

**NATIONAL OPEN UNIVERSITY OF NIGERIA**

**PLOT 91, CADASTRAL ZONE, NNAMDI AZIKWE EXPRESS WAY, JABI – ABUJA**

**FACULTY OF LAW**

**DEPARTMENT OF COMMERCIAL LAW (CIL)**

**OCTOBER/NOVEMBER EXAMINATION 2016**

**COURSE CODE: LAW 534(CIL 534)**

**COURSE TITLE: COMPANY LAW II**

**CREDIT UNIT: 4**

**TIME ALLOWED: 2 ½ HOURS**

**INSTRUCTIONS: ANSWER FOUR QUESTIONS ONLY. QUESTION ONE IS COMPULSORY**

**QUESTIONS**

1. Chief Akukalia transferred all his shares in Apex Bank plc to his only daughter Adanna. This transfer was disclosed in his will, which was read out by his lawyer Barrister Akudo in the presence of all the members of his family. Chief Akukalia’s sons and brothers are furious, as Adanna is a female who has married into another family and as such no longer bears the name Akukalia. They plan to transfer the shares to the first son Okpara. Advice Adanna on how she can assume ownership of the shares.
2. Advice the following parties:

A. Agbabiaka who is the finance director of Tablet co.ltd recently passed away. The company intends to appoint Havana in his place.

B. Mr Polygamy recently married a new wife. His first wife is unhappy and moved out of the house with her children. She wants to have nothing to do with Mr. Polygamy, infact she intends to transfer her shares in his company – Poly Ltd to her Pastor.

C. The board of Point Plc has recently appointed Tahim, a 71 year old retired Army general as one of the members of the board of directors.

1. Clarus Ltd has recently been incorporated in January 2015. Freeway who recently studied secretarial studies in Australia was appointed as the company secretary. The company has five directors. In January 2016, the company held the first meeting of directors. Only three directors were present. However, the meeting took place. Amoke was appointed as the managing director. Cedric and Kendrick who were absent at the meeting are unhappy that Amoke was appointed as the managing director. They feel insulted that the only female director is the managing director. They offer one million naira to Madam Owode who owns 51% of the total shares in the company in order to motivate her to vote out Amoke from the position of the managing director at the next annual general meeting. Madam Owode collected the money but revealed Cedric and Kendrik’s intentions to Amoke. Discuss the legal issues and advice the parties.
2. The Articles of Association of Williams Ltd, which was incorporated in March 2013, provided that the directors may at any time in their absolute and uncontrolled discretion, refuse to register any transfer of shares. The issued shares consisted of 800,000 ordinary shares of which two directors of the company; Moore and Macy held 300,000 each while Mark held 200,000 shares. Moore dies and his son Maroon applied as his executor to the testator’s shares registered in his name. Macy refused to consent to the registration but offered to register 150,000 and buy 100,000 at a fixed price. Mark did not see the justice in Macy’s decision and decided to call a meeting to resolve the issue. It was decided that it would be among the ordinary business for the first annual general meeting of the company to hold in two weeks. The secretary convened the meeting. Discuss the legal issues.
3. Discuss the significance of arrangement and compromise in relation to corporate restructuring in Nigeria.
4. Write short notes on the following:
5. Rectification of the Register
6. Transmission of shares
7. Disclosure of interest in shares