

# Shareholder's Right to Information in Capital Business Corporations

## Abstract

This thesis deals with one of the most fundamental and most important rights of every shareholder of a business corporation, the right to information. The aim of this thesis is to provide a description of this institute in capital business corporations, i.e. in a limited liability company and a joint stock company. This thesis focuses on the nature of the right to information and the principles of its functioning while highlighting the differences between the regulation within the different forms of capital business corporations as well as the reasons underlying such differences. Most importantly, the aim of this thesis is to find the *limits* of the right to information, i.e. which information, and under what conditions, are companies obliged to provide to their shareholders and which information they may withhold.

This thesis is divided into five chapters. The first chapter is a general introduction to the topic, the aim of which is to describe the nature of the institute of the right to information and its significance.

The second chapter focuses on the regulation of the right to information in limited liability companies. It particularly deals with the conditions for exercising the right to information, including the requirements for shareholder's request for information, the criterion of necessity of the requested information, or the grounds for refusal to provide information. The respective assertions are supported by the case law of Czech courts.

The third chapter focuses on the regulation of the right to information in public limited companies and it is the focal point of this thesis. Similarly to the previous chapter, it concerns the requirements for a request for information, or rather more precisely an *explanation*, the content and preciseness of such explanation, or the criterion of necessity of the requested information. It further concerns specific aspects of the right to explanation, in particular the so-called principle of direct provision of an explanation, the possibility of providing an explanation additionally, the right of a shareholder to be provided with the same information that have been disclosed to another shareholder or the right to an explanation regarding the amount of remuneration of executives. The assertions are also supported by the conclusions arising from the case law of the Czech courts and, since the Czech regulation of the right to explanation is significantly influenced by the German regulation, some conclusions of German legal doctrine and case law are also referred to herein.

The fourth chapter deals with the issue of abuse of the right to information, in particular the so-called *chicanerous exercise of the right*. It discusses the most frequent cases of such abuse by the shareholders, but also the possibilities of abuse of the institute of right to information by the companies themselves, albeit in this case it is not in the "true" sense of the word.

The fifth chapter concerns the right to information on trade secrets, which by its nature is a specific category of information. It discusses the regulation of this right in both limited liability companies and public limited companies, again pointing out the fundamental differences between them and the consequences arising therefrom.

The conclusion of this thesis offers a summary of the most important findings concerning the *limits* of the right to information and provides a comparison of its legal regulation within the respective forms of capital business corporations.

**Key words: Right to Information, Right to Explanation, Capital Business Corporations**