

A portrait of Wesley Mbiru Muriuki, a man with short dark hair and a mustache, wearing a grey suit, white shirt, and a blue and white striped tie. He is standing outdoors with green foliage in the background. The image is framed by orange vertical bars on the left and right sides.

PRESENTING OUR RESIDENT LEGAL WIZ

Wesley Mbiru Muriuki

Wesley Muriuki is a committed and refined lawyer within our Dispute Resolution Department who works at all costs to champion our clients' causes in and out of the courtroom. His extensive training in Dispute Resolution has shaped him into a trusted and formidable advocate, equally adept at strategic counsel and vigorous representation.



Understanding Directorship in company law.

A company, being an artificial legal person, cannot act on its own; it requires natural persons to manage its affairs, exercise its powers, and make decisions on its behalf.

This is the role of directors, who serve as the company's mind and will.

Appointing at least one director is not merely a procedural requirement but a legal necessity under the Companies Act, without which the company cannot function effectively or be properly governed.

Appointment, Qualification, and Legal Standing

The Companies Act establishes a clear framework for corporate governance in Kenya, requiring every company to have directors who are responsible for managing the company's affairs.

It distinguishes between private and public companies in terms of the minimum number of directors, that is; a private company must have at least one director, while a public company must have a minimum of two.

These figures represent statutory thresholds, but a company may stipulate a higher number in its articles of association. Ordinarily, the first directors are appointed by the initial subscribers to the memorandum and articles of association, with future appointments being made by the shareholders in a general meeting.

To qualify for appointment, an individual must meet basic legal criteria: **they must be an adult, of sound mind, and not an undischarged bankrupt.**

Additionally, the law requires that at least one director be a natural person that is, a real human being rather than a corporate entity.

Appointment, Disqualification, and Vacation of Office

The mode of appointment of directors is primarily governed by the company's constitution. This includes the number of directors, the process of election, the commencement of their term, and conditions for removal. In cases where the articles are silent, the default rule under the Act is that directors are appointed by an ordinary resolution (i.e. passed by a simple majority of votes at a general meeting).

Disqualification from serving as a director is a serious regulatory measure intended to preserve sound corporate governance and protect stakeholders from unfit individuals. Under the Companies Act, a person may be disqualified from acting as a director for a period typically ranging from **5 to 15 years**, depending on the gravity of the misconduct.

Shorter disqualification periods, such as five years, may apply to less severe but repeated breaches like persistent failure to file statutory returns or comply with regulatory obligations.

Longer periods of up to fifteen years are usually reserved for grave offences, such as fraud committed during the liquidation of a company, or when a person was involved in reckless management of an insolvent company and is found unfit to manage another.

Disqualification orders can be issued by the Registrar of Companies or the High Court, either on their own initiative or on application by an interested party such as a shareholder, liquidator, or creditor.

Under the Companies Act, a company can remove a director by passing an ordinary resolution at a general meeting, even if a contractual agreement provides otherwise. However, this action requires special notice to be issued at least 28 days prior to the meeting. Alternatively, where the articles of association prescribe a different procedure for removal, members may rely on that method, provided it complies with statutory requirements. This framework provides flexibility in internal governance while safeguarding against abuse of power.

Director's right to protest against removal

When a company receives notice of a proposed resolution to remove a director, it must send a copy of that notice to the director concerned. The director, regardless of whether they are also a shareholder has a right to be heard at the meeting when the resolution is discussed.

Further, the director may, within 21 days of receiving the notice, submit written representations to the company and request that these be shared with the members. If the representations are received in good time, the company is required to mention them in the meeting notice and circulate a copy to every member who is entitled to attend.

If the representations arrive late or are not shared due to the company's failure, the director may insist that they be read aloud at the meeting. However, if the company or another party believes the representations are defamatory, they may apply to the court to block their distribution.

The director must be served with that application and has the right to defend themselves. If the court finds the representations defamatory, it will order that they not be shared or read out. If the court disagrees, the application will be dismissed and the representations must be disclosed.



General Duties of Directors

(Sections 142 to 147 of the Companies Act)

Duty to act within powers

1

- Acting in accordance with the company's constitution; and
- Using powers only for the purposes for which they are conferred.

Duty to avoid conflict of interest

2

- Avoid situations of actual or potential conflict between personal interest and company interest.
- Requires authorisation by non-interested directors or members.

Duty to promote the success of the Company

3

- Act in good faith to promote the company's success for the benefit of its members as a whole.

Duty not to accept benefits from third parties

4

- A director must not accept benefits arising from being a director or from acts as a director.

Duty to exercise independent judgment

5

- A director must make decisions independently, unless acting under A company agreement that restricts discretion, or The company's constitution.

Specific duties of directors

01

The duty of directors of a private company not to allot shares except in accordance with the law or as authorised by the company's articles or by a resolution of the company.

02

The duty to convene general meetings requisitioned by members

03

The duty to include in the notes to the company's financial statement details of individual director's benefits other than remuneration

04

Duty to declare interest in proposed or existing transaction or arrangement to the other directors.
(within 72 hours if a public company.)

05

The duty to ensure that the company keeps proper accounting records.

