

CS PART II SECTION 4

LAW AND PROCEDURE OF MEETINGS

MONDAY: 30 November 2020.

Time Allowed: 3 hours.

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

**QUESTION ONE**

Read the following two scenarios at Company X and answer the questions that follow:

**Scenario A: The overwhelmed board**

The board is in an all day meeting which was called to discuss the organisation's new strategic plan. It is mid-afternoon and the meeting is supposed to end at 6.00 p.m. Board members are not paying attention to the Chief Executive Officer (CEO) who has been making a presentation using powerpoint for the last 30 minutes. The energy levels in the room are very low.

**Scenario B: The overheated board**

The board is discussing the takeover of another company. Opinions are very divided. The tone of the meeting is getting louder and more contentious by the minute. Those for the takeover are accusing their colleagues of deliberately jeopardising an opportunity for growth while those against say that the idea is rash and too risky. Old disagreements and issues are being raised by both sides.

**Required:**

As the corporate secretary of company X, advise on the following:

- (a) Five possible causes of the situation in each of the above scenario. (10 marks)
  - (b) Suggest five ways on how the board could be re-energised to refocus the meeting in each of the above scenarios. (10 marks)
- (Total: 20 marks)**

**QUESTION TWO**

- (a) Jack Too is attending a public meeting for which he had paid Sh.5,000 as entrance fee. The meeting kicked off at 9.00 a.m. and is expected to end at 6.00 p.m. At around 12.00 noon, he was ejected from the meeting on grounds that he had not paid the entrance fee.

Explain four rules that should have been followed when ejecting him, taking into account there was an admission upon payment. (8 marks)

- (b)
    - (i) Differentiate between "postponement" and "adjournment" as used in meetings. (4 marks)
    - (ii) Explain four situations which might occasion an adjournment of a meeting at the will of the conveners. (8 marks)
- (Total: 20 marks)**

**QUESTION THREE**

- (a) Rev. Ouma Kabiyo is the Secretary of Church of Heaven a local church in Kenya. The church is in the process of developing meeting procedures which would guide the meetings of the clergy.

With regard to private meetings, advise Rev. Ouma Kabiyo on four sources of legal and procedural principles relevant for the development of the meeting procedures. (8 marks)

- (b) An amendment duly moved and seconded cannot be withdrawn without consent of the meeting as once moved it becomes the property of the meeting.

With reference to the above statement, analyse two methods of dealing with proposed amendments to a motion in the National Assembly. (6 marks)



- (c) (i) The term “closure” as used in meetings has the objective of expediting a decision. It is usually put when it is considered that the item of business has been sufficiently discussed and it is desired to move on to the next business. (4 marks)

With respect to the above statement, examine two methods that could be used to close discussions on a bill in a County Assembly.

- (ii) Explain the term “order of business” as used in the County Assembly. (2 marks)

**(Total: 20 marks)**

#### QUESTION FOUR

- (a) The directors of Mvule Limited are discussing the company’s document retention policy. Simeon Waf, one of the directors has proposed that minutes of directors meetings should be kept for a maximum of six years or equivalent of two terms of a director’s term in office.

As the Corporate Secretary of the Company, advise the board on four legal provisions relating to minutes of directors’ meetings. (8 marks)

- (b) Outline three situations where a public company is not required to give notice of a resolution to be moved in a general meeting. (3 marks)

- (c) A special motion in the National Assembly requires a fixed number of members of the whole house to support the moving of the motion or to decide on any question on the motion.

With reference to the above statement, summarise nine instances that may require a special motion. (9 marks)

**(Total: 20 marks)**

#### QUESTION FIVE

- (a) Summarise four consequences of failure of a creditors meeting to appoint a bankruptcy trustee. (4 marks)

- (b) Citing six reasons, justify why the board of the future may become digital. (6 marks)

- (c) Cleophas Nyambizimana is a famous blogger and an administrator and owner of a website. He attracts traffic to his site by writing juicy stories with catchy headlines. Some of the stories are true while others, the veracity cannot be vouched for. In April 2020, Cleophas Nyambizimana made a defamatory statement against Professor George Matuh, a Vice Chancellor of a University.

Professor George Matuh has come to you for advice since Cleophas Nyambizimana has defended himself by stating that his website was hacked and that he was not the one who posted the defamatory statement on the website.

#### Required:

- (i) Assess three reasons why Cleophas Nyambizimana’s defence would fail. (6 marks)

- (ii) Cleophas Nyambizimana after careful consideration has offered to make amends to Professor George Matuh.

Analyse two features of an offer to make amends.

