

RIGHTS OF MEMBERS OF A COMPANY UNDER THE COMPANIES AND ALLIED MATTERS ACT, 2020

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Abstract

This paper analyses the relevant provisions on the Rights of the members of a company as guaranteed in the Companies and Allied Matters Act 2020 (CAMA 20220). The aim is to comprehensively examine the rights of members of a company. This article adopted the doctrinal research methodology and found that the Act provides for several rights of members of a company. However, these rights are inadequate and the enforcement mechanisms are also ineffective. For instance, members are still required to notify the company of any intention to apply to court in cases of fraud or illegal transactions carried out by the Directors. Also, members at the Annual General Meeting are not empowered to increase the amount of dividend recommended by the board of directors. This article concluded that the CAMA 2020 subjected most of the members' right to the whims and caprices of the directors. This article recommends among other things that members should be empowered to institute an action

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in respect of a cause of action that is vested in the company. The notification of intention to apply to court should be relaxed in cases relating to fraud and illegal transactions by the directors.

1.0 Introduction

Members of company are the shareholders of the company. They are the providers of risk capital for the company and they do that by complying with the relevant provisions of the law. Section 105 (1) of the Companies and Allied Matters Act 2020 (CAMA 2020) provides that a subscriber of the memorandum of a company shall be deemed to have agreed to become a member of the company, and on its registration shall be entered as the member in its register of members. Every other person who agrees in writing to become a member of company, and whose name is entered in its register of members, is a member of the company.¹ A member who subscribes to or a person agrees in writing to become a member of a company does not do so for the fun of it but for the purpose of becoming a member.

There are statutory rights available to members of a company incorporated under the CAMA 2020 and these rights are enforceable. These rights include the right to receive notice of meetings, right to attend meetings and to vote at the company's general meeting, right to receive dividends when declared, right to transfer shares, right to enforce the provisions of the memorandum and articles of association of the company as they relate to members in their personal capacity, right to limited liability, right to copies of memorandum, right to inspect register and index of members, right to appoint proxies, right to inspect minutes books, copies right to institute legal actions against the company in deserving circumstances and right to have their names entered and maintained in the company's register of members.²

These rights are fundamental to members as the providers of risk capital and irrespective of the fact that a company is completely separate from

¹ Companies and Allied Matters Act 2020, s 105 (2).

² *ibid* ss 243, 107, 138, 426, 175, 46, 117, 47 and 254

its owners,³ there must be members or at least a member who may form and incorporate a company by complying with the requirements of the law⁴. Apart from companies limited by guarantee⁵, other companies are incorporated for the purpose of making profits which usually entitle its members to dividend whenever it is declared by the company. The Supreme Court in the case of *Kotoye v. Saraki*⁶ defined dividend as the payment made out of profits to the shareholders of a company from time to time.

Creativities in corporate world enables the company to generate enough capital which can be used to the advantage of other absentee members and enables entrepreneurs to personify their business and separate its assets and liabilities from its members.⁷ Also, it enables entrepreneurs to personify their business and separate its assets and liabilities from its members⁸. In all, as from the date of incorporation, the subscriber of the memorandum together with such other persons as may become members of the company, shall be a body corporate by the name contained in the memorandum, capable of exercising all the powers amid performing all functions of an incorporated company. These powers include the power to hold land, and having perpetual succession, but with such liability on the part of the members to contribute to the assets of the company in the event of its being wound up as is mentioned⁹.

This further guarantees the separate legal personality which allows the company to carry out acts necessary to conduct its businesses independent of its owners by the legal cover granting to it the legal capacity to assert its rights and allowing it to incur liabilities.

³ ibid s 42.
⁴ ibid s 18.
⁵ ibid s 26.
⁶ (1994) 7 NWLR (Pt.357) 414 at 467.
⁷ CAMA (n 2) s 42.
⁸ ibid.
⁹ ibid.