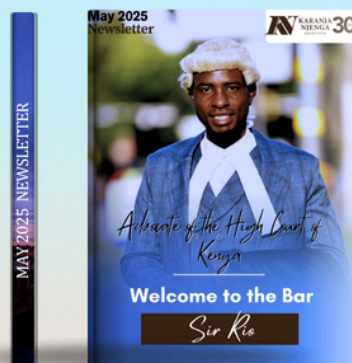
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KARANJA
NJENGA
ADVOCATES



On Wednesday, 9th July 2025, Karanja Njenga Advocates, through our Law Club CSR initiative, hosted an engaging debate session at Farasi Lane Secondary School. This session marked yet another milestone in our commitment to empowering young minds and promoting legal literacy among students in high schools.

The debate motion, ***“This House Believes That School Uniforms Should Be Abolished”***, sparked vibrant discourse, allowing students to explore themes of personal freedom, discipline, identity, and equality within the school environment. Guided by detailed debate guidelines and structured adjudication from our Litigation Team, the students debated with passion, structure and maturity, showcasing their growing capacity for critical thinking, public speaking, and respectful engagement.

To recognize outstanding performance, we presented awards to the best male and female orators, both of whom are Form Four students preparing for their KCSE exams this November. The winning team walked away with prizes, celebrating not just victory but teamwork and articulate advocacy.

TOPIC

**“THIS HOUSE BELIEVES THAT SCHOOL UNIFORMS
SHOULD BE ABOLISHED”**



GALLERY



Are you planning to buy land in Kenya?

HERE IS WHO YOU NEED TO KNOW

An analysis of persons involved in sale of land

1

Advocate (Conveyancer)

Drafts and reviews the sale agreement, conducts due diligence, facilitates registration of the transfer, and ensures compliance with law in the process.

2

Registered Valuer

Assesses the market value of the land to help parties negotiate a fair price and to assist financial institutions in determining the lending value for purposes of financing. Government valuers help in assessing stamp duty payable.

3

Surveyor

Verifies boundaries, prepares mutation forms or subdivision plans, and ensures the land description matches what is registered in the land registry.

5

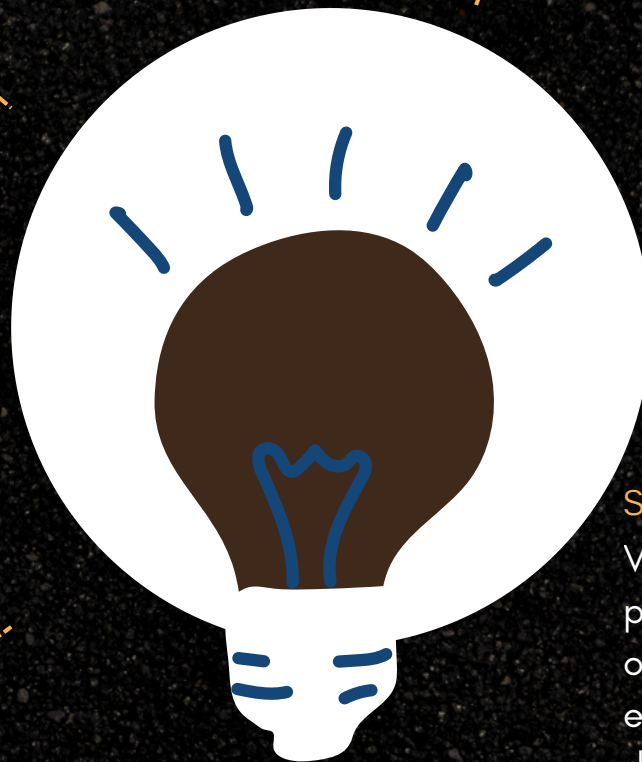
Financial Institution

Provides financing of the transaction subject to registration of a charge on the newly acquired land in their favor.

4

Land Broker

Connects buyers with sellers, negotiates terms, and may assist in facilitating viewings and initial discussions.





During our Capital Markets Training

On 25th July 2025, members of our firm participated in an insightful training session on capital markets. The session covered key aspects of the securities industry, providing a deeper understanding of how capital markets operate and their role in facilitating economic growth.

The training explored the structure and function of the Nairobi Securities Exchange (NSE), highlighting the process through which companies list their shares, how investors buy and sell stocks, and the mechanisms in place to promote transparency and efficiency in trading.

A significant portion of the training focused on learning about the Capital Markets Authority (CMA) — the regulatory body that oversees the capital markets in Kenya.

The firm members were guided through the CMA's mandate, including market regulation, licensing of market intermediaries, investor protection, and enforcement of compliance with capital markets laws and regulations. Discussions also touched on the role of corporate governance, disclosure requirements for listed companies, and the importance of ethical practices in maintaining investor confidence.



Legal humor 🗣️

Client: "How much do you charge for legal advice?"

Lawyer: "A thousand shillings for three questions."

Client: "Wow, isn't that a bit expensive?"

Lawyer: "Yes. What's your third question?"



Firm Highlights | Monthly Achievements Report

As if bringing home a prestigious trophy just last month wasn't enough, Karanja Njenga Advocates continues its remarkable streak of excellence and impact in the legal profession. We are delighted to announce that our firm has, once again, carved an indelible mark on the legal landscape earning not just admiration, but multiple nominations in some of the most respected legal awards in the region.

This August, we are proud to report the following milestones:

- **Africa Legal Awards 2025 (CSR Initiative Category)**—We are honoured to be the only firm in Kenya nominated under the Corporate Social Responsibility (CSR) category at the Africa Legal Awards.
- **Ian Odongoh (Senior Associate)** Nominated as Conveyancing and Commercial Practitioner of the Year Nairobi legal awards.

To our clients, colleagues, and peers: thank you for your continued trust and support. Together, we are building a legacy of purposeful, principled, and progressive legal practice.