This is a free page sample. Access the full version online.

REFERENCE COPY
INFORMATION CENTRE
STANDARDS AUSTRALIA
3 400

HB 400—2004

Introduction to Corporate Governance

STANDARDS AUSTRALIA

This is a free page sample. Access the full version online.

Handbook

Introduction to Corporate Governance

Edited by Anona Armstrong and Ronald Francis
Victoria University

First published as HB 400—2004.

COPYRIGHT

© Standards Australia International

All rights are reserved. No part of this work may be reproduced or copied in any form or by any means, electronic or mechanical, including photocopying, without the written permission of the publisher.

Published by Standards Australia International Ltd
GPO Box 5420, Sydney, NSW 2001, Australia

ISBN 0 7337 5668 9

This is a free page sample. Access the full version online.

PREFACE

In June 2003 Standards Australia published the AS 8000 series of five Corporate Governance Standards. The Standards have been widely acknowledged in industry, and mark an important milestone in the distillation of corporate governance principles.

This Handbook and its companion, HB 401, *Applications of Corporate Governance*, provide a wealth of information that will assist industry in adopting the AS 8000 series of Standards. The Handbooks provide an opportunity to explore in more detail the foundation of the Standards, and the issues and challenges that arise when the Standards are applied. This work is the result of research which applies specialised knowledge to the topic of Corporate Governance. It is focussed upon high-level principles designed to illustrate the application of those principles to practical situations.

This Handbook also explores the background to the development of the Standards, and how they relate to other codes and regulations on corporate governance. It will be of interest to those new to corporate governance, and to those with an interest in understanding the corporate governance landscape in Australia, and the requirements of the Corporations Law.

The document is not a Standard and is not intended to be prescriptive.

It is hoped that this Handbook and HB 401 will form the beginning of a dialogue with industry enabling experiences and information about corporate governance to be shared. Standards Australia welcomes feedback on this Handbook, and in relation to corporate governance issues and experiences.

Standards Australia would like to thank Anona Armstrong, Ronald Francis and Roman Tomasic for sharing their knowledge and insights about corporate governance, and to acknowledge the editorship of Anona Armstrong and Ronald Francis.

Particular thanks also to Standards Australia Committee MB-004, Business Governance for assistance in refining this Handbook.

Mark Bezzina

General Manager – Business Standards

Standards Australia International

February 2004

This is a free page sample. Access the full version online.

CONTENTS

Page

ABOUT THE AUTHORS iv

INTRODUCTION v

Section 1 COMMENTARY ON CODES OF CORPORATE GOVERNANCE

1.1 Introduction 1
1.2 What corporate governance guidelines are there? 2
1.3 Standards Australia International 5
1.4 The ASX Principles 8
1.5 Will the SAI Standards meet expectations? 8
1.6 What purpose do standards in corporate governance serve? 9
1.7 Conclusion 10

Section 2 CORPORATE GOVERNANCE AND THE AUSTRALIAN CORPORATIONS ACT

2.1 Introduction 11
2.2 The corporate constitution and governance structures of the company 13
2.3 Duties and responsibilities of directors and other officers 17
2.4 Protection of stakeholder interests: shareholders, creditors, employees, etc. 19
2.5 Some remedies for breach of corporate governance provisions 22
2.6 Conclusion 24

Section 3 ETHICAL UNDERPINNING OF CORPORATE GOVERNANCE

3.1 Introduction 27
3.2 What is ethics? 27
3.3 Ethics, morals and the law 28
3.4 Why is ethics not more commonly considered? 29
3.5 The argument in favour of codes 30
3.6 Human values, ethics and corporate governance 31
3.7 Compliance 32
3.8 Ethical infrastructure 32
3.9 Experts and arbiters 33
3.10 Self regulation 33
3.11 Who and how to convince 33
3.12 Identifying and removing barriers 35
3.13 In praise of corporate governance 36
3.14 What does not seem to work 37
3.15 Suggestions for implementation of corporate governance 37
3.16 Additional principles 38
3.17 Conclusion 40

Section 4 GUIDANCE ON FORMAL MEETINGS

4.1 Introduction 43
4.2 Calling a meeting 45
4.3 Conduct of business 46
4.4 Additional comments 50

BIBLIOGRAPHY 53

This is a free page sample. Access the full version online.

ABOUT THE AUTHORS

Anona Armstrong

Anona Armstrong is the Director of the Centre for International Corporate Governance Research, and Professor of Governance in the Graduate School of the Faculty of Business and Law at Victoria University in Melbourne.

Ronald Francis

Ronald Francis is Professorial Fellow in the Centre for International Corporate Governance Research at Victoria University, and is also in the Business Ethics Research Unit in the Faculty of Business and Law at Victoria University. He is the author of several books, including *Ethics and corporate governance: an Australian handbook*.

Roman Tomasic

Roman Tomasic is Dean of the Faculty of Business and Law at Victoria University and Chair of the Advisory Committee of the Centre for International Corporate Governance Research.

SAI GLOBAL

This is a free preview. Purchase the entire publication at the link below:

Product Page

Looking for additional Standards? Visit Intertek Inform Infostore

Learn about LexConnect, All Jurisdictions, Standards referenced in Australian legislation