The separate legal personality of a company successfully shields the members from individual liability for the acts of the company and effectively separates the shareholder from his investment. Thus, the shareholder has no direct ownership rights in the capital that he has invested neither in the company nor ownership of an interest appropriate to his investment in any corporate property. This position of the law has been given judicial blessing in *New Nigerian Newspapers Ltd v. Agbomabini*,¹⁰ where the Court of Appeal held that:

It is also an established principle of law that an incorporated company is a separate legal entity which fulfills its own obligations under the law. It is a separate and distinct entity which fulfills its own obligations under the law. It is a separate and distinct entity from its directors and /or shareholders.

The single most important consequence of incorporation of company is the separate legal personality which the company acquires. Upon incorporation, a company is regarded as a separate and distinct entity from any one of its shareholders; no matter how many shares he may holds. The courts do not make a habit of going behind the *facade* of corporate personality of a company to hold the shareholders or directors liable for the acts of the company except in very rare instances such as where the company has been used as an instrument for illegality or fraud.¹¹

Unarguably, the concept of legal personality remains one of the most ingenious and innovative contraptions in the history of mankind. In fact, it is even better to imagine the development of Company Law without the concept of company's distinct, separate corporate legal personality which is today one of the most important principles of Company Law and without this concept, company law would have been likened to a modern market with only one way entry and exit point.

¹⁰ (2013) LPELR-20741 (CA) 52, para B, Per Abadua JCA.

¹¹ *Adeyemi v. Lan and Baker (Nigeria) Ltd* (2007) 7 NWLR (Pt. 663)33.

In *Jeoba v. Owonifari*,¹² Atanda Fatayi-Williams, JSC while delivering the lead judgment held that;

In jurisprudence, the term ‘legal person’, as opposed to a natural person, is a term of art. The term applies to corporations such as limited liability companies or Municipal Corporation; it may also apply to churches, hospitals, or universities if they are incorporated or registered as such. Their creation and existence have been aptly described by Salmon in his book on Jurisprudence (12th Ed.) at p.320 as follows: ‘the birth and death of legal persons are determined not by nature, but by law.

Creation of a legal person has nothing to do with nature but law at all times. However, they are not incapable of destruction. In *Abubakar v. Yar’Adua*,¹³ the Supreme Court held that;

Juristic or legal personality can only be denoted by the enabling law.

A company may decide to issue different classes of shares to its shareholders and put them in separate categories where the articles of association of the company so permit unless they rank equally for all purposes.¹⁴ Generally, there are three main classes of shares which a company may issue. They are: ordinary or equity shares, preference or preferred shares and deferred or founder’s shares. In law, ordinary shares carry it special rights or privileges over other classes of shares. They bear the main financial risk of the business and are therefore referred to as equity shares. They also carry no fixed rate of dividend. When profits are made, ordinary shareholders are usually paid dividend. When there is no profit, they receive nothing. Ordinary share carries one vote each. On the other hand, preference shares give their holders some level of priority over other classes of shares in relation to dividend or return of capital on liquidation preference shareholders are entitled to a fixed rate of dividend before any payment is made to

¹² (1974) LPELR-1606(SC).

¹³ (2008) LPELR-51(SC).

¹⁴ CAMA (n2) s 143.

other classes shares.¹⁵ Also, in the event of winding up, preference shareholders are entitled to the return of their capital in priority to other classes of shareholders.

They may be cumulative where they are allowed to participate in the surplus profits which remain after the claims of ordinary shareholders have been met.¹⁶ Deferred shares are mainly taken up by the promoters of the company or vendors who usually sell their business classes of shareholders have been paid. They cost less but very often carry large proportion of the voting rights and owners of such shares could easily enjoy controlling voice in the management of the company. Thus, this is why they are also called management shares. Where there are profits after payment of dividends to other classes of shareholders, the deferred shareholders may take all the balance where it is permitted by the company's articles.

