by the Offeror, execute and return, or procure the execution and return of, the completed and signed forms of proxy enclosed with the Scheme Document in accordance with the instructions printed on such forms of proxy and, in respect of Committed Shares in uncertificated form, take, or procure the taking of, any action which may be required by the Offeree or its nominated representative to make a valid proxy appointments and give valid proxy instructions:
 - (i) appointing a person nominated by the Offeror to attend each of the General Meeting and the Court Meeting (and any adjournment of any

such meeting) to be held to implement the Scheme; and

- (ii) instructing the proxy to exercise all voting rights attaching to the Committed Shares to vote in favour of the Scheme Resolutions to be proposed at such meetings,

as soon as possible and in any event not later than 3.00 p.m. on the fifth business day after the publication of the Scheme Document;

- (e) I shall not revoke the terms of any proxy submitted in accordance with paragraph 2.1 (d), whether in writing or by attendance at any General Meeting or Court Meeting or otherwise;
- (f) In my capacity as a shareholder and not as a director of the Company, I shall accept any proposal made by the Offeror to the holders of options over Shares in compliance with Rule 15 of the Code in respect of all such options held by me, to the extent that the same have not lapsed or been exercised, no later than five business days after receipt of such proposal, or otherwise allow such options to lapse;
- (g) I shall cause the registered holder of any Committed Shares which are not registered in my name to comply with (and I shall take all actions as may be necessary or desirable in order to enable the registered holder of any such shares to comply with) the undertakings in paragraphs 2.1 (a) to 2.1 (f); and
- (h) I shall from time to time promptly complete, execute and deliver such documents and do all such other things as may be necessary to give full effect to each of my undertakings, agreements, warranties, representations, appointments and consents as set out in this letter.

2.2 In this letter, a **Scheme Resolution** is any resolution (whether or not amended) proposed at any General Meeting or Court Meeting (or at any adjournment thereof) otherwise put to shareholders of the Offeree which:

- (a) might reasonably be expected to have any impact on the fulfilment of any condition to the Acquisition; or
- (b) is necessary to implement the Acquisition; or
- (c) might reasonably be expected to impede or frustrate the Acquisition in any way, or adversely impact on the timing of the Acquisition (including but not limited to any resolution to approve a scheme of arrangement proposed by a third party in

competition with the Scheme),

and includes any resolution to adjourn a meeting at which such a resolution is to be considered and any resolution to amend a resolution falling within this paragraph.

- 2.3 The foregoing undertakings are given by me solely in relation to my interest in the Committed Shares and shall not restrict any actions taken by me in accordance with my statutory and fiduciary duties in my capacity as a director of the Company or any of its subsidiaries or associated companies.

3 DEALINGS

- 3.1 I undertake to you that, before the Scheme becomes effective, lapses or is withdrawn, I shall not, and shall procure that the registered holder of any of the Committed Shares which are not registered in my name shall not:

- (a) sell, transfer, charge, pledge, encumber, grant any option, lien or other right over, or otherwise dispose of or deal with the Committed Shares, or permit any such action to occur in respect of all or any of the Committed Shares or any interest in any of them, except pursuant to the Acquisition;
- (b) accept (or vote any Committed Shares in favour of), or give any undertaking or other commitment to accept (or to vote any Committed Shares in favour of) (in each case, whether conditionally or unconditionally), any offer, scheme of arrangement, merger or business combination made or proposed to be made in respect of all or any of the Committed Shares by any person other than the Offeror;
- (c) except with the prior written consent of the Offeror, and save for any shares acquired: (i) in connection with the vesting of awards or the exercise of options under any of the Offeree's share option plans, (ii) in connection with the Offeree's share incentive plan, and/or (iii) under an existing dividend reinvestment plan, purchase or otherwise acquire any further interest in shares or other securities of the Offeree, or any options or other derivative securities referenced to such shares or securities;
- (d) without the prior written consent of the Offeror, convene or requisition, or join in convening or requisitioning, any general or class meeting of the Company for the purpose of voting on any Scheme Resolution; or
- (e) (other than pursuant to the Acquisition) enter into any agreement or arrangement,

incur any obligation or give any indication of intent, or permit any agreement or arrangement to be entered into, any obligation to arise or any indication of intent to be given (in any case whether conditionally or unconditionally and whether or not legally binding) to do any of the acts referred to in subparagraphs 3.1 (a) to 3.1 (c) of this paragraph 3.1 or which would or might restrict or impede the Scheme becoming effective or my ability to comply with any of my obligations set out in this undertaking.

