

# Advice bands respective right law company business partnership essay

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Advise Chan, who still owns 50 shares in the company his respective right

First of all, the company decided to alter the article so that the director should be elected during the annual general meeting instead of elected by Chan. Since all the company's alteration of article need to transit the company acts 1965 Section 31. Subject to this Act and to any condition in its memorandum, a company may by special resolution alter or add to its articles. Special resolution means that the extraordinary resolution about important decision using in altering the article of association or memorandum of association which will lead to fundamental change of the company in future. Example of the procedure of special resolution included: The intention or decision to provide the resolution shall be notice to the members or shareholder of the company 21 days before it. Must be passed by 3 over 4 majority members, which mean up to 75% of the company members voted. To be apply with the qualified authority within 15 days of being approved. The similar case of the situation which is Salmon v Quinn & Axtens Ltd [1909], this happened in Brixton Road, a company named Quinn and Axten Ltd was develop as a furnishing and also warehousemen business. Obviously William Axten was the Chariman of the company and Joseph Salmon was appointed as managing director, at the same time Salmon and also Axten held the majority share of the company, Since the procedure of altering the article was under consideration of constitution, and it mention that either Axten or Salmons the majority shareholder dissented or the alteration might not be effective. In this case Axten was agree to sell the properties of the company unfortunately the ideas was veto by Salmon, because of this the extraordinary general meeting was held and majority of

shareholder was agree with the resolution and bypass with the own rule of stated article . Finally the court held that the resolution was not effective because the article was indicate as the company regulation; the court said that every resolution passed by extraordinary meeting which is inconsistent with the article was automatically fail. The similar situation with Salmon v Quin & Axten Ltd, Chan was the majority shareholder of the company which held about 50 share of the company, based on the constitution said that no resolution would be effective if the majority shareholder was not dissented or he/she veto the resolution. The resolution by Potato Ltd was decided to alter its article to appointing the director through the Annual General Meeting, but even if the company and others members are agree with the resolution or alteration but it disagree or veto by Chan and it would not be effective as well. Advice Gan's respective right Gan employed and appointed by Potato Ltd as an accountant for life, actually that was no right for Gan to sued the company by Article. The example case was Eley v Positive Government Life Assurance Co Ltd (1876), in this case Eley was also appointed by the company as the company solicitor for life, and he should not be expelled by the company unless misconduct occurs. Besides that he also became the members of the company. Once the company terminates him as company's solicitor and replaced by other solicitor. He sued the company in principle of breach of contract, however the court was held that the company's article do not have any binding contract against Eley as he is the company employed solicitor because he sued in term of employment. Another example case was Beattie v E & F Beattie Ltd [1938]. in this case, it mention that the company's article only provided dispute between the company itself and the

members but not the employee, in other word which is the company article only have right in respect for the member of the company. A person who was a director as well as the members of the company, unfortunately a legal proceeding was bought against him about the conduct as a director for the company in term of article. The court held that the article will only enforce as a contract between the company and its members but not with employment matter or dispute. With the similar situation, Gan was employed and appointed as an accountant for life was an employment matter which do not create any membership or article contract against him and the company, When Gan sued the company by the issue of termination of employment was not related to the article. However he should sued the company by breach of contract in term of employment but not article by the reason of not conduct any mistake for the company to cease him. Advice Band's respective right When there was members wanted to buy his share, Band can offer his share to the outsider by passing through the procedure of special resolution to alter the article of the company. The special resolution which including the held of Extraordinary General Meeting and having up to 75 percent of voted from the company member to enable any member with the sanction of an ordinary resolution and transfer his shares to any outsider named in the resolution with a fair price. The alteration will be valid because of the bona fide which mean the benefit of company as whole, good faith and also honestly. The example case which can apply with band's respective right was *Greenhalgh v Arderne Cinemas Ltd* [1951]. In this case the members of the company wanted to sell his share to a person who was not a member of the company which is the outsider. The outsider who agree to buy his share

with a fair price, and he decided to alter the article to enable him with the sanction of an ordinary resolution to transfer this share to the outsider, however the plaintiff was sought a declaration about the article was invalid to transfer to share for the outsider, but it held by the court said the article was counted as valid alteration because the majority of the shareholder was agree him to sell his share to the outsider through the extraordinary general meeting with up to 75% of voted and in the resolution so it automatically consider as the benefit for the company as whole which mean bona fide.