

CORPORATE LAW NOTES: LECTURE AND TEXTBOOK SUMMARY

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CONTENTS

Lecture 1: Company overview	2
Lecture 2: Constitution and replaceable rules.....	4
Lecture 3: Decision making power	6
Lecture 4: Convening meetings	12
Lecture 5: Director's duties	17
Lecture 6: Director's duties	23
Lecture 7: Remedies.....	31
Lecture 9: Share capital reduction & financial assistance.....	41
Lecture 10: Contracting by Companies	46
Lecture 11: Disclosure	50

Lecture 1: Company overview

Company: artificial legal person

1. Separate legal personality:
 - Incur obligations and hold rights
 - Sue and be sued in its own name
 - 119: come into existence as a body corporate
 - Contract with controllers and others
 - Perpetual succession
 - Participants have no proprietary interest in company's property
 - Separate taxpayer
2. Legal capacity
3. Limited liability

Salomon v Salomon & Co Ltd

The company and its controller are separate legal entities

Industrial Equity Ltd v Blackburn

Walker v Wimbourne

The company and its controller are separate legal entities (corporate groups)

Macaura v Northern Assurance Co Ltd

Insurable interest for timber plantation transferred to company

Participants have no proprietary interest in company's property

Lee v Lee's Air Farming Ltd

Workers compensation insurance for husband's death

Contract exists between company and its controller as separate legal entities

124(1)(a): a company has the power to issue and cancel shares in the company

Sydney Future Exchange Ltd v ASX Ltd

Share: right to a specified amount of the share capital of a company, carrying with it rights and liabilities when the company is a going concern and in the course of its winding up

254B(1): a company may determine

- (a) terms on which its shares are issued
- (b) rights and restrictions attaching to the shares

RR 250E: how many votes a member has

- (1) at a meeting of members
 - (a) show of hands, each member has 1 vote
 - (b) poll, each member has 1 vote per share
- (3) chair has casting vote