

Abstract: The role of Governing Board under Czech legal regulation and the role of Board of Directors under English law

This Diploma Thesis deals with the position and role of Governing Bodies of joint-stock companies under Czech and English law. In the first part, the author sets theoretical and economical reasons behind the management of a joint-stock company via Governing Body by way of descriptive and explanatory method, and concludes, that a Governing Body should be an instrument which mitigates the agency costs and provides for a flexible system of governance. In the second part of the Thesis, the author deals with structure, position and role of a Governing Board and related interpretation problems of Czech regulation by way of description, analysis and synthesis. The author summarises the second part with a definition of czech Governing Board as a *sui generis* body with supervisory and managerial powers, whose position stands somewhere between Managing Board and Supervisory Board. The third part of the Thesis makes an excursion into English law through descriptive, analytic and synthetic method, where the author deals with history, structure, position and role of a Board of Directors as an english counterpart of czech Governing Board. The author defines Board of Directors through historical and teleological interpretation as a platform of Directors whose position in the company is a central management responsible for governing the affairs of the company. This position of the Board of Directors is demonstrated through its model managerial and supervisory function. In the fourth part of the Thesis the author compares Czech and English regulation of Governing Bodies and concludes, that Governing Board under Czech law does not have such a leading role as a Board of Directors under English law. Moreover, the author claims that as a result of inadequate concept of a czech One-tier structure, the governing Board does not provide for the mitigation of agency costs and flexibility of management. At the end of the Thesis the author proposes *de lege ferenda* regulation for an effective and flexible concept

of a Governing Board which requires the cancellation of a Statutory Director as a statutory body of a joint-stock company and limitation of the statutory regulation to necessary minimum. By providing possible resolution to the interpretation problems of czech regulation as well as foreign view on the One-tier structure, this Thesis contributes to the legal debate and serves as an inspiration for czech shareholders of one-tier joint-stock companies.

Key words:

One-tier structure, Governing Board, Board of Directors.