Generally, the company is a legal person distinct from the shareholders. It has rights and obligations to hold property and contract in its own name, and it can also sue and be sued.¹⁷ However, the members have some rights they are recognize and protected by the law such as the right to receive notice of meetings. Members are part of the persons entitled to receive notice of a general meeting and the company must ensure that notice of every meeting is given to every person that is entitled to attend and vote at the meeting.¹⁸ The notice may be given by the company to any member either personally or by sending it by post to him or to his registered address, or if he has no registered address within Nigeria, the notice will be sent to the address supplied by him to the company for the giving of notice to him.¹⁹ Failure to give notice of any meeting to a person entitled to receive it invalidates the meeting unless such failure is an accidental omission on the part of the person giving the notice.²⁰ In order for member to exercise his or her voting rights intelligently, it is important to have access to certain corporate information. However,

¹⁵ MA Pickering, *'The Problem of the Preference Shares'* (1963) 26 *MLR* 499.

¹⁶ JO Orojo, *Company Law and Practice in Nigeria* (5thedn, Lexis Nexis Butterworths 2008) 127-130.

¹⁷ Orojo (n 14) 6.

¹⁸ CAMA (n 2) s 243.

¹⁹ *ibid* s 244.

²⁰ *ibid* s 245.

this is a conflict zone where the interest of the management and shareholders collide. Members also have right to attend and vote at the company's general meetings.²¹ Every member has a right attendance to attend any general meeting of the company²² and notwithstanding anything to the contrary in terms or articles, the right to attend any general meeting of the company and to vote at such a meeting must be included.²³

The issuances of non-voting and weighted shares are prohibited and CAMA 2020 provides that unless otherwise provided by any other enactment²⁴..., in other words, issuance of shares without a voting right is prohibited.

The right to vote at the company's general meeting is the ultimate and most significant rights of a shareholder which empowers the shareholders to have some level of control over the board of directors. The right enables them to checkmate the powers of the board of directors and this voting right can be used to remove and replace the directors or any director that is found wanting. In order to achieve this aim, the shareholders have a right of control over the managers of their resources to an extent. One of the major reasons for the failure of most companies is fraudulent practices by the board of directors and mismanagement by those who are the hands, legs, heart and brain of the company. Anywhere there is lack of supervisory powers of the shareholders over the activities of directors, the company is bound to fail. Members are entitled to dividend only when the company is still a going concern before winding up. Dividend is a distribution of funds which a company may make to its members out of its total profit as return on investment to the shareholders. This right to dividend becomes available only when the company declares it. Since the power to declare and distribute corporate profits in the form of dividend resides with the management, there is bound to be conflict between the members and management. By virtue of the provisions of CAMA 2020, a member can

²¹ CAMA (n 2), s 107

²² *ibid*, s 251.

²³ *ibid*, s 138(b).

²⁴ *ibid*, s 140.

agree in writing to transfer his shares to another, except where the articles of association of the company specifically prohibits the transfer of shares. However, where it is permitted, such transfer must be by an instrument of transfer must be executed between both parties; the transferor and the transferee and the name of the transferee must be entered in the register of the company. The inadequacy of member's right under CAMA 2020 will be discussed in details in this dissertation.

2.0 RIGHTS OF MEMBERS OF A COMPANY UNDER THE COMPANIES AND ALLIED MATTERS ACT 2020

There are laid down procedures for a person to become a member of a company in every jurisdiction. In Nigeria and under the Companies and Allied Matters Act (CAMA) 2020, anybody desirous of becoming a member of a company must comply with the provision of CAMA as regard membership of a company. A person can become a member of a company by subscribing to the memorandum and article of association of a company or by transfer or by transmission. The various modes shall be discussed in details in this chapter.

2.1 Member's Right under the Companies and Allied Matters Act 2020

There are several rights of members under CAMA²⁵ and it includes the right to receive notice of meetings, right to attend meetings and to vote at the company's general meeting, right to receive dividends when declared, right to transfer shares, right to enforce the provisions of the memorandum and articles of association of the company as they relate to him in his personal capacity as a member, right to institute legal actions against the company in deserving circumstances, right to have his name entered and maintained in the company's register of members and right to limitation of liability.

