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0521617839 - Principles of Contemporary Corporate Governance

Jean Jacques du Plessis, James McConvill and Mirko Bagaric

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Principles of Contemporary Corporate Governance

Corporate governance concerns the manner in which corporations are regulated and managed. Corporations control a significant portion of the world's wealth and other resources. The dominance of the corporation as the central agent in the market economy is increasing. Corporate behaviour impacts on every individual – often in very profound and significant ways. A fundamental tension in the corporate governance debate is balancing the profit-making objective of corporations and company officers against broader social responsibilities owed to the wider community. This tension has not been adequately resolved. Thus, corporate governance is a very complex and controversial area of the law.

This book demystifies corporate governance regulation. It explains the rules and principles that regulate corporate behaviour in Australia and a number of other jurisdictions, including the United States, the United Kingdom and Germany. As well as dealing with corporate governance regulation today, the book provides an extensive analysis of the wider moral and policy considerations underpinning corporate governance. It evaluates existing standards pertaining to corporate governance and suggests proposals for change and how this area of law and practice can be made more coherent and principled. The book suggests that corporate governance regulation and management is in need of fundamental reform and explains in detail the direction that these reforms should take.

Principles of Contemporary Corporate Governance primarily aims to extract and evaluate the core principles of this subject area. It also gives context to these principles through to-the-point discussions and explanations as well as through carefully selected case studies and real-life examples of corporate governance practices.

The book is written for all people who have an interest in corporate regulation and management, including company officers, judicial officers, lawyers, accountants and students.

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Preface

Corporate governance concerns the manner in which corporations are regulated and managed. Corporations control a significant portion of the world's wealth and other resources. The dominance of the corporation as the central agent in the market economy is increasing. Corporate behaviour impacts on every individual – often in very profound and significant ways. A fundamental tension in the corporate governance debate is balancing the profit making objective of corporations and company officers against broader social responsibilities owed to the wider community. This tension has not been adequately resolved. Thus, corporate governance is a very complex and controversial area of the law.

This book sets out to demystify corporate governance regulation. It explains the rules and principles that regulate corporate behaviour in Australia and a number of other jurisdictions, including the United States, the United Kingdom and Germany. As well as dealing with corporate governance regulation today, the book provides an extensive analysis of the wider moral and policy considerations underpinning corporate governance. It evaluates existing standards pertaining to corporate governance, makes proposals for change and suggests ways in which this area of law and practice can be made more coherent and principled. The book argues that corporate governance regulation and management is in need of fundamental reform and explains in detail the direction that these reforms should take.

The primary aim with *Principles of Contemporary Corporate Governance* is to extract and evaluate the core principles of this subject area. However, it also gives context to these principles by way of to-the-point discussions and explanations as well as through carefully selected diagrams, case studies and real-life examples of corporate governance practices.

The book is written for all people who have an interest in corporate regulation and management, including company officers, judicial officers, lawyers, accountants and students.

There are five distinct parts in *Principles of Contemporary Corporate Governance*, but they carry a consistent theme through the book. In **Part One** the reader is introduced to some of the most basic aspects regarding corporate governance, namely the meaning of the concept 'corporate governance'; corporate stakeholders and participants; board structures (in particular the unitary and two-tier board structure); and types of company officers (executive and non-executive directors; alternate director; secretary, etc).

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Part Two focuses on corporate governance in Australia, covering the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations* (applicable to listed companies), other corporate governance guidelines and recommendations, the main governance and accountability mechanisms under the Australian *Corporations Act 2001* and the recent Corporate Law Economic Reform Program 9 (CLERP 9) reforms to the Act.

Part Three considers corporate governance in practice. Specific topics covered include board and committee structures and risk management policies; auditors and audits; and an overview of directors' duties and liabilities.

Part Four adds an international perspective to corporate governance. Basic corporate governance principles in selected jurisdictions such as the USA, UK and Germany are dealt with; the OECD Principles of Corporate Governance are also covered in some detail.

Part Five deals with some policy issues, and likely future developments and possible corporate governance trends.

We trust that our readers will find as much satisfaction in reading *Principles of Contemporary Corporate Governance* as we did in writing it.

Jean Jacques du Plessis, James McConvill and Mirko Bagaric
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