



Leadership And Corporate Accountability

Lecture 1

What is Corporate Governance?

*Corporate governance refers to the processes and structure by which the business and affairs of the company are **directed and managed**, in order to enhance long term shareholder value through **enhancing corporate performance and accountability**, whilst taking into account the interests of other stakeholders.*

Report of the Committee and the Code of Corporate Governance (Singapore), 2001

What is Leadership?

the lifting of people's vision to a higher sight, the raising of their performance to a higher standard, the building of their personality beyond its normal limitations (Drucker, 1985).

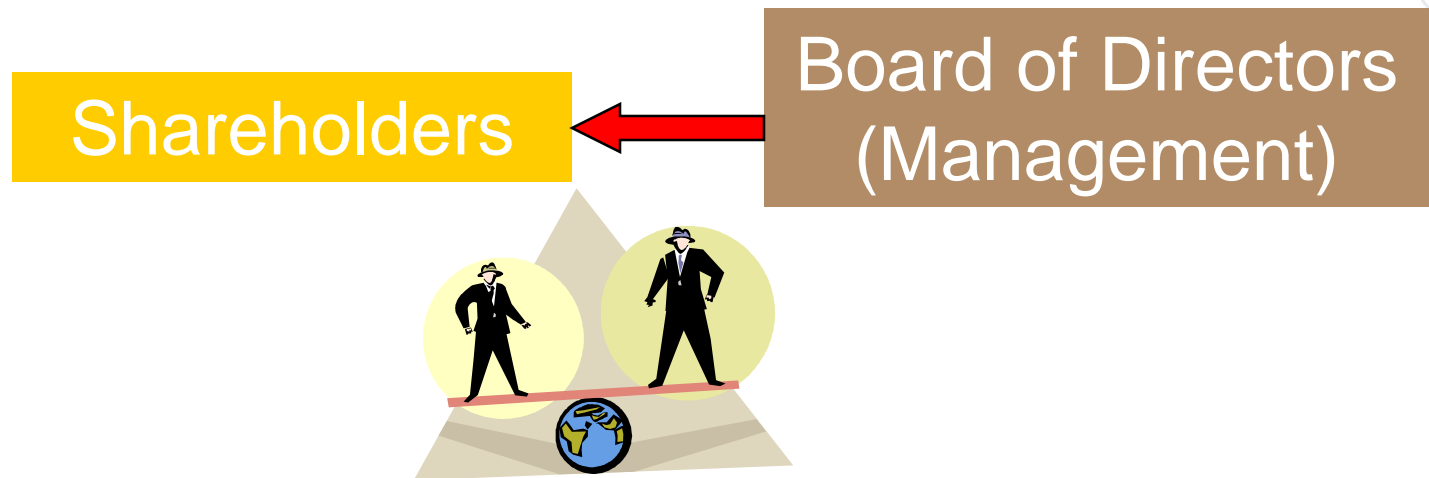
[wps.prenhall.com/wps/media/
objects/213/218150/glossary.html](http://wps.prenhall.com/wps/media/objects/213/218150/glossary.html)

What is Leadership?

*The ability to lead, including inspiring others in a shared vision. Leaders have clear visions and they communicate these visions to their employees. **They foster an environment within their companies that encourages risk taking, recognition and rewards, and empowerment allowing other leaders to emerge.***

[strategis.ic.gc.ca/epic/internet/
instco-levc.nsf/en/
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Relationship Between Shareholders, Board and Management: Legal Perspective




Major Decisions Made by Shareholders

- ⊙ Structural or constitutional decisions [e.g., issue of shares; reduction of capital; amdt of M&A]
- ⊙ Appointment / removal of directors & auditors
- ⊙ Directors' compensation [e.g., retirement and compensation benefits for directors; provision and improvement of directors 'emoluments' (fees, benefits etc)]
- ⊙ Disposal of substantially the whole of the company's undertaking