2.1.1 Right to Receive Notice of Meetings

By virtue of section 243,²⁶ members are part of the persons entitled to receive notice of a general meeting and the company must ensure that notice of every meeting is given to every shareholder that is entitled to

²⁵ CAMA (n 2) ss 138(b); 175; 244; 251; 426;

²⁶ *ibid*.

attend and vote at the meeting. CAMA provides that ‘A notice may be given by the company to any member either personally or by sending it by post to him or to his registered address, or (if he has no registered address within Nigeria) to the address, supplied by him to the company for the giving of notice to him’²⁷ Failure to give notice of any meeting to a person entitled to receive it invalidates the meeting unless such failure is an accidental omission on the part of the person giving the notice²⁸. In order for shareholders to exercise his or her voting rights intelligently, it is important to have access to certain corporate information. However, this is a conflict zone where the interest of the management and shareholders collide.

The position of the law as regards failure of the company to give notice of meetings to persons entitled to receive such notice has been given judicial blessing in the case of *Oteri Holdings Ltd v. Mofta West Africa Ltd & Ors*²⁹ per Otisi, JCA states that:

Failure to give notice of any meeting to a person entitled to receive it shall invalidate the meeting, unless such failure is an accidental omission on the part of the person(s) giving the notice

The only circumstances where the law excuse the company for its failure is where there is accidental omission on the part of the person giving the notice and nothing more. The court is not enjoyed to entertain any frivolous excuses for its failure to follow the spirit and letters of the law. In *Re: Glaxosmithkline Consumer Nigeria Plc*,³⁰ per Georgewill, JCA held:

Firstly, in arriving at a finding whether the failure of the Respondent to serve notice of the AGM on the Appellant was an accidental omission or not, neither of the Exhibits E and or F had any role to play as they are both irrelevant, immaterial and of no moment to a decision one way or

²⁷ *ibid*, s 244.

²⁸ *ibid* s 245.

²⁹ (2021) LPELR-54853(CA) 60-60 paras B-C.

³⁰ (2019) LPELR-47498(CA).

the other on the issue of accidental omission in the failure to personally serve the notice of meeting on the Appellant by the Respondent. Secondly, by the provision of section 219(1)(a) of CAMA, the first and foremost form of indispensable service of notice of AGM on the Appellant, as member of the Respondent Company is personal service except in circumstances amounting to accidental omission, whereby the failure to personally serve the Appellant with notice of the AGM would not vitiate the said meeting by virtue of Section 221(1) of CAMA 1990. The reason for failure to serve notice of meeting to person(s) entitled is immaterial if it does not amount to accidental omission on the part of the person giving notice. The mere fact that the company delegates this function to a third party who is unable to carry out same cannot qualify as accidental omission. Person(s) entitled to the notice of a company meeting are every member of the company (shareholders); every person upon whom the ownership of a share devolves by reason of his being a legal representative, receiver or a trustee in bankruptcy of a member; every director of the company; every auditor for the time being of the company; the company secretary and the Corporate Affairs Commission in the case of public companies.

2.1.2 Right of Members to Attend Meetings and Vote

Every member shall, notwithstanding any provision in the articles, have a right to attend any general meeting of the company and to speak and vote on any resolution before the meeting³¹ and notwithstanding anything to the contrary in terms or articles, the right to attend any general meeting of the company and to vote at such a meeting must be included.³² Prohibition of the issuance of non-voting and weighted shares is also included. Unless otherwise provided by any other enactment, any share issued by a company shall carry the right on a poll at a general meeting of the company to one vote in respect of each share, and no company may by its articles or otherwise authorize the issue of shares which carry more than one vote in respect of each share or which do not carry any right to vote.³³ The right to vote at the company's

³¹ CAMA (n2) s 107.

³² *ibid* s 138(b).

³³ *ibid* s 140.

general meeting is the ultimate and most significant rights of a shareholder which empowers the shareholders to have some level of control over the board of directors. Majorly, to enable them checkmate the powers of the board of directors. This voting right can be used to remove and replace the directors or any director that is found wanting. One of the major reasons for the failure of most companies are fraudulent practices by the board of directors and mismanagement by those who are the hands, legs, heart and brain of the company. Anywhere there is lack of supervisory powers of the shareholders over the activities of directors, the company is bound to fail.

