



Board Structures

Introduction

The Alliuris Group

Medium sized companies in Europe and around the world are faced with ever increasing competition. They therefore need to develop their skills and strengths and their connections in the European and worldwide markets. ALLIURIS members can greatly assist companies in their cross-frontier business.

The ALLIURIS Group is composed of independent, medium sized law firms in Europe, Asia, the USA and South America, who specialise in European and international business law. The experience of the firms covers all areas of civil and commercial law to enable them to fulfil all the requirements of the medium sized company.

Member firms are conversant with the requirements of international clients; the partners are experienced in understanding the differing approach of foreign clients to legal matters and are able to respond to their needs and questions; lawyers often speak several languages and many have undergone their legal education in several countries.

Clients with interests outside Europe receive similar support. ALLIURIS enjoys widespread professional connections within its global network.

Today ALLIURIS counts for more than 36 offices and 450 lawyers in Europe and other major markets in the world.

The Alliuris Advantage

Alliuris One

One point of contact for your cross border deals. Alliuris will give you a single point of contact who will be a partner in a member firm. That lawyer will manage your work and report to you – ONE e-mail address, ONE telephone number and the full range of Alliuris members are at your service.

Alliuris Local

You need a lawyer with knowledge local to the place you are doing business in and who can deliver in a way you can understand by reference to the place you know. Representation in the jurisdiction you are doing business in from trusted lawyers delivered to you in your language by your lawyer.

Alliuris Excellence

One lawyer cannot be excellent everywhere. Alliuris provides a centre of excellence in every jurisdiction.

Alliuris Information

What is going on in your sector where you want to do business? Alliuris can source the market information you need.

Alliuris Contacts

How do you know who you need in the country you are operating in and how do you get to them? Alliuris can source the trusted local contacts you need.

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Europe

Austria

Stock Corporation

Aktiengesellschaft

Control
Body

Leader

Management
Body

Leader

Supervisory Board:
(*Aufsichtsrat*)

Chairman
(*Vorsitzender*)

Management Board
(*Vorstand*)

- election by general meeting
- responsible for appointment, removal of management board and monitoring of the management board
- not less than 3 members
- term: 5 years
- further tasks: audit of the financial statement, convening of the general meeting, monitoring role, consent to certain actions, conduct of legal disputes etc.

- chairs meetings of the supervisory board and the general meeting

- appointed by Supervisory Board
 - responsible for management and representation of the company
 - term: 5 years
 - full management liability (but business judgement rule)
 - joint power of representation, single power can be granted
- reporting obligation to Supervisory Board

decisions should be taken by majority vote

Limited Company

GmbH

Control
Body

Leader

Management
Body

Leader

Supervisory Board:
(*Aufsichtsrat*)

Chairman
(*Vorsitzender*)

Managing Directors
(*Geschäftsführer*)

- optional
- in large companies (ia share capital > EUR 70.000.- and more than

- conduct the activities of the general meeting

- management person of the company
- not less than 1 member

50 shareholders; more than 300 employees)
mandatory

- not less than 3 members
- appointed by shareholder resolution

monitoring of the managing directors in all areas

- appointment temporary or unlimited
- appointed by shareholder's resolution
- application in the commercial register
- full management liability (but business judgement rule)
- joint power of representation, single power can be granted external representation (legally and generally)

General meeting
(*Generalversammlung*)

- supreme body of the company
 - total of the shareholders
 - responsible for all matters of the company
 - ordinary or extraordinary general meetings take place
- responsible for resolution, usually by simple majority

Belgium

Public limited company

Aktiengesellschaft (AG)

Société anonyme (SA)

Naamloze vennootschap (NV)

[minimum 2 shareholders]

Control <i>Body</i>	<i>Leader</i>	Management <i>Body</i>	<i>Leader</i>
<u>Board of Directors</u>	<u>Chairman / President:</u>	<u>Board of Directors</u>	
<p><i>Conseil d'administration</i> <i>Raad van bestuur</i> <i>Verwaltungsrat</i></p> <ul style="list-style-type: none"> ▪ Appointment by shareholder resolution (dismissable <i>ad nutum</i>) ▪ Minimum 3 (except if there are only 2 shareholders) ▪ Management and control ▪ Full management responsibility (internal decisions always joint) <p>Joint external power of representation – can be single if foreseen in the articles of incorporation</p>	<ul style="list-style-type: none"> ▪ Appointment not mandatory (except if foreseen in the articles of incorporation) ▪ Presides the meetings, no other particular role 	<ul style="list-style-type: none"> ▪ No distinct management body ▪ Possibility to delegate (not to transfer) the daily management to a member of the Board (<i>administrateur délégué – gedelegeerd bestuurder</i>) or a third person (<i>directeur</i>). 	

