



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 Kabiro 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 Kabiro 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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