Major structural changes in the company are decided by the shareholders/members in general meeting and they are the supreme decision-making body. In reality, the best acceptable method of controlling or monitoring the affair of a corporate entity, is through the general meeting even if the members in general meeting does not have the powers to perform the functions of the company management but they can perform some democratic roles over the exercise of management powers by the board of directors. Reason being that, shareholders/members in general meeting are the owners of the risk capital, they have pecuniary interest in the company and the success of the company will have positive impact on their earning compare to the directors that have nothing to lose in the event where the company fails except where the directors are also members of the company.

Shareholders' right to vote under CAMA³⁴ is the most effective means in which the members/shareholders in general meeting control the activities of the board of directors. A company may by ordinary resolution remove a director before the expiration of his period of office, notwithstanding anything in its articles or in any agreement between the company and him.³⁵ By virtue of this section, members/shareholders in general meeting are synonymous to electorate while the directors are like the executive wing of the company and the memorandum and article of association of the company together with CAMA can be

³⁴ CAMA (n2), s 107.

³⁵ *ibid.* s 288.

likened to its constitution. The electorates/shareholders can remove or reappoint any director. The various provisions of the Act which provides for the shareholders right to vote before certain decisions of the company can be taken including the annual elections of the company's directors can be said to form veritable part of the concept of shareholders democracy. The election of directors in the place of those retiring³⁶ which is part of the ordinary business of the company at the annual general meeting is also a means by which the members/shareholders use to exercise their supervisory/controlling powers over the management of the company. The members at the annual general meeting may also re-elect or reject directors and appoint new ones.³⁷ It is instructive to note that at any general meeting, a resolution put to the vote shall be decided on a show of hands.³⁸

2.1.3 Right to Receive Dividends

Members are entitled to dividend only when the company is still a going concern before the winding up. It is a distribution of funds which a company may make to its members out of its total profit as return on investment to the shareholders. This right crystallizes only when the company declares it. Since the power to declare and distribute corporate profits in the form of dividend resides with the management, there is bound to be conflict between the shareholders and management.

The singular reason for this conflict is that, shareholders always want to receive as high as a mountain as return on their investment as the providers of risk capital whereas the management will want to use the corporate profits for business expansion, corporate social responsibilities and to increase the salaries of the company's employees among others. Under CAMA, the power to declare dividends is vested on the company in a general meeting and it states that a company may, in general meeting, declare dividends in respect of any year or other period only on the recommendation of the directors.³⁹ The moment

³⁶ *ibid.* s 238.

³⁷ CAMA (n2), s 273.

³⁸ *ibid.* s 248.

³⁹ CAMA (n2), s 426.

dividends are declared by the management, it becomes special debts due to and recoverable by the shareholders within 12 years, and actionable only when declared.⁴⁰ The courts explain in details on when the right to dividends accrue in the case of *Aerobell (Nig) Ltd v. Fidelity Bank*⁴¹, it was held that dividends shall be special debts due to, and recoverable by, shareholders within 12 years, and actionable only when declared.

However, only the directors have the power to fix an amount they feel is appropriate plus the scheme for payment, without the declaration by the general meeting, any such dividend fixed by the directors will remain inchoate. The shareholders have no right to dividends except when the directors recommend and the company in general meeting so declare. The power to determine the number of dividends and when they are to be distributed resides with the directors. The general meeting has power to decrease the amount of dividend recommended by the directors, but has no power to increase the recommended amount.⁴² A shareholder's right to dividends normally arises only after dividends have been fixed by the board of directors and declared by the company in general meeting. In other words, where the board of directors refuses to recommend the payment of dividend and the company fails to pay dividends to its shareholders even when the company has made profits, a shareholder can institute an action to compel the directors to meet and recommend that dividends be declared by the company. In the case of *Forte Oil v. Fidelity Finance Co. Ltd & Ors*,⁴³ where the court was called upon to make pronouncement on whether a shareholder is entitled to payment of dividend and bonus shares, Per Kenneth Ikechukwu Amadi, JCA declared that

Payment of dividend and bonus shares is natural results of investment in shares which accrue to an investor as return in investment.