(4 marks)

**(Total: 20 marks)**

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**CS PART II SECTION 4**

**LAW AND PROCEDURE OF MEETINGS**

**THURSDAY: 28 November 2019.**

**Time Allowed: 3 hours.**

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

**QUESTION ONE**

- (a) With reference to company law, discuss five requirements for passing of a special resolution in a meeting. (10 marks)
- (b) In the context of public companies, examine five legal provisions on members' power to require circulation of all resolutions that are proposed to be moved at the Annual General Meeting. (10 marks)
- (Total: 20 marks)**

**QUESTION TWO**

- (a) With reference to the second schedule of the County Assembly Services Act, summarise six provisions relating to meetings of the County Assembly Service Board. (12 marks)
- (b) In relation to publication of parliamentary reports, explain two defences in an action for libel. (4 marks)
- (c) With reference to meetings of National Assembly, distinguish between the terms "private bill" and "special bill". (4 marks)
- (Total: 20 marks)**

**QUESTION THREE**

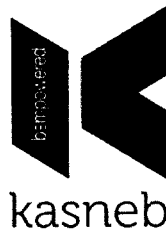
- (a) Describe five essentials for keeping meetings on track. (5 marks)
- (b) John Kibanzi is planning to hold a public gathering at Uhuru Park and later on a procession to parliament. Advise John Kibanzi on the contents of a notice of the meeting to be given to the regulating officer at the local police station. (3 marks)
- (c) With regard to insolvency law and in the context of the meetings of the Board of Directors and processes at the Registrar of Companies office, describe the process of winding up of a company. (4 marks)
- (d) Corporations are increasingly adopting e-Board management system technology in their pursuit to enable directors guide businesses and institutions towards a better and sustainable future. With reference to the above statement, explain four functionalities of e-Board systems. (8 marks)
- (Total: 20 marks)**

**QUESTION FOUR**

- (a) In the context of liquidation of a company, outline six persons who might represent a creditor at a creditor's meeting. (6 marks)
- (b) Members of a private company might require the company to circulate a resolution that might properly be moved and is proposed to be moved as a written resolution. With reference to the above statement, explain three circumstances under which a resolution might not be properly moved. (6 marks)
- (c) Discuss four methods of voting in parliament. (8 marks)
- (Total: 20 marks)**

**QUESTION FIVE**

- (a) In relation to meetings of a county assembly, analyse five privileges and immunities granted by law to members of the County Assembly. (10 marks)
- (b) Summarise five ways of amending words in a motion. (5 marks)
- (c) Highlight five roles of debate or discussing a motion. (5 marks)
- (Total: 20 marks)**



## CS PART II SECTION 4

### LAW AND PROCEDURE OF MEETINGS

FRIDAY: 24 May 2019.

Time Allowed: 3 hours.

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

#### QUESTION ONE

- (a) With reference to general principles and case law, advise upon the correctness or otherwise of each of the following:
- (i) The chairman of a meeting directs that a poll should be taken on a contentious issue despite protests from several members present at the meeting. (2 marks)
  - (ii) The rules of the association require a poll to be taken on every special resolution. A special resolution is passed on a show of hands, no poll being demanded or taken. (2 marks)
  - (iii) The rules of the society state that three or more members may demand of a poll. One member only demands a poll and it is taken without objection being raised at the meeting. The validity of the poll is later disputed by a member who was not present at the meeting. (2 marks)
- (b) Giving examples in each case, distinguish between “substantive motion” and “dilatory motion” of adjournments of a County Assembly. (6 marks)
- (c) Discuss four types of motions in a parliamentary procedure. (8 marks)
- (Total: 20 marks)**

#### QUESTION TWO

- (a) In the context of meetings of National Assembly:
- (i) Assess three circumstances when the speaker might direct a division to be taken. (6 marks)
  - (ii) Discuss six rules of debate in the National Assembly. (6 marks)
- (b) Peter Karisa was appointed the liquidator of Century Limited in order to carry out a creditors voluntary liquidation. On 2 January 2019, the contributories of the company had formed the view that Century Limited was unable to pay its debts. He set a date for the creditors’ meeting on 28 February 2019. He sent out the notice of the meeting on 25 February 2019 and published the notice in the Gazette.

Further, he informed the creditors that any creditor interested in information regarding Century Limited’s affairs should pay Sh.1,000 for its dissemination.

On the day before the meeting, Peter sent his apologies as he could not attend the meeting but requested the creditors to continue and meet to discuss the affairs of the company. He further informed the creditors that the notice sent contained the information needed as to the financial position of the company.

**Required:**

Analyse four flaws in procedure for the scheduled meeting of the creditors.

