

## **Abstract - Liability of governing bodies of limited companies**

The thesis deals with the liability of governing bodies of limited companies in the light of the recodification of private law. The given topic is becoming increasingly acute in the Czech legal environment, especially with regard to the codification of due diligence and the business judgment rule in the basic acts of private law, namely the Civil Code and the Business Corporations Act. The aim of this work is to provide a comprehensive insight into the problems of the concept of liability within the Civil Code and a view into the Business Corporations Act and the ensuing liability of governing bodies of limited companies.

In the first chapter of this thesis, various key concepts, which are used and elaborated throughout this paper, are analyzed and defined. The concept of liability is analyzed in terms of a historical perspective – both from the so-called prospective and retrospective conception to the conception contained in the Civil Code. The concept of a statutory body (governing body) is analyzed both in terms of rules contained in the Civil Code and in terms of the different specificities of the Business Corporations Act including the analysis of directors of a limited company and the board of directors of a joint-stock company.

The second chapter describes the relation between business corporations and members of the statutory body in terms of the agreement on acting, which has undergone considerable expansion in the Business Corporations Act compared to the previous legislation contained in the Commercial Code.

The third main chapter of the thesis is devoted to the analysis of individual basic duties, by which the statutory body is bound in the performance of its functions. These basic duties are due diligence, the duty of loyalty and the business judgment rule. In order to provide a complete analysis of the given subject, secondary duties, such as the prohibition of competition, the rule on conflict of interest and informational duty along with the duty of confidentiality, are also closely examined.

The fourth chapter is devoted to the analysis of the liability of members of statutory bodies for the breach of their duties and the examination of the various mechanisms that govern the compensation for losses incurred by a business corporation, along with the consequences of performing their duties in conflict with due diligence.

The final fifth chapter is devoted to a comparison of due diligence contained in the new legislation with the legislation of the United Kingdom, along with the final evaluation and reflections *de lege ferenda*.