

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 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

Directors' general authority

8. Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company.

Commencement Information

I1 Sch. 1 art. 8 in force at 30.11.2011, see [reg. 1\(2\)](#)

Members' reserve power

9.—(1) The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.

(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

Commencement Information

I2 Sch. 1 art. 9 in force at 30.11.2011, see [reg. 1\(2\)](#)

Directors may delegate

10.—(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—

- (a) to such person or committee;
- (b) by such means (including by power of attorney);
- (c) to such an extent;
- (d) in relation to such matters; and
- (e) on such terms and conditions;

as they think fit.

(2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

(3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

Commencement Information

I3 Sch. 1 art. 10 in force at 30.11.2011, see [reg. 1\(2\)](#)

Committees

11. Committees to which the directors delegate any of their powers must follow procedures which are based, so far as they are applicable, on those provisions of the articles which govern the taking of decisions by directors.

Commencement Information

I4 Sch. 1 art. 11 in force at 30.11.2011, see [reg. 1\(2\)](#)

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

12.—(1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 13.

(2) If—

- (a) the company only has one director, and
- (b) no provision of the articles requires it to have more than one director,

the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

Commencement Information

I5 Sch. 1 art. 12 in force at 30.11.2011, see [reg. 1\(2\)](#)

Unanimous decisions

13.—(1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

(2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.

(3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

(4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

Commencement Information

I6 Sch. 1 art. 13 in force at 30.11.2011, see [reg. 1\(2\)](#)

Calling a directors' meeting

14.—(1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

(2) Notice of any directors' meeting must indicate—

- (a) its proposed date and time;
- (b) where it is to take place; and
- (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

(3) Notice of a directors' meeting must be given to each director, but need not be in writing.

(4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

Commencement Information

I7 Sch. 1 art. 14 in force at 30.11.2011, see [reg. 1\(2\)](#)

Participation in directors' meetings

15.—(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—

- (a) the meeting has been called and takes place in accordance with the articles, and
- (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

(2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

(3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

Commencement Information

I8 Sch. 1 art. 15 in force at 30.11.2011, see [reg. 1\(2\)](#)

Quorum for directors' meetings

16.—(1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

(2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed, it is two.

(3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—

- (a) to appoint further directors, or
- (b) to call a general meeting so as to enable the members to appoint further directors.

Commencement Information

I9 Sch. 1 art. 16 in force at 30.11.2011, see [reg. 1\(2\)](#)

Chairing of directors' meetings

- 17.**—(1) The directors may appoint a director to act as chair for their meetings.
- (2) The person so appointed for the time being is known as the chair.
- (3) The directors may terminate the chair’s appointment at any time.
- (4) If the chair is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to act as chair.

Commencement Information

I10 Sch. 1 art. 17 in force at 30.11.2011, see [reg. 1\(2\)](#)

Casting vote

- 18.**—(1) If the numbers of votes for and against a proposal are equal, the chair or other director chairing the meeting has a casting vote.
- (2) But this does not apply if, in accordance with the articles, the chair or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

Commencement Information

I11 Sch. 1 art. 18 in force at 30.11.2011, see [reg. 1\(2\)](#)

Conflicts of interest

- 19.**—(1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.
- (2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.
- (3) This paragraph applies when—
- (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;
 - (b) the director’s interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - (c) the director’s conflict of interest arises from a permitted cause.
- (4) For the purposes of this article, the following are permitted causes—
- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;

- (b) subscription, or an agreement to subscribe, for securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such securities; and
- (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

(5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

(6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chair whose ruling in relation to any director other than the chair is to be final and conclusive.

(7) If any question as to the right to participate in the meeting (or part of the meeting) were to arise in respect of the chair, the question is to be decided by a decision of the directors at that meeting, for which purpose the chair is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

Commencement Information

I12 Sch. 1 art. 19 in force at 30.11.2011, see [reg. 1\(2\)](#)

Records of decisions to be kept

20. The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

Commencement Information

I13 Sch. 1 art. 20 in force at 30.11.2011, see [reg. 1\(2\)](#)

Directors' discretion to make further rules

21. Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

Commencement Information

I14 Sch. 1 art. 21 in force at 30.11.2011, see [reg. 1\(2\)](#)

APPOINTMENT OF DIRECTORS

Methods of appointing directors

22.—(1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—

- (a) by ordinary resolution, or
- (b) by a decision of the directors.

Changes to legislation: There are currently no known outstanding effects for the The RTM Companies (Model Articles) (Wales) Regulations 2011, PART 2. (See end of Document for details)

(2) In any case where, as a result of death, the company has no members and no directors, the personal representatives of the last member to have died have the right, by notice in writing, to appoint a person to be a director.

(3) For the purposes of paragraph (2), where 2 or more members die in circumstances rendering it uncertain who was the last to die, a younger member is deemed to have survived an older member.

.....
Commencement Information
I15 Sch. 1 art. 22 in force at 30.11.2011, see [reg. 1\(2\)](#)

Termination of director’s appointment

- 23. A person ceases to be a director as soon as—
 - (a) that person ceases to be a director by virtue of any provision of the Companies Acts or is prohibited from being a director by law;
 - (b) a bankruptcy order is made against that person;
 - (c) a composition is made with that person’s creditors generally in satisfaction of that person’s debts;
 - (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
 - ^{F1}(e)
 - (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

.....
Textual Amendments
F1 Sch. 1 art. 23(e) omitted (28.4.2013) by virtue of [Mental Health \(Discrimination\) Act 2013 \(c. 8\)](#), ss. [3\(3\)\(a\)](#), [4\(1\)](#)
.....
Commencement Information
I16 Sch. 1 art. 23 in force at 30.11.2011, see [reg. 1\(2\)](#)

Directors' remuneration

24. Except with the consent of the company in general meeting, the directors are not entitled to any remuneration. Any resolution giving such consent must specify the amount of remuneration to be paid to the directors, and unless the resolution provides otherwise, the remuneration is deemed to accrue from day to day.

.....
Commencement Information
I17 Sch. 1 art. 24 in force at 30.11.2011, see [reg. 1\(2\)](#)

Directors' expenses

25. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—

- (a) meetings of directors or committees of directors,
- (b) general meetings, or
- (c) separate meetings of the holders of debentures of the company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

Commencement Information

I18 Sch. 1 art. 25 in force at 30.11.2011, see [reg. 1\(2\)](#)

Changes to legislation:

There are currently no known outstanding effects for the The RTM Companies (Model Articles) (Wales) Regulations 2011, PART 2.