Private Limited Company

Société privée à responsabilité limitée (SPRL)

Besloten vennootschap met beperkte aansprakelijkheid (BVBA)

Gesellschaft mit beschränkter Haftung (GmbH)

[minimum 1 shareholder]

Control <i>Body</i>	<i>Leader</i>	Management <i>Body</i>	<i>Leader</i>
<u>Director/Manager</u>		<u>Board of Directors</u>	
<i>Gérant</i>		<ul style="list-style-type: none">No distinct management body	
<i>Zaakvoorder</i>			
<i>Geschäftsführer</i>			
<ul style="list-style-type: none">Appointment by shareholder resolution (dismissable <i>ad nutum</i> except if statutory)1 or moreManagement and controlFull management responsibility (single, not joint)External single power of representation			

Denmark

Stock Corporation

Aktieselskab

Abbreviation: A/S

Control <i>Body</i>	<i>Leader</i>	Management <i>Body</i>	<i>Leader</i>
<p>A Danish public limited company must have either a board of directors or a supervisory board.</p> <p><u>Board:</u> (<i>Bestyrelse</i>)</p> <ul style="list-style-type: none"> ▪ Appointment by shareholder resolution ▪ In companies of a certain size quota of 1/3 for employees ▪ Perform the overall management duties and strategic management duties and ensuring proper organisation of the company's business ▪ Each board member has power of representation. The power of each member to bind the company may be restricted. ▪ Management liability (but business judgement rule) 	<p>The board of directors can have a chairman of the board. It can be set out in the articles of association that the chairman or in his absence the vice-chairman casts the deciding vote in the event of a tied vote.</p>	<p><u>Board of management (in a company with a board of directors):</u></p> <ul style="list-style-type: none"> ▪ In charge of day-to day management ▪ Each member has power of representation. The power of each member to bind the company may be restricted. <p>Management liability (but business judgement rule)</p>	
<p><u>Supervisory board:</u> (<i>Tilsynsråd</i>)</p> <ul style="list-style-type: none"> ▪ Appointment by shareholder resolution ▪ In companies of a certain size quota of 1/3 for employees 	<p>The supervisory board can have a chairman of the board. It can be set out in the articles of association that the Chairman or in his absence the vice-</p>	<p><u>Board of management (in a company with a supervisory board):</u></p> <ul style="list-style-type: none"> ▪ In charge of the overall, strategic and day-to day management 	

- | | | |
|--|--|--|
| <ul style="list-style-type: none"> ▪ Supervisory and control of management ▪ No general external power of representation ▪ Certain liabilities arising from missing control over management | <p>chairman casts the deciding vote in the event of a tied vote.</p> | <ul style="list-style-type: none"> ▪ Each member has power of representation. The power of each member to bind the company may be restricted. <p>Management liability (but business judgement rule)</p> |
|--|--|--|

Private Limited Company

Anpartsselskab
Abbreviation: ApS

<p>Control <i>Body</i></p>	<p>Management <i>Body</i></p>
<i>Leader</i>	<i>Leader</i>

A Danish private limited company must be governed by either:

1. A management board
2. A board of directors and a management board, or
3. A supervisory board and a management board.

The governance structure nos. 2 and 3 is described above under the stock corporation "aktieselskab".

In the event the employees are entitled to and have exercised their right to employee representation the company must have either a board of directors or a supervisory board in addition to the management board.

Board of management (in a company without a board of directors or a supervisory board):

- Appointment by shareholder resolution
 - In charge of the overall, strategic and day-to day management
 - Each member has power of representation. The power of each member to bind the company may be restricted.
- Management liability (but business judgement rule)

Entrepreneur company

Iværksætterselskab

Abbreviation: IVS

Control
Body

Leader

Management
Body

Leader

An entrepreneur company is a private limited company which does not have a registered minimum share capital of DKK 50,000.

Please see the Private Limited Company with respect to the governance structure of the entrepreneur company.

France

Limited company

SARL

Control <i>Body</i>	<i>Leader</i>	Management <i>Body</i>	<i>Leader</i>
<ul style="list-style-type: none"> Partners make decisions through general meetings : approbation financial statements choice of one or several director (gérant) authorization to the directors to take certain actions approbation of certain contracts (e.g. with auditors) 		<ul style="list-style-type: none"> Managed by one or more natural persons May or may not be members Appointed by the members Extensive power for carrying out management duties Clauses in the Articles of association which limit their powers are valid but have no effect on relation with 1/3 parties 	<p><u>Director (gérant)</u> Dismissal by a majority of partners at first notice (relative majority afterwards)</p>

Stock corporation

Société anonyme

Control <i>Body</i>	<i>Leader</i>	Management <i>Body</i>	<i>Leader</i>
<p><u>Structure 1</u> <u>Supervisory board + Management board</u></p> <ul style="list-style-type: none"> Supervisory board (3 to 18 members) (conseil de surveillance) Elected by the general meeting of the shareholders Oversees the Management Board and financial 	<p><u>President and vice-presidents</u></p> <ul style="list-style-type: none"> Chosen by the supervisory board 	<p><u>Management Board (directoire)</u></p> <ul style="list-style-type: none"> 5 members chosen by the supervisory board They are not necessarily stockholders Normal management role Acts on behalf of the company Members are personally liable 	<p><u>President of the management board</u></p> <ul style="list-style-type: none"> Acts on behalf of the company For companies with less than 150 000e in capital, the Management board may only have one member who acts as CEO One or more Chief executive officers

