



**CS PART II SECTION 4**

**LAW AND PROCEDURE OF MEETINGS**

**FRIDAY: 1 December 2017.**

**Time Allowed: 3 hours.**

**Answer ALL questions. Marks allocated to each question are shown at the end of the question.**

**QUESTION ONE**

- (a) The members of ABC Ltd. intend to pass an ordinary resolution for the removal of Joel Enda, a director in the company. The members are aware that there is a well established statutory procedure for the removal of a director.

The members of ABC Ltd. are however, not fully conversant with the procedure. They are also not sure what type of meeting to request for although they know they have a right to request for a meeting.

As the company secretary of ABC Ltd., advise the members on the procedure for the removal of a director. (10 marks)

- (b) Assume that you are a company secretary of a listed company and the board has appointed a chairman.

Draft a note to the newly appointed chairman outlining his powers in the meetings of the board. (10 marks)

**(Total: 20 marks)**

**QUESTION TWO**

- (a) Being the company secretary of a public limited company, you are preparing to hold an annual general meeting (AGM).

Describe the following in relation to preparation of the AGM:

- (i) Six essential parts of a notice other than the agenda. (6 marks)

- (ii) Four items you might include in the agenda. (4 marks)

- (b) You are in the capacity of a company secretary and are therefore required to prepare a note for the information of a newly elected board explaining the following procedures:

- (i) Recording of minutes. (2 marks)

- (ii) Signing of minutes. (2 marks)

- (iii) Alteration in the minutes. (2 marks)

- (c) Outline four purposes of an agenda. (4 marks)

**(Total: 20 marks)**

**QUESTION THREE**

- (a) The directors of Chap Chap Enterprises Ltd. have approached you as their company secretary for guidance.

The directors inform you that they have numerous commitments and as such they are unable to hold a meeting. They would therefore like to use the traditional method of passing a written resolution.

The articles of association of Chap Chap Enterprises Ltd. allow the directors to act without holding a meeting.

Advise the directors of Chap Chap Enterprises Ltd. on the following matters:

- (i) Rules governing the circulation of written resolutions proposed by directors. (8 marks)

- (ii) Adoption of directors' written resolutions. (4 marks)

- (b) One of the defences available to a person accused of defamation is fair comment. This defence is however, a double edged sword.

Analyse the above statement.

(8 marks)

**(Total: 20 marks)**

#### QUESTION FOUR

- (a) Highlight four circumstances which despite being present do not affect the validity of a director's acts. (4 marks)

- (b) With reference to creditors' meetings in corporate insolvency:

- (i) Explain two rules governing the passing of resolutions at the meeting. (4 marks)

- (ii) State four persons who might represent a creditor at the meeting. (4 marks)

- (iii) Draft a notice for convening the first meeting of creditors, using the following guidelines:

- The request to hold the meeting is from the creditors.
- The meeting should be held after the requisite notice period exclusive of today.
- The meeting will be held at Yetu Hotel within the central business district.
- Creditors should lodge with the trustee a proof of claim and/or proxy form.
- Enclosures include a proof of claim form, proxy form and list of creditors.
- Only claims of Sh.10,000 and above will be admitted.

(8 marks)

**(Total: 20 marks)**

#### QUESTION FIVE

- (a) In the context of meetings of the National assembly:

- (i) Outline four types of motions that might be moved without notice. (4 marks)

- (ii) Highlight four instances when a member is deemed to have committed an act of disorderly conduct. (4 marks)

- (b) In the annual general meeting of Number Six Ltd. held on Friday, 29 September 2017, some of the shareholders raised the following objections, which you are required to respond to by explaining to the shareholders the relevant provisions:

- (i) Notice of the annual general meeting was not received by them although they have provided their registered postal addresses. The notice was instead sent by means of the company's website. (4 marks)

- (ii) In an effort to save on printing costs, the company only sent notices to members who actively contribute in debates. (4 marks)

- (iii) Two per cent of the members with relevant voting rights sent a request requiring circulation of statements with respect to a matter referred to in a proposed resolution. The request contained a three days notice period. (4 marks)

**(Total: 20 marks)**

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