



LEGAL ENGLISH COURSE

Torino, 10-17-24 Ottobre 2014

LESSON 3

Extracts and Exercises



POWER OF ATTORNEY

KNOW all persons by these presents that Mr/Mrs ___, in his/her capacity as ___ of _____ (Company's name), a corporation duly organised and existing under the laws of ___, with registered office at ___, has made and appointed Mr/Mrs ___ as true and lawful attorney and agent (hereinafter "the Agent") of the Company, for management of the Company's branch in ___ (hereinafter "the Branch"). The Agent shall have full power and authority to act in the name and on behalf of the Company as to the following activities, including but not limited to:

- (a) to sell, transfer, lease, licence or in any way dispose of all or a substantial part of the business of the Branch, its undertaking, property, intellectual property rights or other assets which may be conveniently disposed of;
- (b) to enter into contracts, agreements, arrangements on behalf of the Branch;
- (c) to borrow or raise money or obtain banking or similar facilities in favour of the Branch;
- (d) to make any loan or give security on behalf of the Branch otherwise than credit given in the normal course of trading;
- (e) to create or cause or permit to be created any debenture, mortgage, charge, lien or other security or encumbrance whatsoever over the whole or any part of the business undertaking or assets of the Branch;
- (f) to enter into any arrangement with a government or authority, whether national, international or otherwise that may be conducive to any object of the Branch, and to obtain from that government or authority any right, privilege or concession which in the opinion of the Company is desirable and to carry out, exercise and comply with that arrangement, right, privilege or concession;
- (g) to settle, submit to arbitration, prosecute and defend all claims in favour or against the Branch and or any legal or equitable proceedings in which the Branch might be a party or have an interest of whatsoever nature.

GIVING AND GRANTING to the said Agent power and authority to perform any and all activities necessary for the intents and purposes provided hereinabove, the Company ratifies and confirms all that the said Agent shall lawfully do or cause to be done by virtue of these presents.

EXERCISES

Exercise n.1. Please fill in the gaps below. You might use some terms/expressions more than once.

1. ENTITY	Liability of owners	Capital contributions	2. MANAGEMENT
SOLE TRADER	_____ personal liability for the obligations of the _____	Capital needed is contributed by sole trader	_____ is managed by the sole trader
PRIVATE LIMITED COMPANY	Generally no _____ liability of the members for obligations of the _____	No minimum share capital _____. However, capital can be raised through the _____ of shares to members	Company is managed through its _____ director or the board of directors acting as a whole
PUBLIC LIMITED COMPANY	No _____ liability; liability is generally limited to shareholders' _____	The minimum share capital of £50,000 is raised through _____ of shares to the public and/or existing members	Company is managed by the board of directors; _____ have no power to participate in management
GENERAL PARTNERSHIP	_____ personal liability of the general partners for the obligations of the _____	Partners contribute money or services to the partnership; they share _____ and losses	The partners have equal management _____, unless they agree otherwise
LIMITED PARTNERSHIP	Unlimited _____ liability of the general partners for the obligations of the business; limited partners generally have no personal liability	General and limited _____ contribute money or services to the limited partnership	The general partner manages the _____, subject to any limitations of the Limited Partnership Agreement
LIMITED LIABILITY PARTNERSHIP	No _____ liability of the partners for the obligations of the _____	_____ contribute money or services to the limited liability partnership	The partners have equal management _____, unless they agree otherwise

unlimited	shareholder(s)	requirement	contribution(s)	issuance
managing	business	profit(s)	personal	right(s) partner(s)

Exercise n. 2. Please fill in the gaps by choosing the correct term among those suggested below.

A board meeting was held to determine whether new shares could be issued to certain existing (1)..... in the company. The proposal, which would (2)..... the share capital of the company by 50,000, was presented to the board. However, as the (3) of the company did not grant authority to raise share capital in this manner, a notice of an extraordinary general meeting was presented, containing the details of the (4)..... increase in share capital. The board approved the notice and it was forwarded to all of the members for consent to the short notice of the extraordinary general meeting. The extraordinary meeting approved all the resolutions in the notice and the board raised the share capital of the company through the (5) of the 50,000 new shares.

- | | | | |
|---|---------------|----------------|-------------|
| 1 | A subscribers | B shareholders | C investors |
| 2 | A raise | B reduce | C authorise |
| 3 | A resolution | B shareholders | C articles |
| 4 | A approved | B resolved | C proposed |
| 5 | A allotment | B issuance | C increase |

Exercise n. 3. Complete this table by filling the correct noun or verb form.

VERB	ABSTRACT NOUN	PERSONAL NOUN
To administrate	Administration	Administrative
	Liquidation	
	Audit	
To issue		
To provide		
To direct		
	Transfer	
To chair		
To intervene		
	Promotion	
		Adviser/or
		Investor
	Management	
To delegate		



Exercise n. 4. Please fill in the gaps below. You might use some terms/expressions more than once.

transferee	pre-emptive right	ownership	to transfer	offer
	buy	envisaged	consideration	

The Shareholder who intends _____ its Shares shall give notice to the other Shareholders (and, for information purposes, to the Chairman of the Board), by registered mail, return receipt requested, of the _____ right and the number of Shares that it intends to _____, the _____ 's details, the _____ and relevant payment terms and the other conditions of the Share transfer contained in the _____ received from the envisaged transferee; the transferring Shareholder shall also attach to the notice a copy of the offer received from such _____ transferee. The other Shareholders may exercise their _____ (failure to do so will result in their right being forfeited) with respect to all the Shares to be transferred, within 30 (thirty) days from the date of receipt of the abovementioned notice, by sending a buy notice (the “ _____ Notice”) by means of a registered letter, return receipt requested, to the transferring Shareholder.

Exercise n. 5. Collocation with *file*. Decide which of the following words or phrases can go with the verb *to file*.

- | | | | |
|-------------|------------|-----------|--------------|
| an action | an AGM | an appeal | an amendment |
| a breach | charges | a claim | a debt |
| a complaint | provisions | a motion | a fee |
| | | | a document |

Exercise n. 6. Please read the company minutes & power of attorney, and answer to the following questions.

- | | | |
|--|-----|----|
| 1. Is Mr Webster the Company Secretary? | Yes | No |
| 2. Is the Company going to appoint a new director? | Yes | No |



- | | | |
|--|-----|----|
| 3. Is the notary attesting the minutes of the board meeting of the Company? | Yes | No |
| 4. Does the resolution provide the appointment of a new branch manager for Italy? | Yes | No |
| 5. Does the Apostille relate to the legal contents of the documents? | Yes | No |
| 6. Does the resolution appoint a Company attorney? | Yes | No |
| 7. Is the power of attorney a notarial document? | Yes | No |
| 8. Who's the person appointed to give legal effects to the power of attorney in Italy? | Yes | No |
| 9. Did the new branch manager sign the power of attorney? | Yes | No |
| 10. Is the attorney authorized to act on behalf of the Company? | Yes | No |

Exercise n. 7. Role play.

Your client is a self-employed professional and wishes to do business together with some colleagues. He/She asks your advice regarding the type of business organization which would best suit his/her needs.

Step 1. The client and the lawyer meet for the first time and introduce themselves

Step 2. The client introduces the topic (forming a business organization, etc.)

Step 3. The lawyer explains to the client that first of all he/she must decide whether to set up a limited company or a partnership

Step 4. The client will ask questions on the following issues:

(a) Limited/unlimited and joint liability



(b) Capital contributions

(c) Management of the business

Step 5. The lawyer will answer the questions and finally recommend setting up a company/partnership.