

**REQUISITE MAJORITIES FOR VOTING PURPOSES AT THE MEETING OF CREDITORS TO CONSIDER
A VARIATION TO THE ARRANGEMENT**

- (1) Subject to paragraph (2), at the creditors' meeting a resolution is passed where a majority (in value) of those present and voting in person or by proxy have voted in favour of it.
- (2) A resolution to vary the proposal or a modification is passed when a majority of three-quarters or more (in value) of those present and voting in person or by proxy have voted in favour of it.
- (3) Applies only to the consideration of a moratorium and so does not apply at this meeting.
- (4) In the following cases there is to be left out of account a creditor's vote in respect of any claim or part of a claim –
 - (a) where written notice of the claim was not given, either at the meeting or before it, to the Chairman;
 - (b) where the claim or part is secured;
 - (c) where the claim is in respect of a debt wholly or partly on, secured by, a current bill of exchange or promissory note, unless the creditor is willing
 - (i) to treat liability to him on the bill or note of every person who is liable on it antecedently to the company, and against whom a bankruptcy order has not been made (or, in the case of a company, which has not gone into liquidation), as security in his hands, and
 - (ii) to estimate the value of any security and (for the purpose of entitlement to vote, but not of any distribution under the arrangement) to deduct it from his claim.
- (5) Any resolution is invalid if those voting against it include more than half in value of the creditors, counting in these latter only those –
 - (a) who have notice of the meeting;
 - (b) whose votes are not to be left out of account under paragraph (4); and
 - (c) who are not, to the best of the Chairman's belief, persons connected with the company.