

A4Id legal health check

Course Name: Legal health check

Quiz Title: A4ID legal health check - For incorporated entities

Candidate Name: Tim Hansen

Your answer details:

Question #1: Is the company:

Your Answer: A company limited by guarantee

Question #2: Does the board of directors meet regularly (i.e at least quarterly)?

Your Answer: No

Question #3: Are the decision of the board made by the directors or others?

Your Answer: The directors

Question #4: Can the board of directors delegate its powers to others?

Your Answer: Yes

Question #5: Were the governing documents of the company reviewed by a lawyer with relevant expertise within the past three years?

Your Answer: Don't know

Question #6: Have you complied with the requirements for filing documents at the relevant companies registry by the specified deadlines?

Your Answer: No

Question #7: Do the directors of your organisation understand their duties?

Your Answer: No

Question #8: Are you interested in changing your organisation's type of legal entity and status?

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Your Answer: Don't know

Question #9: Are you confident about the reporting obligations for your organisation?

Your Answer: Yes

Question #10: Do you have any concerns about structure and governance not raised above?

Your Answer: No

A4ID Feedback:

Question 2

You should consider whether the board of directors meets regularly enough to ensure effective governance of the company.

Please get in touch with A4ID if you would like to discuss.

Question 5

You may wish to consider having the governing documents reviewed by a lawyer to ensure they are consistent with current law.

For UK-incorporated companies:

- A number of company law changes were introduced by the Companies Act 2006 which has now replaced the Companies Act 1985. If the articles of association of the company have not been updated to take account of these changes, we would recommend that you discuss this with A4ID.

- If the articles of association contain any of the following provisions, you may wish to discuss this with A4ID:

- * a requirement to provide notice of board meetings to directors of more than 15 days;
- * a quorum requirement for board meetings of more than two directors;
- * a requirement to provide notice of a shareholder meeting of more than 15 days;
- * a quorum requirement for shareholder meetings of more than 2 persons; or
- * any restrictions on the company making capital reductions.

- In addition, if the articles of association do not contain any of the following provisions, you may wish to discuss this with A4ID:

- * a provision allowing the directors to participate in board meetings by phone or conference call as well as in person;
- * a provision allowing a director to vote at board meetings if he/she has a conflict of interest in respect of the relevant matter;
- * a provision allowing a director to appoint an alternate director who can vote in his/her absence at board meetings; or
- * a provision allowing the directors to pass written resolutions.

Question 6

For UK-incorporated companies, you may be liable to pay a fine of up to £1,500 where you have failed to file certain documents (e.g. the company's annual accounts) at UK Companies House by the specified deadline. Failure to make such filings may ultimately also lead to the company being struck off. Please get in touch with A4ID if you would like to discuss this point.

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For non-UK incorporated companies, similar penalties may apply for failure to file certain documents at the relevant companies registry. Please get in touch with A4ID if you would like to discuss.

Question 7

Directors must comply with several duties in ensuring the organisation is governed well. Failure to do so can have significant consequences for the organisation and the directors personally. For example, in the UK, failure to comply with these duties could result in a claim being made for damages or injunctive relief and/or in the relevant transaction being set aside.

Please get in touch with A4ID if you would like to discuss.

Question 8: Change of your organisation's type of legal entity and status we would recommend that you discuss this with A4ID.