2.1.4 Right to Transfer Shares

Except companies limited by guarantee, shares are one of the features of Companies duly registered under CAMA and it is usually owned by

⁴⁰ ibid s 432.

⁴¹ (2018) LPELR-45338(CA).

⁴² Ibid s 426(2).

⁴³ (2021) LPELR-55877 (CA).

members of the company whose names are entered in the company's Register of Members. As a matter of law, a company may decide to down grade or upgrade its shares capital to a higher number. The reasons for the upgrade may be to meet up with statutory or regulatory requirements, or to gain a higher purchasing power in business relationship with others, or the need to have bigger equity. Whatever the purpose may be, once a company decides to make a non-existing member a shareholder in the company after being incorporated, that person needs to be a member of the company; his name needs to be entered in the register of members of the company and certificate of shareholding issued to him through an instrument of transfer.

By virtue of the provisions of CAMA⁴⁴ a shareholder can agree in writing to transfer his shares to another, except where the articles of association of the company specifically prohibits the transfer of shares.

The Act states that the transfer of a company's shares shall be by instrument of transfer and except as expressly provided in the articles, transfer of shares shall be without restrictions, and instruments of transfer shall include electronic instrument of transfer.⁴⁵ The transfer must be done with proper instrument of transfer and same must be delivered to the company otherwise, the company may not register it. The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee, and the transferor is deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect of the share.⁴⁶ It is instructive to state that, a shareholder can transfer all or some of his shares in a company. However, the company can place a lien on his shares where the shareholder owes the company. In the case of *New Resources Int'l Ltd & Anor v. Oranusi* per John Inyang Okoro, JCA as he then was, held:

it is trite that members in a company have the right to transfer shares belonging to them therein and this right

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⁴⁵ CAMA (n2), s 175.

⁴⁶ *ibid.*

is unfettered unless there are express restriction to that effect in the articles or constitution of the company⁴⁷

2.1.5 Right to Enforce the Provisions of the Memorandum and Articles of Association of the Company.

This right is exercisable by a member in relation to his capacity as a member.

The memorandum and article of association is like the constitution of the company which contains the right of shareholders. The provisions of a registered memorandum and article of association are binding on the company and its members just like a content of a valid contract. *Section 46 (1)* of the Act⁴⁸ provides that:

Subject to the provisions of this Act, the memorandum and articles, when registered, shall have the effect of a deed between the company and its members and officers and between the members and officers themselves whereby they agree to observe and perform the provisions of the memorandum and articles, as altered in so far as they relate to the company, its members, or officers.

Banking on the words in the above section, it is clear that a member or officers of the company can sue to enforce the provisions of a registered memorandum and articles of Association particularly as it relate to them. Both members and company have right to enforce the contents of the memorandum and articles of Association simply because the memorandum and articles constitute contract between the company and its members and officers and between the members and officers themselves. Whereas an unregistered memorandum and articles of Association is at best a piece of worthless paper that confers no right on either the company, its members or officers. The importance of the memorandum and articles of a company is that, after incorporation the company cannot go outside the stated objects in the memorandum and articles of Association of the company. In the case of *National Palm*

⁴⁷ (2010) LPELR-4592(CA).

⁴⁸ CAMA (n2).

*Produce Association of Nigeria Ltd (GTE) & Anor v. Udom & Ors*⁴⁹ where an Appellant sought a declaration against the purported emergency executive meetings of National Palm Produce Association of Nigeria Limited by Guarantee which was allegedly held on 18th January, 2010, 25th January, 2010 and 1st February, 2010 in contravention to the provisions of the company's memorandum and article of Association and of the Companies and Allied Matters Act.