(8 marks)

**(Total: 20 marks)**

#### QUESTION THREE

- (a) Kurawa Ltd. has adopted the model articles of association for private companies limited by shares. The directors of Kurawa Ltd. are Chari, Mangi and Peru, they held a meeting to discuss potential contracts with third parties. The meeting resolved to purchase firewood for the company’s boilers from Samata Ltd. Mangi did not disclose that he is a shareholder of Samata Ltd. and is entitled to a shareholder’s commission in return for obtaining orders for Samata Ltd. Mangi voted in favour of the contract. Peru voted in favour of a contract with Vipo Ltd. though he did not disclose that he is a director of Vipo Ltd. and has been promised a commission of 5% if Kurawa Ltd. enters into a contract with Vipo Ltd. Chari has never been properly appointed as a director of Kurawa Ltd.

**Required:**

Discuss the validity of the meeting of the directors of Kurawa Ltd.

(10 marks)

- (b) The constitution of a society requires fourteen days' notice of a meeting. The secretary of the society issues seven days notice without the authority of the convening body. All the members present at the meeting agree to waive the inadequacy of the notice.

**Required:**

Assess the validity of the meeting.

(4 marks)

- (c) Ali and Bii are directors and shareholders of AB Ltd. They wish to remove the Executive Director from office as soon as possible even though his term of office and current contract of service still has over one year to run.

Advise Ali and Bii on the procedures of meetings and resolutions necessary to fulfil their objective of removing the Executive Director from office.

(6 marks)

**(Total: 20 marks)**

**QUESTION FOUR**

- (a) A company is required to give notice of a resolution that is proposed to be moved at an Annual General Meeting once it receives requests from its members.

With reference to the above statement, outline four conditions for this request to be effective.

(4 marks)

- (b) Explain four ways in which an extraordinary general meeting might be convened.

(4 marks)

- (c) A statutory meeting is held for the specific agenda of enabling members of a company to consider the statutory report.

Analyse four contents of the statutory report.

(4 marks)

- (d) Explain the rules relating to quorum in the conduct of National Assembly meetings.

(4 marks)

- (e) With reference to the law of defamation, summarise four circumstances when the defence of qualified privilege might be applicable.

(4 marks)

**(Total: 20 marks)**

**QUESTION FIVE**

- (a) With reference to the "audi alteram partem rule" that is, right to a fair hearing, examine three fundamental rights recognised by this rule.

(6 marks)

- (b) Alex Yanga, a trade union member was expelled for breach of union rules. The rules provide that where a member is accused of having committed an offence, he is entitled to an opportunity to answer the charges preferred before the disciplinary committee. In addition, the member is supposed to appear before the meeting of the union executives in which the decision of the disciplinary committee is ratified.

Alex was summoned by the disciplinary committee where automatic expulsion was recommended and the case was closed.

**Required:**

Advise Alex Yanga on his legal rights.

(4 marks)

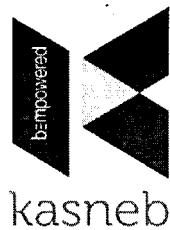
- (c) Discuss two instances where miscellaneous resolutions are applicable.

(4 marks)

- (d) Examine three circumstances under which extra-ordinary resolution would be passed as per the Companies Act.

(6 marks)

**(Total: 20 marks)**



**CS PART II SECTION 4**

**LAW AND PROCEDURE OF MEETINGS**

**FRIDAY: 30 November 2018.**

**Time Allowed: 3 hours.**

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

**QUESTION ONE**

- (a) Highlight four restrictions imposed by the Companies Act on the powers of the board of directors of a company. (4 marks)
- (b) With reference to powers and duties of the chairperson of a meeting, explain four circumstances under which the chairperson can:
- (i) Exercise his casting vote. (4 marks)
- (ii) Exercise his power to adjourn a meeting. (4 marks)
- (c) Discuss four main causes of disorder during the conduct of meetings. (8 marks)
- (Total: 20 marks)**

**QUESTION TWO**

- (a) Communication of a matter which is untrue and likely to damage substantially a person's reputation is defamation.
- With reference to the above statement, summarise four elements of a defamatory statement. (4 marks)
- (b) Examine three differences between libel and slander. (6 marks)
- (c) (i) Explain five defences to an action of defamation. (5 marks)
- (ii) Analyse five circumstances under which the plaintiff in slander does not need to prove that he suffered any actual pecuniary damage. (5 marks)
- (Total: 20 marks)**