- 3.2 Notwithstanding paragraph 3.1, prior to my acceptance of the Offer, I shall be permitted to transfer (in one or more transactions) some or all of my Committed Shares (Family Shares) to one or more persons connected to me within the meaning of sections 252 to 255 of the Act (including my spouse, children and certain family trusts and family companies) provided that on the date of transfer I procure that the transferee(s) sign and deliver to you irrevocable commitments in respect of such Family Shares substantially in the form of this letter (unless any such transferee has already signed and delivered to you an irrevocable commitment on terms which extend to their Family Shares).

4 CONSENTS

4.1 I consent to:

- (a) a copy of this letter being disclosed to the Panel;
- (b) the inclusion of references to me and the registered holder of any Committed Shares and particulars of this letter and my holdings of relevant securities being included in the Announcement, the Scheme Document and any other announcement made, or document issued, by or on behalf of the Offeror and/or the Offeree in connection with the Acquisition (each an Acquisition Document) as required by Rule 2.10(b) of the Code; and
- (c) this letter being made available for inspection as required by Rule 26.1 of the Code.

- 4.2 I shall promptly give you all information and any assistance you may reasonably require relating to me or the Committed Shares for the preparation of any Acquisition Document in order to comply with the requirements of the Court, the Code, the Panel, the FCA, the LSE, Aquis, or any other legal or regulatory requirement. I will notify you in writing of any change in the accuracy or import of any such information previously provided by me immediately upon my becoming aware of any such change.

- 4.3 I further acknowledge that I am obliged to make appropriate disclosures under Rule

2.10(c) of the Code promptly after becoming aware that I will not be able to comply with the terms of this deed or no longer intend to do so.

5 **SECRECY**

5.1 I understand that until such time as the Acquisition is announced, the information we have received from you in connection with the Acquisition must be kept confidential, save as required by law or any rule of any relevant regulatory body or stock exchange or to the extent I am required to make such disclosure to the Company or its legal or professional advisors in connection with the Acquisition or to my own legal or other professional advisors, until the information has become generally or publicly available. If and to the extent any of the information is inside information for the purposes of the Criminal Justice Act 1993 or the EU Market Abuse Regulation (596/2014) (including as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018), I shall comply with the applicable restrictions in those enactments on dealing in securities and disclosing inside information.

5.2 I undertake not to disclose to any third party:

- (a) the existence or subject matter of this letter or the possibility of the Acquisition and/or its proposed terms; or
- (b) details of our discussions relating to the Acquisition (whether before or after the release of the Announcement),

except in each case to the extent that such matters have been made public through the issue of the Announcement or any other Acquisition Document. The obligations in this paragraph 5 shall survive termination of this letter.

6 **OFFER ALTERNATIVE**

6.1 I acknowledge that the Offeror shall have the right and may elect at any time (with the consent of the Panel) to implement the Acquisition by way of an Offer.

6.2 If an Offer is made by the Offeror, in my capacity as a shareholder and not as a director of the Company:

- (a) I irrevocably and unconditionally undertake and warrant that (notwithstanding paragraph 8) this letter will continue to be binding *mutatis mutandis* in respect of the Committed Shares and, in particular, I irrevocably and unconditionally undertake to accept, or procure acceptance of, the Offer in respect of the Committed Shares and to transfer, or procure the transfer of, the Committed

Shares free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now and hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends of any nature and other distributions (if any) hereafter declared, made or paid;

- (b) I shall, as soon as possible, and in any event within five business days after publication of by the Offeror of the offer document relating to such Offer (the Offer Document) (or in respect of any shares allotted to me after the posting of the Offer Document, as soon as possible and in any event within five business days of such allotment or acquisition) duly accept or procure the acceptance of the Offer in accordance with its terms in respect of the Committed Shares and shall take any action which may be required by the Offeror or its nominated representative to facilitate the valid acceptance of the Offer in respect of the Committed Shares;
- (c) I further undertake not to withdraw (and, if applicable, shall procure that the registered holder does not withdraw), notwithstanding the provisions of the Code on or any terms of the Offer regarding withdrawal, such acceptance;
- (d) I further undertake, if so required by the Offeror, to execute or procure the execution of all such other documents as may be necessary to give the Offeror the full benefit of this letter;
- (e) all references in this letter to the Scheme shall, where the context permits, be read as references to the Offer (or to both the Scheme and the Offer, as appropriate); and
- (f) references to the Scheme Document shall be read as references to the Offer Document.

