



NIGERIAN LAW SCHOOL
BWARI – ABUJA

BAR FINAL (RESIT) EXAMINATIONS

CORPORATE LAW PRACTICE

WEDESDAY, APRIL 25, 2018

TIME ALLOWED: 3 HOURS

INSTRUCTIONS:

THIS PAPER IS DIVIDED INTO TWO SECTIONS. TWO ANSWER BOOKLETS ARE PROVIDED. QUESTIONS ONE AND FOUR ARE COMPULSORY. ONE OTHER QUESTION FROM EACH SECTION SHOULD BE ATTEMPTED. QUESTIONS FROM EACH SECTION SHOULD BE ANSWERED ON SEPARATE ANSWER BOOKLET THAT IS:-

QUESTIONS 1, 2 OR 3 SHOULD BE ANSWERED IN BOOKLET 'A' AND QUESTIONS 4, 5 OR 6 SHOULD BE ANSWERED IN BOOKLET 'B'.

WRITE YOUR EXAMINATION NUMBER ON EACH ANSWER BOOKLET.

SECTION A

QUESTION 1 (COMPULSORY)

Solid Rock Plc. is a conglomerate that is doing very well in its businesses. It's shares are investors delight due to the high return on investment. The share capital of the company is ₦10 billion divided into 10 billion ordinary shares of ₦1.00 each. 50% of its shares were allotted during the incorporation of the company. The major shareholders of the company are: Jude Abara and Lola Linus both of No. 6, Haruna Street, Ogba, Lagos State. They hold 2,000,000,000 shares and 1,500,000,000 shares respectively.

In July 2007, the company raised ₦4 billion by allotting 2 billion shares at ₦2.00 each. The 2 billion ordinary shares, issued at a premium were allotted to the following:

- (i) Harmony Pension Managers: 1,000,000,000 shares.
- (ii) Old Age Pension Managers: 500,000,000 shares.
- (iii) Nathan Ukpo: 500,000,000 shares.

Answer the following questions:

- (a) Fill the attached Form CAC 2A.
- (b) Draft a letter of allotment to be issued to Nathan Ukpo upon allotment of the 500,000,000 shares.
- (c) Mention six rights of a shareholder.
- (d) List three (3) uses of share Premium Account, as provided under the Companies and Allied Act.
- (e) Assuming Nathan Ukpo wants to transfer 50% of his shareholding to Hassan Adikpe, state the procedure for such transfer.
- (f) Assuming Nathan Ukpo paid for his shares in valuable consideration other than cash, list the documents that will be delivered with Form CAC 2A to the Corporate Affairs Commission.

QUESTION 2(a)

You have been briefed to incorporate Niger Delta Limited with a share capital of ₦1,000,000.00 divided into 1,000,000 ordinary shares of ₦1.00 each. The company will engage in the production and sale of Computer Accessories and Peripherals. The registered office of the company will be at No. 10 West Street, Wilberforce Island, Amassoma.

Draft the Memorandum of Association of the company without the subscription clause.

QUESTION 2(b)

Assuming that at the 6th Annual General Meeting of the company, it was resolved that the company be re-registered as a public limited company and to capitalize its huge profit reserves by offering shares at a premium.

The company later borrowed ₦100,000,000.00 from Riv Bank Plc at No.6 Trans-Amadi Road, Port Harcourt, Rivers State. The security for this loan was the factory at the same address and a debenture deed dated January 2, 2018. The registration fee was ₦50,000.00. It was registered on April 20, 2018.

Answer the following questions:

- (i) State five (5) items each that will be contained in the ordinary and special business of the company at the Annual General Meeting.
- (ii) Draft the relevant resolution for the re-registration of the company and mention three (3) consequential alterations to be effected on both the Memorandum and Articles of Association of the company.
- (iii) State three (3) returns the company is obliged to make to the Corporate Affairs Commission and the period within which to make the returns.

QUESTION 3

Dodo Limited has been going through some boardroom squabbles for the past 10 years. There however appears to be some ray of stability in sight for the company as some of the directors of the company who appeared to be the troublemakers were forced to resign last year . The remaining directors who are also shareholders of the company have agreed to give the company some internal re-direction as follows:

1. The company's registered office situated at No. 10 Ebuka Street owned by Chief Friday Ebuka (one of the directors who resigned), is to be changed to No. 1 Independence Way, Port Harcourt.
2. Mrs. Agnes Iwuchukwu a director and Company Secretary (who is perceived to be loyal to the directors who resigned) is to be removed as a director and as the Company Secretary.
3. Chief Okey Okeke an MBA Graduate of Harvard who holds an LL.B degree is to be appointed to replace Iwuchukwu.
4. Meanwhile Mazi Koko and Alhaji Banbala (Aged 73) are to be appointed as additional directors of the company.