**QUESTION THREE**

- (a) Explain four objectives of holding the first meeting of creditors and contributories in a winding up by order of the court. (4 marks)
- (b) Discuss the effect of adjournment of a meeting in relation to:
- (i) Notice of the adjourned meeting. (2 marks)
- (ii) Business of the meeting. (2 marks)
- (iii) Proxies at the adjourned meeting. (2 marks)
- (c) Evaluate how a valid resolution of a company might be passed without holding a meeting. (10 marks)
- (Total: 20 marks)**

#### QUESTION FOUR

- (a) Describe the protection procedure accorded to minority shareholders of a particular class of shares. (6 marks)
- (b) Discuss the procedure to be followed when a quorum is not present during the proceedings of the County Assembly. (6 marks)
- (c) The chairman of a meeting instructed the stewards to remove any persons taking part in disturbance at the back of the hall in which the meeting was being held. Acting upon the chairman's instructions, the stewards proceeded to remove persons responsible for the disturbance and forcibly ejected them from the hall.

Chimwaga Yawa was among those ejected by the stewards though he was entirely innocent of complicity in the disturbance.

In the course of his removal, Chimwaga Yawa was severely hurt and has claimed damages for assault from the chairman of the meeting.

**Required:**

Advise Chimwaga Yawa on the legal considerations of his claim.

(8 marks)

**(Total: 20 marks)**

#### QUESTION FIVE

- (a) Describe the procedure of giving a notice of a motion in a National Assembly. (6 marks)
- (b) A chairperson of a meeting does not incur personal liability merely by reason of an erroneous decision or irregularities in procedure in relation to the proceedings of a meeting so long as he acts bona fide and exercises his discretion honestly.

Discuss the above statement with respect to legal actions. (5 marks)

- (c) You are the secretary to the board of directors of Chizingo Level Five Hospital, a government entity responsible for managing local health service provision to the community. The hospital's management and leadership have a culture of being publicly accountable to the community.

The hospital holds an annual public meeting to review its performance. The board expects a significant amount of public criticisms regarding the management of the hospital. During the previous meeting, there were thorny issues raised about:

1. The rights of the press in reporting the proceedings of the meeting.
2. The correct method of dealing with public meetings on private premises where some members of the public are likely to engage in some form of disorderly conduct.
3. The chairperson's role in regulation of discussion during the meeting.

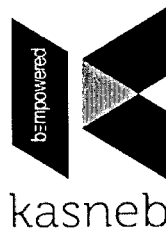
**Required:**

Advise the board on the three issues raised above.

(9 marks)

**(Total: 20 marks)**

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**CS PART II SECTION 4**

**CORPORATE SECRETARIAL PRACTICE**

**THURSDAY: 24 May 2018.**

**Time Allowed: 3 hours.**

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

**QUESTION ONE**

**ANKRA WELFARE GROUP**

Ankra Welfare Group was started by former students of Ankra High School. The group is led by Kitimi Kagambi who also acts as the chairman. Currently, the welfare group has 82 active members and 2 dormant members. Membership to the group is only open to former students of Ankra High School who graduated between the years 1990 and 1999. Since the group was formed in 2013, members have never seen the need to formally register it with the government.

During the last group meeting which was held on Wednesday, 2 May 2018, Ontara Biyu the group's treasurer suggested that for the group to impact more on the society there was need for it to be formally registered. In the meeting, it was unanimously agreed that the welfare group be registered as a not for profit organisation.

Ankra Welfare Group has since engaged your firm to provide secretarial services related to registration of the group as a not for profit organisation in the form of a non-governmental organisation (NGO).

**Required:**

- (a) Summarise seven details that should be included in the application for registration of Ankra Welfare Group as an NGO. (7 marks)
  - (b) Explain seven registration requirements for local NGOs which must be met by Ankra Welfare Group when applying for registration. (7 marks)
  - (c) Cite three circumstances which could lead the Non-governmental Organisations' Coordination Board to refuse Ankra Welfare Group's registration. (3 marks)
  - (d) Advise Ankra Welfare Group on instances where the Non-governmental Organisations' Coordination Board could cancel a certificate of registration of a registered NGO. (3 marks)
- (Total: 20 marks)**

**QUESTION TWO**

- (a) The board of directors of XYZ Ltd., a listed company has been considering methods of raising additional capital and has settled on a rights issue. The shares are to be listed on the securities exchange and the directors have been advised to underwrite the shares.

