

## Creating a More Effective Board

COLEMAN & GREIG

Solicitors and Notaries



**Family Business  
Australia**

# >>FBA Services

## >>Events program

Featuring family businesses and specialist advisers to family business

## >>Networking opportunities

Meet other family businesses who share the same issues

## >>Forum Group program

A powerful network of learning and support

## >>Referral service

Access to family business specialist advisers

## >>On-line member directory

Building a family business network of goods and services



# >>Coleman & Greig Services

## >>Commercial Legal Services

- Corporate & Commercial Advice
- Employment Law
- Occupational Health & Safety
- Franchising
- Litigation & Dispute Resolution
- Intellectual Property
- Trade Practices
- Building & Construction
- Commercial Securities
- Commercial Property
- Business Migration
- Succession Planning
- Notarial Services

## >>Personal Legal Services

- Property & Conveyancing
- Wills & Estate Planning
- Family Law

# >>Our Panel of Speakers



## **Lesley Mathieson-Smith**

Director, Family member  
Matson Automotive Pty Ltd



## **Maria Emery**

Director, Family member  
Soilco Pty Ltd



## **Harry Rosenthal**

Risk Manager  
Non executive Director  
Matson Automotive Pty Ltd

## **Graham Cook**

Non-executive Director  
Strategy consultant

# Creating a More Effective Board



Paul Lucas - Managing Partner  
Coleman & Greig



# >>Creating a More Effective Board

## What I will speak about:

- Corporate Culture
- Corporate Governance
- Directors Responsibilities
- Business Judgement Rule



## &gt;&gt;Corporate Culture

*“Corporate culture”* means an attitude, policy, rule, course of conduct or practice existing within the body corporate generally or in the part of the body corporate in which the relevant activities takes place.

# >>Corporate Governance

*“Corporate governance”* is the process by which organisations are directed, controlled and held to account. It encompasses authority, accountability, stewardship, leadership, direction and control exercised in the organisation.



# >> Historical Perspective

- Freidrich's Case
- Statewide Tobacco
- AWA Case



# >> Business Judgement Rule

## Section 180 (2)

- Judgement in good faith and for proper purpose
- No personal interest
- Informed about subject matter
- Rational belief in best interest of company



## Section 189

Directors may rely on information from:

- Reliable and competent employee
- Professional adviser
- Another director
- Committee of directors

Reliance in good faith and after own assessment

Reliance is reasonable



## Section 189D

Directors may delegate their powers

Must be exercised as directed

- Must believe that delegate would exercise duties in accordance with directions imposed
- No legislative obligation on directors to monitor delegate, but delegation is not abrogation of responsibility (Santow J in Adler's case)



# >> Panel Discussion



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Matson Automotive Pty Ltd



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## Questions from the audience

# Benefits of Appointing an Independent Director

- Bring objectivity to decision-making
- Assist in the identification of compliance and corporate governance issues
- Play the mediator role
- Bring specialist assistance in areas of need eg. marketing, production, logistics, finance, HR, systems, etc

# Checklist for Appointment

- Be clear on the purpose of the proposed appointment
- Agree on the role and the expertise required
- Agree on the expectations for performance
- Agree to be fully accountable to the director
- Accept the compliance obligations
- Agree on the director's fee



## &gt;&gt;Half Day Workshop

- Corporate governance issues
- Directors' responsibilities
- OHS and personal liability
- Intellectual property
- Trade practices
- Effective business structures
- Business agreements and contracts



# Thank you for attending

## Please hand in your Feedback Forms

