

Remuneration of members of governing bodies of joint-stock companies

The topic of this diploma thesis is the remuneration of members of the governing bodies of joint-stock companies under the Czech Business Corporations Act. Taking into consideration the tradition in the Czech Republic, I focused on joint-stock companies with the dualistic board system comprising of board of directors and supervisory board. This thesis mainly deals with the questions regarding the mandatory agreement on remuneration in the contract on performance of the office, the role of the general meeting and the new institute of subsidiary gratuitous office performance.

In total, this thesis comprises of the introduction, six chapters, and the conclusion. The introduction is followed by the definition of basic terms, especially the definition of board member remuneration.

The second chapter briefly introduces the corporate governance and focuses on the remuneration as a corporate governance instrument, which should contribute to the resolution of the agency problem between the shareholders and the management.

The third chapter outlines the statutory regulation of remuneration within the contract on performance of the office and especially deals with the possibility of the agreement on remuneration outside the contract on performance of the office. The second part of this chapter looks into the question of the subsidiary application of the mandate contract under the Czech Civil Code.

The fourth chapter deals with the role of general meeting. The first part of this chapter focuses on the approval of the contract on performance of the office, the adoption of by-laws regulating the remuneration, the approval of other remuneration, the approval of payment of dividend to the board members and the possibility to withhold any remuneration payment from the board members. At the end of this chapter I draw the attention to some differences between the monistic and dualistic (also referred to as German) board system.

Fifth chapter addresses the topic of gratuitous office performance. It outlines in which cases the gratuitous office performance shall apply and when it is excluded including a small evaluation of the respective institute.

The last chapter draws the attention to some specialties of the listed joint-stock company's remuneration regulation including reference to European legislation.

To conclude my thesis, I summarize the most important findings I made in my thesis.