**Required:**

- (a) Explain seven roles of a Certified Secretary in the rights issue of XYZ Ltd. (7 marks)
  - (b) The annual general meeting of Amuna Ltd. is scheduled to take place in three weeks time. The directors of the company have failed to agree on instances requiring a special resolution.  
Advise the board of directors on the business that requires a special resolution. (6 marks)
  - (c) Upendo Ltd. has developed a dividend policy which greatly borrows from common law.  
Summarise seven common law rules on payment of dividends. (7 marks)
- (Total: 20 marks)**



### QUESTION THREE

EMKY Registrars, a corporate secretarial firm has engaged three interns to assist in carrying out its functions.

As a senior partner, induct the interns on:

- (a) Four statutory roles and four administrative roles of a corporate secretary. (8 marks)
- (b) Business conducted during the first meeting of the board of directors. (7 marks)
- (c) Information contained in a common seal documents register. (5 marks)

(Total: 20 marks)

### QUESTION FOUR

- (a) Band Ltd., a company that deals with electrical appliances has hired you to draft a trust deed for its employees share ownership plan (ESOP).

Outline the matters which you would include in the trust deed. (7 marks)

- (b) You are the company secretary of EMU Ltd., a listed company in the securities exchange.

Draft the chairman's agenda for proposing:

- (i) The adoption of the directors' report and audited accounts for the year ended 31 December 2017. (4 marks)
- (ii) Declaration of dividend for the year ended 31 December 2017. (4 marks)
- (c) The unclaimed assets law requires unclaimed dividends to be transferred to the Unclaimed Financial Assets Authority (UFAA) after the prescribed period.

Explain the steps that a company secretary would follow to ensure that the number of outstanding dividend warrants is kept to a minimum. (5 marks)

(Total: 20 marks)

### QUESTION FIVE

- (a) Akiba Social Securities Fund, a pension scheme, has witnessed a growth of 230% within a span of two years.

Explain five factors which could have contributed to the increased growth of the pension industry in your country. (5 marks)

- (b) The directors of Banet Ltd. are mulling over conducting a board evaluation.

Advise them on why Banet Ltd. should conduct a board evaluation. (5 marks)

- (c) Sokoni Ltd. is a large retail company with outlets throughout the country. Mr B, a director of the company who has questionable integrity issues, sent a resignation letter to you, the company secretary of Sokoni Ltd.

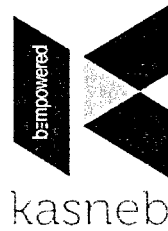
Outline the actions you would take on receiving Mr B's resignation letter as a director. (5 marks)

- (d) The board of directors meeting of Oleng Ltd. which was held recently deliberated on the strategic plan for the period 2018 – 2022.

As the corporate secretary of Oleng Ltd., describe the duties which you would perform after the board meeting. (5 marks)

(Total: 20 marks)

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**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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## CS PART II SECTION 4

### LAW AND PROCEDURE OF MEETINGS

FRIDAY: 26 May 2017.

Time Allowed: 3 hours.

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

#### QUESTION ONE

- (a) Differentiate between "extraordinary general meeting" and "class meetings". (4 marks)
- (b) A chairman must act impartially and has to ensure that the business of the meeting is conducted in a proper and efficient manner and in accordance with the law and the company's articles.

With reference to the above statement:

- (i) Discuss four legitimate measures that a chairman could take to limit debate and discussion in a meeting. (8 marks)
- (ii) Suggest four practical tactics a chairman might use to deal with disruption in a meeting. (8 marks)

(Total: 20 marks)

#### QUESTION TWO

- (a) Summarise four benefits that could accrue to a company from using information booths during annual general meeting. (4 marks)
- (b) With reference to meetings of the County Assembly:
- (i) Highlight three actions taken when the debate is concluded. (3 marks)
- (ii) Explain four ways in which members are supposed to behave whenever the speaker rises to intervene in a debate. (4 marks)
- (c) Explain five ways through which a chairman to preside over a meeting could be appointed. (5 marks)
- (d) In reference to shareholders' meeting, explain two cases in which shareholding might not entitle one to be a member of a company. (4 marks)

(Total: 20 marks)

#### QUESTION THREE

- (a) In relation to voting methods, explain the following:
- (i) Standing vote. (2 marks)
- (ii) Voting by division. (2 marks)
- (b) Highlight three forms of amendments which could be made to bills and motions. (3 marks)
- (c) A director is not permitted to be counted in a quorum or to vote on any contract in which he or she may be interested at a board meeting.
- Discuss four exceptions to the above statement. (8 marks)
- (d) Cite five instances where a special resolution might be required. (5 marks)

(Total: 20 marks)

#### QUESTION FOUR

With reference to meetings of the National Assembly:

- (a) Summarise four reasons why the speaker might procedurally dismiss an amendment as out of order. (4 marks)
- (b) Discuss five types of motions that could be introduced by the speaker for discussion. (10 marks)
- (c) Describe the procedure followed in handling points of order. (6 marks)

