

The Status of the Chairman of an Elected Body of a Business Corporation

Abstract

The thesis examines the status of the chairman of an elected body of a business corporation within the Czech legal framework. This area of law is only marginally regulated in the Act No. 90/2012 Coll., on Business Corporations and Cooperatives (Business Corporations Act), as amended (hereinafter the “**Business Corporations Act**”), which leaves significant room for dispositive arrangements in the Articles of Association and Bylaws of business corporations. The aim of the thesis is to analyse and assess the competences of the chairman of an elected body and their impact on the chairman’s status within the business corporation.

The legal framework set out in the Business Corporations Act presumes the existence of a chairman in collective elected bodies, who holds a casting vote in the event of a tie. However, the Business Corporations Act does not provide further details regarding the chairman’s competencies.

The author analyses and comments on the competencies of the chairman of an elected body, which are created in practice in the Bylaws and Articles of Association. The thesis focuses on three main areas: (i) the authority to represent the business corporation in the case of a collective statutory body, (ii) the power to organize meetings of the elected body, and (iii) the rules governing decision-making within the collective elected body and their modifications. Through the analysis of selected Articles of Association and Bylaws of business corporations, the author demonstrates various cases of chairman’s competencies and their practical implications.

A key issue addressed in the thesis is whether, and to what extent, the chairman may be more significant than other members of the elected body. The author concludes that the mere existence of a chairman does not establish their superiority unless the Articles of Association contain specific modifications of their powers. On the other hand, if certain competencies are assigned—such as sole representation of the corporation, the power to convene meetings, or the requirement that the chairman’s vote is necessary for decision-making—it is possible to speak of a de facto inequality among members of the elected body.

In conclusion, the author summarizes that the position of the chairman of an elected body within a business corporation is variable and depends on the specific provisions of the Articles of Association and Bylaws. The thesis aims to provide a systematic overview of potential chairman

competencies and their consequences, serving not only as a basis for academic discussion but also, to some extent, as a practical guide for business corporations.

Keywords: corporation, chairman, competence