

SCHEDULE 1

ARTICLES OF ASSOCIATION OF AN RTM COMPANY
THE COMPANIES ACT 2006
ARTICLES OF ASSOCIATION OF [NAME] RTM COMPANY LIMITED
A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

PART 4

DECISION-MAKING BY MEMBERS

VOTING AT GENERAL MEETINGS

Voting: general

33.—(1) 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 the articles.

(2) If there are no landlords under leases of the whole or any part of the Premises who are members of the company, then one vote is available to be cast in respect of each flat in the Premises. The vote is to be cast by the member who is the qualifying tenant of the flat.

(3) At any time at which there are any landlords under leases of the whole or any part of the Premises who are members of the company, the votes available to be cast are determined as follows—

- (a) there will first be allocated to each residential unit in the Premises the same number of votes as equals the total number of members of the company who are landlords under leases of the whole or any part of the Premises. Landlords under such a lease who are regarded as jointly being a member of the company will be counted as one member for this purpose;
- (b) if at any time the Premises includes any non-residential part, a total number of votes will be allocated to that part as will equal the total number of votes allocated to the residential units multiplied by a factor of A/B, where A is the total internal floor area of the non-residential parts and B is the total internal area of all the residential parts. Non-residential parts and the internal floor area are to be determined in accordance with paragraph 1 of Schedule 6 to the 2002 Act. Calculations of the internal floor area are to be measured in square metres, fractions of floor area of less than half a square metre are to be ignored and fractions of floor area in excess of half a square metre are to be counted as a whole square metre;
- (c) the member who is the qualifying tenant of a residential unit is entitled to cast the votes allocated to that unit, or if there is no qualifying tenant of that unit, the member who is the immediate landlord is so entitled. The immediate landlord will not be entitled to the vote of a residential unit held by a qualifying tenant who is not a member of the RTM company;
- (d) the immediate landlord of a non-residential part included in the Premises is entitled to cast the votes allocated that part, or where there is no lease of a non-residential part, the freeholder is so entitled. Where there is more than one such person, the total number of votes allocated to the non-residential part are to be divided between them in proportion to the internal floor area of their respective parts. Any resulting entitlement to a fraction of a vote is to be ignored;
- (e) if a residential unit is not subject to any lease, there is no entitlement to cast any votes in respect of it;

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- (f) any person who is a landlord under a lease or leases of the whole or any part of the Premises and who is a member of the company but is not otherwise entitled to any votes, is entitled to one vote.

(4) In the case of any persons who are to be regarded as jointly being members of the company, any such person may exercise the voting rights to which such members are jointly entitled, but where more than one such person tenders a vote, whether in person or by proxy, the vote of the senior is to be accepted to the exclusion of the votes of the others, and seniority is to be determined by the order in which the names of such persons appear in the register of members in respect of the flat or lease (as the case may be) in which they are interested.

Errors and disputes

34.—(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.

- (2) Any such objection must be referred to the chair of the meeting whose decision is final.

Poll votes

35.—(1) A poll on a resolution may be demanded—

- (a) in advance of the general meeting where it is to be put to the vote, or
- (b) 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.

(2) A poll may be demanded by—

- (a) the chair of the meeting;
- (b) the directors;
- (c) two or more persons having the right to vote on the resolution; or
- (d) 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.

(3) A demand for a poll may be withdrawn if—

- (a) the poll has not yet been taken, and
- (b) the chair of the meeting consents to the withdrawal.

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

Content of proxy notices

36.—(1) Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—

- (a) states the name and address of the member appointing the proxy;
- (b) identifies the person appointed to be that member’s proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
- (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.

(2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

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(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.

(4) Unless a proxy notice indicates otherwise, it must be treated as—

- (a) 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
- (b) 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.

Delivery of proxy notices

37.—(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 adjustment of it even though a valid proxy notice has been delivered to the company by or on behalf of that person.

(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.

(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.

(4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

Amendments to resolutions

38.—(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—

- (a) 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
- (b) the proposed amendment does not, in the reasonable opinion of the chair of the meeting, materially alter the scope of the resolution.

(2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—

- (a) the chair of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
- (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

(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's error does not invalidate the vote on that resolution.