(Total: 20 marks)



**QUESTION FIVE**

- (a) Explain three obligations of the police in relation to meetings held on private property. (3 marks)
- (b) In relation to the law of defamation:
- (i) Distinguish between “absolute privilege” and “qualified privilege”. (4 marks)
  - (ii) Analyse four situations where absolute privilege might exempt a person from liability for potentially defamatory statements. (8 marks)
- (c) Highlight five factors which might contribute to revocation of a proxy. (5 marks)

**(Total: 20 marks)**

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# KASNEB

## CS PART II SECTION 4

### LAW AND PROCEDURE OF MEETINGS

FRIDAY: 25 November 2016.

Time Allowed: 3 hours.

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

#### QUESTION ONE

- (a) With specific reference to meetings of the National Assembly or similar organ in your country:
- (i) Highlight the stipulated quorum required for the House or a committee of the whole House. (2 marks)
  - (ii) Discuss the procedure to be followed when a quorum is not present during the proceedings of the House. (8 marks)
- (b) (i) Outline two essential requirements that must be met by a written resolution for it to have effect. (2 marks)
- (ii) The Court in the case of *Re Sanitary Carbon Company (1877)* appeared to lend support to the decision in *Sharpe V. Dawes* that a meeting of a company attended by one shareholder only was not validly constituted.

With reference to the above statement, explain four exceptions to the rule in *Re Sanitary Carbon Company (1877)*. (8 marks)

(Total: 20 marks)

#### QUESTION TWO

- (a) You are the company secretary of October Limited Company (OLC). Esinasi Muhonja, a shareholder of OLC Ltd., has approached you and is seeking advice on the procedure to be followed when moving a motion.

Advise Esinasi Muhonja on the procedure for moving a motion. (10 marks)

- (b) With reference to the law on defamation:
- (i) Explain the meaning of the term “qualified privilege” as used as a defence for defamation. (2 marks)
  - (ii) Discuss four circumstances under which the defence of qualified privilege could arise. (8 marks)

(Total: 20 marks)

#### QUESTION THREE

- (a) It is a requisite requirement of every meeting that there should be an authority in whom rests the power to conduct and control the proceedings. The chairman as commonly called, presides over the meeting.

With regard to the above, describe the following:

- (i) Four qualities that the chairman of a meeting should possess. (8 marks)
  - (ii) Two circumstances when members present at a general meeting shall elect a chairman. (2 marks)
- (b) In the context of public meetings, explain the following:
- (i) Public gathering. (2 marks)
  - (ii) Public place. (2 marks)
  - (iii) Difference between “hours of darkness” and “hours of daylight”. (2 marks)
  - (iv) Two conditions to be met before a person could be allowed to be outside their premises during curfew hours. (4 marks)

(Total: 20 marks)



#### QUESTION FOUR

- (a) Discuss the provisions governing the convention and notice of meeting where the liquidator forms a view that the company is unable to pay its debts. (10 marks)
- (b) (i) Highlight four motions of the County Assembly which might be moved without notice. (4 marks)
- (ii) Explain the provisions governing voting in the County Assembly. (6 marks)
- (Total: 20 marks)**

#### QUESTION FIVE

- (a) With respect to conduct and management of board meetings, explain the provisions governing:
- (i) Minutes of directors meetings. (6 marks)
- (ii) Convening directors meetings. (4 marks)
- (b) Explain the validity of acts of meetings of directors. (5 marks)
- (c) Directors might make decisions through written resolutions. (5 marks)
- Describe the process of proposing directors' written resolution. (5 marks)
- (Total: 20 marks)**
- .....

# KASNEB

## CS PART II SECTION 4

### LAW AND PROCEDURE OF MEETINGS

FRIDAY: 27 May 2016.

Time Allowed: 3 hours.

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

#### QUESTION ONE

- (a) The Public Order Act which is an Act that makes provision for maintenance of public order in public meetings defines a meeting as any gathering of persons (not being an excluded meeting) convened and held for any purpose, including any political purpose.

With reference to the above statement, explain the meaning of the term “excluded meeting”. (6 marks)

- (b) You are the certified secretary of a political organisation in your country. The head of the organisation, Alpha Mwenda has instructed you to prepare a notice to the regulating officer of the organisation’s intention to convene a public meeting.

#### Required:

- (i) State the notice period for the above meeting. (1 mark)

- (ii) Summarise the matters you should include in the notice for the above meeting. (3 marks)

- (c) As a certified secretary, you have been invited to give a presentation at a seminar of the Institute of Certified Public Secretaries in your country. The seminar’s topics will be: Effective management of meetings, writing of minutes, reports and board papers.

