

**THE QUADRANGLE RTM COMPANY LIMITED  
MEETING REPORT  
MEMBERS GENERAL MEETING  
25<sup>th</sup> NOVEMBER 2014**

**Chair:  
Dudley Joiner,  
Director**

**Members in attendance:  
NAMES REDACTED**

**Main Business.**

A requisite number of members requested that a general meeting be convened for the purpose of electing additional directors. If a requisite number of members request a general meeting [pursuant to CA s.303] the directors are required to call a meeting. The directors were not given notice of a motion or proposed resolution.

**Summary of meeting**

The Chair explained the background to the meeting and the process required for the appointment of new directors, as set out in the Companies Articles, which are the statutory articles for RTM companies. He quoted Article 22 that states that '*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 by 1) ordinary resolution, or 2) by a decision of the directors*'.

The Chair stated that 'ordinary resolution' is defined in the Companies Act and that in order for a resolution to be passed at a general meeting it is necessary for notice of the resolution to be given. [See CA s.301(a)]. He explained that the primary purpose of requiring notice is to give members unable to attend the opportunity to vote by proxy. As no such notice had been given no resolution could be passed at the meeting.

The Chair reported that the membership of the Company had diminished due to a number of members selling their properties. He said the membership was currently about 35% of the total flats in The Quadrangle, Onyx Mews and Topaz House and expressed concern that it was arguably unfair that a meeting with a quorum of 20% (7 persons) should have the power to make decisions for 102 owners. He said that the Company was engaged in recruiting more members so as to increase the total membership to at least two thirds of the total flat owners, which would be more representative and democratic.

A number of members interrupted the Chair to question the procedure for appointing directors. A member said the meeting could still pass a resolution even though no notice had been given. The Chair said he was confident he was

conducting matters legally and properly. A member expressed the view that RTM membership automatically transfers to new owners so the numbers should not diminish. The Chair said that membership does not transfer but terminates when an owner ceases to be an owner or 'qualifying tenant'.

A member asked if the Chair could explain his proposals for appointing new directors. The Chair referred back to the Company Articles and said that the alternative to appointment by resolution was appointment by the directors. He said he fully supported the request for additional directors.

A member asked the Chair to explain the responsibilities and liabilities of an RTM Director. The Chair explained that when a managing agent is appointed the function of RTM Directors is a monitoring role rather than a managing role. He stressed the importance of letting managers take responsibility for the day-to-day managing. He said that leaseholder control through the RTM Company was exercised by periodic reviews of management performance and the on-going right of the RTM Company to terminate a manager's contract if it failed to meet expectations.

The Chair confirmed he was prepared to exercise his powers as a director to appoint to the board members nominated at the meeting but subject to the caveat that he would not endorse the appointment of members who were in breach of their leases, in particular those that were in substantial arrears with their service charges. No member expressed disagreement with this condition of appointment and members put forward the following nominations: -

**NAMES REDACTED ...**

The Chair stated that subject to confirmation by Team Property Management that each nominee is up-to-date with service charges and not in breach of their lease he would exercise his powers as a director to appoint the aforementioned nominees to the board of directors and would duly instruct RTMF in its capacity of company secretary to register the appointments at Companies House.

The Chair asked the nominees if they wanted to set a date for the next board meeting. It was agreed that the next meeting of RTM Directors will take place at 7.30 pm on 8<sup>th</sup> December 2014 in the Quadrangle Gym.

In concluding the meeting the Chair said that there were substantial challenges ahead in relation to the maintenance of the building. He reported that leaks from water distribution pipes were continuous as well as leaks from the flat roof, which was in a very poor state of repair and would soon require replacement.

A member asked whether the service charge would be reduced to take account of the installation of individual water meters and individual billing as opposed to communal billing. The Chair confirmed that an adjustment would be made in the next service charge demand to reflect this change.

The Chair thanked members for their attendance. The meeting closed at 8.45 pm.

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**Addendum:**

The following statutes were referenced and are reproduced in part, for clarity.

**COMPANIES ACT 2006**

**301**

**Resolutions at general meetings**

A resolution of the members of a company is validly passed at a general meeting if—

- (a) notice of the meeting and of the resolution is given, and
- (b) the meeting is held and conducted, in accordance with the provisions of this Chapter (and, where relevant, Chapter 4) and the company's articles.

**303**

**Members' power to require directors to call general meeting**

(1) The members of a company may require the directors to call a general meeting of the company.

(2) The directors are required to call a general meeting once the company has received requests to do so from—

- (a) members representing at least 5% of such of the paid-up capital of the company as carries the right of voting at general meetings of the company (excluding any paid-up capital held as treasury shares); or
- (b) in the case of a company not having a share capital, members who represent at least 5% of the total voting rights of all the members having a right to vote at general meetings.

**STATUTORY ARTICLES OF ASSOCIATION**

**Defined terms**

"ordinary resolution" has the meaning given in section 282 of the 2006 Act;

**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—
1. (a) by ordinary resolution, or
  2. (b) by a decision of the directors.

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