7 POWER OF ATTORNEY

In order to secure the performance of my obligations under paragraph 2, I irrevocably appoint any director for the time being of the Offeror to be my attorney to execute in my name and on my behalf forms of proxy for any Court Meeting or General Meeting appointing any person nominated by the Offeror to attend any General Meeting or Court Meeting and to vote on a Scheme Resolution in respect of the Committed Shares and to execute any other document, and to take such other action, as may be necessary for or incidental to the completion of the Acquisition and/or the fulfilment of my other obligations under this letter including, without limitation, any form of acceptance issued in connection

with the Acquisition if structured as an Offer, provided that this appointment shall not take effect unless I fail to comply with any such obligation within the relevant time specified for compliance. I undertake to ratify any act properly performed by my attorney in accordance with the terms of this paragraph 7. This power of attorney is given by way of security and is irrevocable in accordance with section 4 of the Powers of Attorney Act 1971 until such time as this letter lapses under paragraph 8.

8 LAPSE OF OBLIGATIONS

8.1 Without prejudice to any accrued rights, this letter will lapse and my obligations under this letter will cease to have effect if:

- (a) a press announcement substantially in the form of the Announcement is not released by 5.00 p.m. on 16 June 2023 (or such later date as the Offeror and the Offeree may agree);
- (b) the Scheme Document (or the Offer Document, if applicable) is not published within 28 days of the date of release of the Announcement (or within such longer period as the Panel may agree); or
- (c) any competing offer for the issued and to be issued ordinary share capital of the Offeree is made which is declared wholly unconditional (if implemented by way of a takeover offer) or otherwise becomes effective (if implemented by way of a scheme of arrangement); or
- (d) the Acquisition lapses or is withdrawn.

8.2 If this letter lapses, no party shall have any claim against any other save in respect of any prior breach and (subject to the requirements of the Code, the Panel, the Court and any applicable law or regulation) nothing in this letter shall oblige the Offeror to announce the Acquisition or, if announced, to proceed with it.

9 GENERAL

9.1 I confirm that I am not the customer of your financial adviser, Rothschild & Co and that Rothschild & Co owes me no duties or responsibilities whatsoever in relation to the Acquisition, the Scheme or this letter as its customer or deemed customer.

9.2 I confirm that I have been given an adequate opportunity to consider whether or not to enter into this letter and to obtain independent advice.

9.3 I agree that if I should breach any of my obligations under this letter, damages would not

be an adequate remedy and that, without prejudice to any other remedies you may have, you shall be entitled to the remedies of injunction, specific performance and other equitable relief.

9.4 Any time, date or period referred to in this letter may be varied by mutual agreement between the parties but, as regards any time, date or period originally fixed or so varied, time shall be of the essence.

9.5 In this letter:

(a) **business day** has the meaning set out in the Code; and

(b) **being interested in or having interests in shares or securities** shall be interpreted in accordance with the Code and Part 22 of the Act.

9.6 This letter shall be binding on my estate and personal representatives.

9.7 In respect of any Committed Shares not registered in my name, I undertake to take all steps within my power to cause their registered holder to comply with my obligations under this letter.

9.8 No term of this letter is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not party to it.

9.9 The invalidity, illegality or unenforceability of any provision of this letter shall not affect the continuation in force of the remainder of this letter.

10 GOVERNING LAW

This letter and any dispute or claim arising out of, or in connection with, it, its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of England and Wales.

I intend this letter to be a deed and sign and deliver it as a deed.

Executed as a deed by
ANDREW WARNE

)
)
)



in the presence of:

Name of witness:



Signature of witness:



Address:



Occupation:



**Schedule
The Committed Shares**

Part 1: Ownership of Shares

Number of Shares	Registered holder(s)*	Beneficial owner(s)*
61,218	Andrew Warne	Andrew Warne
54,438	Hargreaves Lansdown (Nominees) Limited	Andrew Warne
60,596	Equiniti Share Plans Trustees Limited	Andrew Warne

**Where more than one, indicate the number of Shares attributable to each*

Part 2: Ownership of options over Shares

Number of Shares under option	Share plan	Exercise price
44,089	2017 Unapproved Share Option Plan	£0.65
5,911	2017 Approved Share Option Plan	£0.905
148,029	2021 Unapproved Executive Bonus Plan	£0.10
109,621	The Executive Incentive Plan 2022-2024	£0.0025