2.1.6 Right to Limited Liability

The extent of liability of a member of a company depends on the type of company of which he is a member. Prior to the winding-up of a company, a member of a company with shares is liable to contribute the balance, if any, of the amount payable in respect of the shares held by him in accordance with the terms of the agreement under which the shares were issued or in accordance with a call validly made by the company pursuant to its articles.⁵⁰ In the event of a company being wound up, every present or past member shall be liable to contribute to the assets of the company to an amount sufficient for payment of its debts and liabilities and for the cost, charges and expenses of the winding-up...⁵¹ in the case of a company limited by shares, no contribution is required from any member or past member exceeding the amount, if any, unpaid on the shares in respect of which he is liable as a present or past member.⁵² A member of a company limited by guarantee has no liability to the company prior to winding-up, the reason being that his undertaking is that he will pay the amount of the undertaking to the assets of the company in the event of its being wound-up while he is a member or within one year after he ceases to be a member for payments of the debts and liabilities of the company and of the cost of winding-up, such amount as may be required not exceeding the amount specified in the undertaking.⁵³

2.1.7 Member's Right to Copies of Memorandum

⁴⁹ (2013) LPELR-21134 (CA).

⁵⁰ CAMA (n2).

⁵¹ *ibid* s 117 (4).

⁵² *ibid* s 117 (4)(c).

⁵³ *ibid* s 27 (4).

A company shall on being so required by any member, send to him a copy of the memorandum and articles, and a copy of any enactment which alters the memorandum, subject to payment, in the case of a copy of the memorandum and of the articles, of the cost of producing the said documents (such cost not to exceed N500 or such other amount that the commission may prescribe) or such lesser sum as the company may prescribe and, in the case of a copy of an enactment, of such sum not exceeding the published price thereof as the company may require.⁵⁴

2.1.8 Right to have Names of Subscribers Entered in the Register

While it is compulsory for every company to keep a register of its members, it is the right of all members of the company to have their names, addresses and in the case of a company having a share capital, a statement of the shares and class of shares, if any, held by each member, distinguishing each shares by its number so long as the share has a number, and of the amount paid or agreed to be considered as paid on the shares of each member; the date on which each person was registered as a member and the date on which any person ceased to be a member.⁵⁵

2.1.9 Right to Inspect Register and Index

Every company having more than 50 members shall keep an index of the names of the members of the company.⁵⁶ Unless the register of members is in such a form as to constitute in itself an index and except where the register of members is closed, the register and the index of members' names shall be open during business hours subject to such reasonable restrictions as the company in general meeting may impose, that not less than two hours in each day shall be allowed for inspection by any member of the company without charge.⁵⁷

2.1.10 Right to Appoint Proxies

⁵⁴ CAMA (n2), s 47.

⁵⁵ *ibid* s 109.

⁵⁶ *ibid*, s 111

⁵⁷ *ibid* s 112.

Any member of a company entitled to attend and vote at a meeting of the company is entitled to appoint another person, whether a member or not, as is proxy to attend and vote instead of him, and a proxy appointed to attend and vote instead of a member has the same right as the member to speak at the meeting.⁵⁸

2.1.11 Right to inspect Minute Books and Copies

Members are entitled to the books containing the minutes of proceedings of any general meeting of the company.⁵⁹ The books shall be kept at the registered office of the company, and shall during the business hours be open to inspection by members without charge subject to such reasonable restrictions as the company may by its articles or in general meeting impose, so that at least six hours in each day be allowed for inspection and members are entitled to obtain copies of the company's financial statement.⁶⁰

3.0 Conclusion

The legal analysis of membership rights under CAMA 2020 reveals that the rights of members of a company are inadequate and the mechanisms to enforce the limited rights are ineffective. The position of the law is still the same just like the repealed Act. Directors of company still retain the powers to allocate corporate funds to charitable organizations and social responsibility without member's approval. It could be concluded that the CAMA 2020 has taken some positive steps but not in regards to member's right. The limitations placed on these statutory rights are not so good and they constitute a clog to the rights of members. It is the hope of the Authors that the necessary amendments to the CAMA 2020 would be made in order to limit the powers of the Directors and guarantee the full realization of the rights of members of a company.

⁵⁸ CAMA (n2), s 254.

⁵⁹ *ibid*, s 267.

⁶⁰ *ibid*, s 392.