Major Decisions Made by Shareholders



- ◎ Assignment of office by director or manager
 - ◎ Schemes of arrangements & takeovers
 - ◎ Winding up
 - ◎ Conflict of interest situations [e.g., related party transaction rules; payment of commissions etc to directors in connection with the transfer of undertaking or property of the company]
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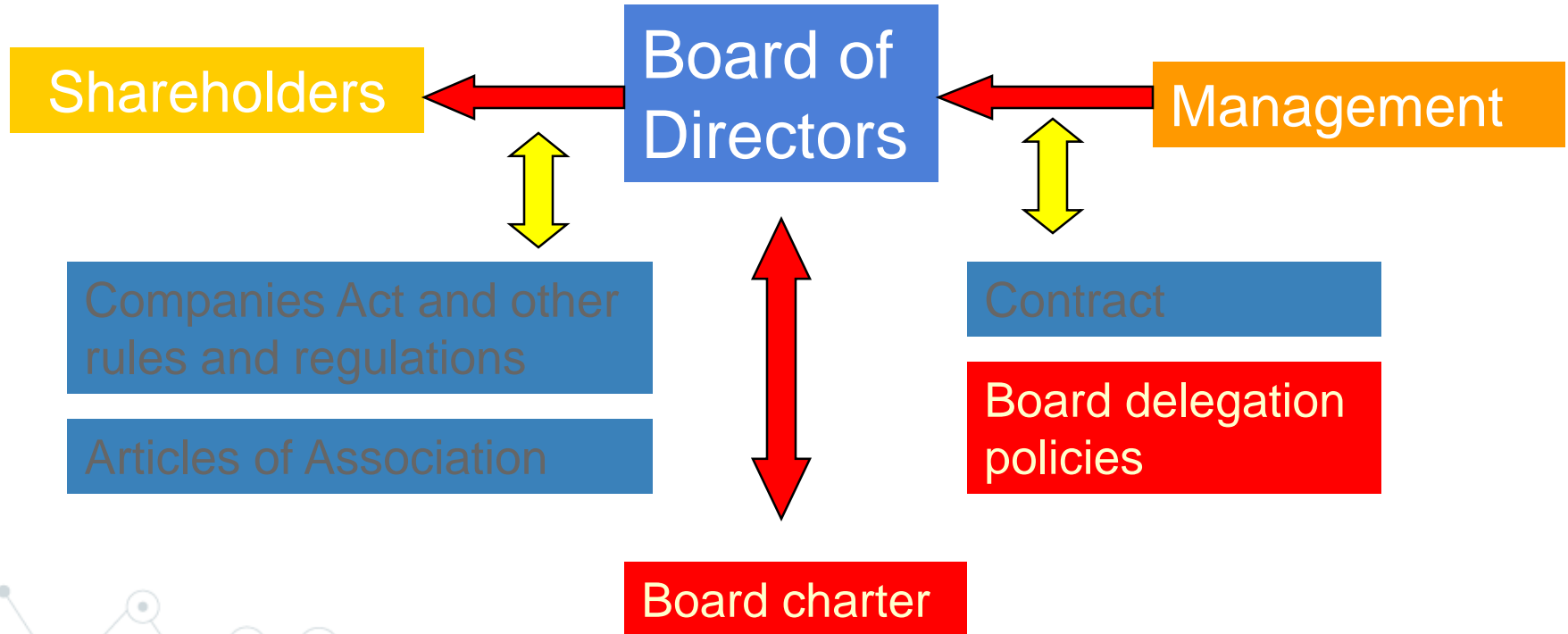
Power of the Board of Directors

(1) The business of a company shall be managed by or under the direction of the directors.

(2) The directors may exercise all the powers of a company except any power that this Act or the memorandum and articles of the company require the company to exercise in general meeting.

[S. 157A, Companies Act (Singapore)]

Managing the Relationship Between Shareholders, Board and Management





Q & A

Thank you!

