

The Evolving Role of the Company Secretary

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What is Corporate Governance?



A system by which a company is directed and controlled, so as to achieve its overall objectives.



Looks into relationships, structures, processes, decision-making.



Impact is both internal and external.


Governance vs Compliance

Compliance

- ▶ Compliance answers the 'what is required?' question – compliance team

Governance

- ▶ Governance answers the 'how do we make this effective?' question – governance professional



'Secretary' – person entrusted with secrets or private and confidential matters

▶ Article 138 CA: “an individual who appears to [the directors] to have the requisite knowledge and experience to discharge the functions of company secretary”

Duties emanating from law

- ▶ *The company secretary shall be responsible for keeping: the minute book of general meetings of the company; the minute book of meetings of the board of directors; the register of members; the register of debentures; and such other registers and records as the company secretary may be required to keep by the board of directors.*
- ▶ *The company secretary shall: ensure that proper notices are given of all meetings; and ensure that all returns and other documents of the company are prepared and delivered in accordance with the requirements of the Act.*
- ▶ With good corporate governance practices becoming enshrined in organisations, company secretaries are considered to be in a strategic position of considerable influence at the heart of the governance operations within the same organisations.

Four Principles of Corporate Governance



Evolving role

The evolving governance role of the company secretary reflects the broader shifts in corporate culture and expectations.

Organisations are recognizing that strong governance and ethical practices are not just regulatory requirements but also important for building trust, ensuring long-term sustainability, and creating value for stakeholders.

As a result, the role of the company secretary has become more strategic, dynamic, and integral to the success of modern organizations.

Board Effectiveness

An effective board defines the company's purpose and then sets a strategy to deliver it, underpinned by the values and behaviours that shape its culture and the way it conducts its business.

Boards have a responsibility for the health of the company and need to take a long-term view. An effective board will manage the conflict between short-term interests and the long-term impacts of its decisions; it will assess shareholder and stakeholder interests from the perspective of the long-term sustainable success of the company.

Board Evaluations

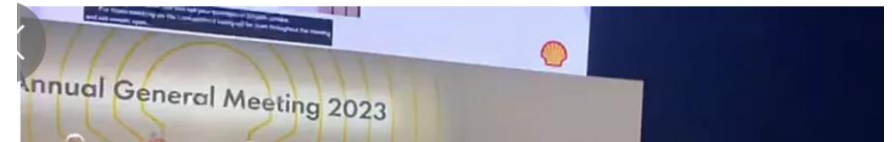
- ▶ The primary purpose of regular board performance reviews is to help the board continuously to improve both its own performance and the performance of the company.
- ▶ Evaluations can be done either internally or externally.
- ▶ The role of the reviewer is to identify any issues that the board should consider; the role of the board is to take appropriate action to address them; and the role of shareholders and other stakeholders is to hold the board to account for the effectiveness of those actions.
- ▶ The role of the Company Secretary is to bring the whole exercise together – in the case of the internal review exercise by spearheading it; in the case of the external reviewer by co-ordinating it. Outcome is documented in the Annual Report.

Annual General Meetings

An opportunity for:

- ▶ The board to present the company strategy and performance, and other matters to investors.
- ▶ Shareholders to hold the board to account through Q&A and discussion.
- ▶ Shareholders to exercise their vote after consideration of the information presented.

'Go to hell, Shell': Activists crash oil giant's AGM as shareholders call out climate inaction



Climate protesters rework Spice Girls song to disrupt Barclays AGM

Lyrics of Stop changed to 'stop right now, no more oil and gas' because of bank's fossil fuel funding

Role of the Company Secretary in AGMs

- ▶ Vital role in coordinating and facilitating the meetings.
- ▶ Consistency and clarity in communication – prior to the meeting itself, content of the pack, questions received prior to the meeting, presentations to be delivered, questions during the meeting.
- ▶ AGMs going forward: (i) hybrid; (ii) shareholder activism.



Succession Planning

- ▶ Board succession planning is a critical aspect of ensuring seamless transition of Board members on the Board, and ensuring long-term success.
- ▶ The Company Secretary plays a vital role in identifying potential candidates, assessing their skills and expertise and developing a strategic plan to maintain board continuity and effectiveness.
- ▶ The Company Secretary is usually the longest standing officer within the Board and can therefore gauge the dynamics, and look into the current needs of the organisation, as have foresight on the medium and long term requirements.

Director Development

- ▶ The Company Secretary facilitates induction, arranging board training and assisting with professional development as required.
- ▶ Ensures that upon the appointment of a new board director, an induction programme is prepared that permits the new member familiarise themselves with the new board 'surroundings'
- ▶ Development on an annual basis





Curious

Problem solver

Jack of all
trades

Adaptable

Emotionally
intelligent

Trustworthy and
discreet

A clear sense of
purpose and
culture of the
organization

Independent

Resilience



Thank you!