

September 2021

Corporate Governance

Directors, Company Secretaries and
Shareholders



LaunchPad

What is corporate governance and why is it important to my business?

Corporate governance refers to the way a company is managed or governed. Corporate governance is important because it ensures that companies adhere to the structures required by the law to ensure accountability, transparency and proper risk management.

What corporate governance structures should my business have?

At a minimum, a company must have at least two directors and a company secretary, with at least one of the directors ordinarily resident in Ghana. The directors of the company may either appoint one among them as a managing director or employ someone with the necessary knowledge and skill as a general manager to see to the day-to-day running of the business.

As a general rule, the directors of a company are required to meet at least once every six months. During these meetings, they consider the operational and financial matters of the company.

A company should also have a management team to which the employees report. The management team in turn reports to the directors through the managing director or the general manager.

Is there a difference between shareholders and directors?

Yes. Shareholders are the people that form the company and own shares in the company while directors are the persons appointed by the shareholders to direct and oversee the company's business. Generally, a company acts through its board of directors.

Can a shareholder be a director?

Yes, a shareholder can be appointed as a director.

Can a director double as the company secretary?

Yes, a director can act as the company secretary, so long as that director meets the qualifications of a company secretary.

About us

ND&C LaunchPad is an educational platform providing free legal education to all, and access to subsidized legal services for businesses founded, controlled and generally run by women.

LaunchPad's primary purpose is to help early-stage businesses meet regulatory and compliance standards necessary to grow without breaking the bank. We do this by providing free educational material and discounted advisory services to deserving young businesses.

To know more about our offerings visit www.ndowuona.com/Launchpad



LaunchPad