

SCHEDULE 1

PROVISIONS PRESCRIBED FOR THE MEMORANDUM OR ARTICLES OF A COMMUNITY INTEREST COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL

3.—(1) A person who is not a member of the company shall not have any right to vote at a general meeting of the company; but this is without prejudice to any right to vote on a resolution affecting the rights attached to a class of the company's debentures.

(2) No powers to appoint directors of the company may be given to persons who are not members of the company which immediately after their exercise could result in the majority of the directors of the company having been appointed by persons who are not members of the company.

(3) No powers to remove directors of the company may be given to persons who are not members of the company which immediately after their exercise could result in either—

- (a) the majority of the remaining directors of the company having been appointed by persons who are not members of the company; or
- (b) the number of directors removed during the current financial year of the company by persons who are not members of the company exceeding the number of the remaining directors of the company.

(4) However, sub-paragraphs (2) and (3) shall not prevent a director from appointing, or subsequently removing, an alternate director, if permitted to do so by the articles.

(5) In this paragraph, "financial year" has the meaning given in section 223 of the Companies Act 1985⁽¹⁾.

(1) Section 223 of the 1985 Act was inserted by section 3 of the Companies Act 1989.