

# KASNEB

## CS PART II SECTION 4

### LAW AND PROCEDURE OF MEETINGS

#### PILOT PAPER

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 advise.

#### 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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