With reference to the above statement, prepare a write up on the essentials of good minute writing. (10 marks)  
(Total: 20 marks)

#### QUESTION TWO

- (a) A chairperson’s duties begin as soon as he or she has thanked the meeting and assumed the position.

Describe ten duties of the chairperson of a meeting. (10 marks)

- (b) Explain the rule in Sharpe V. Dawes. (4 marks)

- (c) Identify three essentials of a valid meeting. (6 marks)

(Total: 20 marks)

#### QUESTION THREE

- (a) The Financial Reporting Council’s Guidance on Board Effectiveness suggests that, well informed and high quality decision making is a critical requirement for a board to be effective and that boards can minimise the risk of poor decisions by investing time in the design of their decision making policies and processes.

With reference to the above statement:

- (i) Propose five measures that boards could implement to ensure good decision making. (5 marks)

- (ii) Suggest five factors that could limit effective decision making of boards. (5 marks)

- (b) (i) Define the term “committee”. (2 marks)

- (ii) Describe four types of committees. (8 marks)

(Total: 20 marks)

#### QUESTION FOUR

- (a) Highlight four circumstances when the directors present at a company's general meeting shall elect one of themselves to preside at the meeting. (4 marks)
- (b) The directors of SNEBKA Company Limited have instructed you as the company secretary to prepare a notice of a general meeting that will be held in the next fifteen days. The meeting will be held at two places and the directors intend to move a special resolution.
- Draft a notice convening the above general meeting. (8 marks)
- (c) In relation to the law of defamation, explain four statements that have absolute privilege. (8 marks)
- (Total: 20 marks)**

#### QUESTION FIVE

- (a) Outline the sequence which the business of the National Assembly should follow. (8 marks)
- (b) Highlight four circumstances under which the speaker of a county assembly might direct that a motion is inadmissible. (4 marks)
- (c) Discuss the provisions governing use of proxies in a compulsory winding-up. (8 marks)
- (Total: 20 marks)**
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# KASNEB

## CS PART II SECTION 4

### LAW AND PROCEDURE OF MEETINGS

FRIDAY: 27 November 2015.

Time Allowed: 3 hours.

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

#### QUESTION ONE

- (a) Outline six ways of safeguarding against falsification of minutes kept in minute books. (6 marks)
- (b) You are a Certified Secretary in public practice and have accepted the responsibility of organising the first annual general meeting of a family-owned limited company in real estate business. The chairman is 75 years old and also the majority shareholder. He does not understand the purpose of keeping minutes of a meeting of family business.

Advise the chairman on the following:

- (i) The general duty of preparing and keeping minutes. (2 marks)
- (ii) The procedure of approving and signing of minutes by the chairman. (4 marks)
- (c) Discuss the rules governing an annual general meeting where the annual reports are not ready or available at the time of convening the meeting. (8 marks)

(Total: 20 marks)

#### QUESTION TWO

- (a) A chairperson is usually considered as the highest power within an organisation and very often what he prefers becomes policy or practice.

In light of the above statement, highlight four actions that a chairperson must refrain from doing during a meeting. (4 marks)

- (b) Discuss six provisions regulating the appointment of county government committees. (6 marks)
- (c) Examine three rules that ought to be complied with when voting and passing resolutions outside a meeting of committee members. (6 marks)
- (d) Outline four rules that govern the minutes of members of a county assembly. (4 marks)

(Total: 20 marks)

#### QUESTION THREE

- (a) Contrast between "resolutions requiring special notice" and "special resolutions". (4 marks)
- (b) With reference to electronic communication in the context of company meetings:
- (i) Citing examples, explain the term "electronic communication". (2 marks)
- (ii) List three benefits of electronic communication to the shareholders and the company. (3 marks)
- (iii) Draft an ordinary resolution to authorise the use of electronic communication to shareholders of a listed company. (3 marks)
- (iv) Prepare eight guidelines for approval by the board during the next board meeting on election to receive documents in electronic form or via a website by shareholders of a listed company. (8 marks)

(Total: 20 marks)

#### QUESTION FOUR

- (a) You have been appointed as a consultant by the Institute of Certified Secretaries in your country.

Explain six advantages of adoption of secretarial standards on meetings to the corporate sector. (6 marks)

- (b) Prepare a secretarial standard on meetings of the board of directors covering the following issues:

(i) Three matters covering notice of board meetings. (6 marks)

(ii) Two matters on quorum of meetings of the board. (4 marks)

- (c) XaXi Limited is a public limited company. The directors intend to hold an annual general meeting on Monday, 14 December 2015 at the registered office of the company at 9.00 a.m.

