

Abstract

Remuneration of members of governing bodies of joint-stock companies

Remuneration of members of governing bodies of joint-stock companies is very topical. The aim of this thesis is to analyse the topic and its fundamental aspects, to compare legislation before and after the re-codification of Czech private law and to compare Czech and British law relating to remuneration.

The first chapter defines the basic terms, aims and methodology of this thesis and describes relevant economic concepts (e.g. principal-agent problem, fragmentation of ownership of joint stock companies). The second chapter focuses on the issue of concurrent engagement as a director and as an employee of the company. This issue had been object of legal uncertainty in the past.

The third chapter focuses on entitlement to remuneration. After the re-codification, the director is not entitled to remuneration unless otherwise stipulated by the parties. The right to be remunerated can be based on a service contract, internal directive or a resolution of the company. In certain cases, the member can be entitled to remuneration at the prevalent market rate. This is being compared in the thesis to the British regulation where decision-making about remuneration may be entrusted to the board of directors itself. On the other hand, the regulation of remuneration in quoted companies is also described, which is relatively detailed in the UK.

The fourth chapter analyses the institutes of withdrawal and claw-back of remuneration. These institutes strengthen the accountability of directors for due exercise of their office.

The fifth chapter of the thesis deals with the individual components of remuneration. The chapter emphasises the need to set remuneration in a way that will motivate the directors to work towards long-term economic success of the company. The basic directors' fees, directors' profit shares, share option schemes, early termination payments and non-monetary considerations are discussed in detail.

Keywords: remuneration, board of directors, joint stock company