Answer the following questions:

- (a) Outline the procedure for change of registered office under the law.
- (b) Enumerate the functions of a Company Secretary under the Companies and Allied Matters Act.
- (c) Advise the company on the proposed removal of Agnes Iwuchukwu and appointment of Chief Okey Okeke to replace her.
- (d) Fill the attached form CAC 3.
- (e) Comment on the proposed appointment of Mazi Koko and Alhaji Banbala.
- (f) Outline the procedure for the removal of directors under CAMA.

SECTION B

PLEASE USE ANOTHER BOOKLET FOR THIS SECTION

QUESTION 4 (A) (COMPULSORY)

DTZ Communication Plc. and Wow World Communication Plc. are the giants in the country's telecommunication industry, with a combined asset threshold of ₦50,000,000 (Fifty Billion Naira). A market analysis and research conducted by both companies indicates that a merger of the companies will lead to far greater profit margin.

The boards of the two companies have proposed a merger of the two companies to birth a new company, to be called WowDTZ Communications Plc. Their findings also disclosed that sales will increase if their members' liabilities were rendered unlimited.

Answer the following questions:

- (a) What is the form and category of merger proposed in the above scenario?
- (b) List any four (4) regulatory laws and bodies that will be relevant to the proposed merger.
- (c) Highlight the steps to be adopted to get the proposed company incorporated at the Corporate Affairs Commission.
- (d) Identify (with reasons) any three pre-incorporation contracts the companies should enter into.
- (e) What are the preliminary compliances WowDTZ Communications Plc. must effect upon incorporation, before commencement of business.

QUESTION 4 (B)(COMPULSORY)

Shola Agunbiade, a United Nations Volunteer Midwife has provided medical support in the field of Obstetrics and Gynaecology in South Sudan, for the past 20 years.

She recently relocated to Ibadan (Nigeria) with the aim of facilitating the eradication of maternal mortality in Shaki, (Oyo State), by setting up an organisation Known as Mother Alive Foundation.

Answer the following Questions:

- i. List the documents needed to incorporate "Mothers Alive Foundation" at the Corporate Affairs Commission.
- ii. Highlight the procedure for registration of the foundation at the Corporate Affairs Commission.

QUESTION 5

Tokunboh Umar and his friend Kenneth Okon are proposing to open a suya spot in the Central Business Area of Lafia in Nassarawa State. They are proposing to use the name "Toks and Ken" or "T and K" as the name of their business.

- (a) Advise them on the possibility of registering any of the proposed names under the law.
- (b) In case they are obliged to register the business, list the documents they will require to register.
- (c) Advise Tokunboh and Kenneth on the importance (if any) of having a Partnership Agreement.
- (d) Mention three (3) clauses that may be inserted in the Partnership Agreement in order to avoid the usual presumptions under the law.
- (e) Assuming that the partners are desirous of carrying on their business without registration at the Corporate Affairs Commission, advise them on any three (3) names usable under the Companies and Allied Matters Act.

QUESTION 6

Conlite Oil & Gas Plc. with registration No: 440 was incorporated on 30th May, 2005. Its registered office is at No.30, Isinueke Street, Aba, Abia State. It was registered with a share capital of ₦50,000,000 divided into 50,000,000 ordinary shares of ₦1.00 each but was increased to ₦100,000,000 divided into 100,000,000 ordinary shares of ₦1.00 on 21st September, 2011.

The directors and shareholders of the company are Eyo Pemu and Remi Obaseki of No 25, Ibinueke Street, Aba, Abia State. The Shares are held in the proportion of 60% and 40% respectively by the shareholders of the company.

The company wants to diversify its business and is proposing to go into power generating, using gas produced by the company. It has applied to Solution Bank Plc. for a loan facility to the tune of ₦950,000,000 payable in 15 years.

Answer the following Questions:

- (a) Solution Bank Plc. has briefed you to conduct a search on the company. Write the Search Report excluding the covering letter.
- (b) State the procedure that must be followed in perfecting the charge, assuming the company used its landed property as a security for the loan.
- (c) List five remedies available to the Bank assuming the company failed to repay the loan, after the due date.