Design a proxy form to accompany the notice for the annual general meeting. (4 marks)

**(Total: 20 marks)**

#### QUESTION FIVE

- (a) In relation to the law of defamation:

(i) Examine how a person alleged to have published defamatory words of another person might avoid proceedings for libel or slander. (6 marks)

(ii) In order to prove defamation by innuendo, two requirements must be met.

Discuss these two requirements. (4 marks)

- (b) Explain the three kinds of business that might be transacted in a creditor's meeting or a meeting of contributories where a quorum is not present. (3 marks)

- (c) With reference to ways of addressing the chair in a meeting, highlight:

(i) Three ways in which a male chair might be addressed. (3 marks)

(ii) Four ways in which a female chair might be addressed. (4 marks)

**(Total: 20 marks)**

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# KASNEB

## CS PART II SECTION 4

### LAW AND PROCEDURE OF MEETINGS

#### PILOT PAPER

www.masomosingi.com

September 2015.

Time Allowed: 3 hours.

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

#### QUESTION ONE

- (a) In relation to meetings of a company, explain five powers of the chairperson of a meeting. (5 marks)
  - (b) Identify five rules of debate followed in meetings of the National Assembly. (5 marks)
  - (c) Discuss the powers of the police in relation to public meetings held in private premises. (10 marks)
- (Total: 20 marks)**

#### QUESTION TWO

- (a) Explain five conditions under which the law may recognise as valid a meeting held in more than one venue. (10 marks)
- (b) Mr. Onyango and Mr. Simba hold between them 27% of the ordinary shares of Ujamaa Ltd. On 2 May 2015, they deposited at the company's registered office a requisition of an extraordinary general meeting stating as its agenda the removal of all directors and the approval of a reduction in capital by one million shillings. On 20 May 2015, the directors decided to convene the meeting on 4 September 2015.

At the meeting, an amendment was proposed whereby only the finance director was to be removed from office. This amendment was carried with the chairperson exercising a casting vote. The removal of the finance director was subsequently voted on in a poll which had been demanded by Mr. Onyango and Mr. Simba. 57% of the votes cast were in favour of the finance director's removal including 8% of proxy votes which had been deposited at the company's registered office thirty six hours before the meeting. On the vote for a reduction in capital, 61% of the votes cast were in favour of the resolution.

#### Required:

Discuss the validity of the above events in the context of the law and procedure of company meetings. The articles of association of Ujamaa Ltd. are in the form of Table A. (10 marks)

**(Total: 20 marks)**

#### QUESTION THREE

- (a) Explain three roles of the company secretary during the general meetings of a listed company. (6 marks)
- (b) Discuss four provisions of the articles of association of a company in relation to restrictions on directors' powers. (4 marks)
- (c) The Ukweli Society management committee is holding one of the quarterly meetings to discuss the society's financial position, filling a casual vacancy caused by the death of a member of the committee and to consider applications by various social groups and charities for grants which the Ukweli Society awards to deserving cases.

Mr. Kamau, a financial advisor who is not a member of the committee has been asked to attend and give advice.

#### Required:

Draft sample minutes of the meeting.

(10 marks)

**(Total: 20 marks)**



#### QUESTION FOUR

- (a) Members of a company may reach a consensus to voluntarily terminate the existence of the company.

Discuss the sequence of meetings in a members voluntary winding up.

(6 marks)

- (b) In an extraordinary general meeting held by Steward Ltd., Mr. Payuka informed the members present at the meeting that Mrs. Brown, one of the company-directors, had embezzled six million shillings from the company's funds.

Subsequently, an investigation was carried out which revealed that Mrs. Brown had obtained the six million shillings through a loan advanced to her by Tajiri Bank. Mrs. Brown is aggrieved by Mr. Payuka's accusation.

**Required:**

In light of the above, advise Mrs. Brown on:

- (i) Four conditions for a defamation suit.

(8 marks)

- (ii) Three differences between "slander" and "libel".

(6 marks)

**(Total: 20 marks)**

#### QUESTION FIVE

- (a) A proxy is a document which authorises one person to attend a meeting and vote on behalf of another person.

With reference to the above statement, explain:

- (i) Two restrictions imposed upon members of a company in relation to the rights of a proxy.

(4 marks)

- (ii) Four ways in which a proxy may be revoked.

(8 marks)

- (b) Discuss four provisions of the articles of association of a company in relation to board meetings.

(8 marks)

**(Total: 20 marks)**

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