- statements
- Approves certain contracts
 - between the company and members of the Supervisory board
 - major sales (real estate and investments)
 - Not liable for management
 - Ad nutum revocation with no possible damages even in the absence of a just cause for dismissal

Ad nutum revocation of members with possible damages in the absence of a just cause for dismissal

may be chosen by the Management board

Structure 2
Board + CEO

Board

- Original board designated in the articles of association
- Defines and controls the strategy
- Board decisions may concern all aspects of the company's life and management
- Members are liable severally and individually

Ad nutum revocation with no possible damages even in the absence of a just cause for dismissal

President

- Natural person chosen by the Board
- Manages and directs the work of Board
- Reports to the general assembly
- Controls the proper operations of the company's bodies
- Notably, in charge of checking that Board members are able to fulfill their role

CEO

- Natural person
- May be chosen amongst the Board (even the President)
- Is in charge of assisting the President of the Board
- Has broad powers to act on behalf of the company
- Ad nutum revocation of members with possible damages in the absence of a just cause for dismissal

Germany

Stock Corporation *Aktiengesellschaft*

Control <i>Body</i>	<i>Leader</i>	Management <i>Body</i>	<i>Leader</i>
<p><u>Supervisory Board:</u> (<i>Aufsichtsrat</i>)</p> <ul style="list-style-type: none"> ▪ Appointment by shareholder resolution ▪ In large companies quota of 1/3 or 1/2 for employees ▪ Supervisory and control of management, no active management ▪ No external power of representation, <p>Certain liabilities arising from missing control over management</p>	<p>Chairman / President:</p> <ul style="list-style-type: none"> ▪ Represents this body towards shareholders and towards managers 	<p><u>Management Board:</u> (<i>Vorstand</i>):</p> <ul style="list-style-type: none"> ▪ Only for stock corporations, ▪ Management body of the company ▪ Appointed by Supervisory Board ▪ Full management liability (but business judgement rule) <p>Joint Power of representation, single power can be granted</p>	<ul style="list-style-type: none"> ▪ Management Board can have a speaker or a Chairman of the board. (this is not a CEO)

Limited Company *GmbH*

Control <i>Body</i>	<i>Leader</i>	Management <i>Body</i>	<i>Leader</i>
<p><u>Supervisory Board</u> <i>Aufsichtsrat</i></p> <ul style="list-style-type: none"> ▪ Optional ▪ In large companies mandatory (see above AG) 			
<p><u>Advisory Board:</u> (<i>Beirat</i>)</p> <ul style="list-style-type: none"> ▪ Appointment by shareholder resolution, ▪ Advise of shareholders and/ or managers, ▪ sometimes control in the quality as a supervisory board, 	<p>Chairman / President:</p> <ul style="list-style-type: none"> ▪ Represents this body towards shareholders and towards managers 	<p><u>Managing Directors:</u> (<i>Geschäftsführer</i>):</p> <ul style="list-style-type: none"> ▪ Management persons of the company ▪ Appointed by shareholders or Supervisory Board ▪ Full management 	<p>The managers may have a speaker or a Chairman. (this is not a CEO).</p>

- Then same liabilities as supervisory board
- liability (but business judgement rule)
- Joint Power of representation, single power can be granted

Greece

Company limited by shares (SA)

Control <i>Body</i>	<i>Leader</i>	Management <i>Body</i>	<i>Leader</i>
<p>Board of Directors</p> <ul style="list-style-type: none"> ▪ Appointment by shareholder resolution ▪ Simple majority rule ▪ Corporate representation management ▪ Decision making body ▪ External representation, delegation of power of external representation and management to the Chairman ▪ Possible delegation of representation in respect with certain powers to a CEO ▪ Internal liability toward the company for loss-making and injurious decisions for the company, misdemeanour liability under business judgement rule ▪ External liability towards the State for the payment of the company's tax and insurance obligations in some cases together with Chairman. ▪ Limitation of above liability for members of the Board that did not take part in the management. 	<p>Chairman</p> <ul style="list-style-type: none"> ▪ Power of corporate representation by virtue of delegation from the Board ▪ Report to the Board and to the General Meeting of shareholders representing the Board ▪ Binds the company by signing ▪ Liability for torts to third parties and to the company under business judgement rule ▪ Primarily responsible for payment of company's taxes and insurance contribution obligations 	<p>Board of Directors</p> <ul style="list-style-type: none"> ▪ In principle Power of representation of the company in corpus but in practice delegation of Power of Representation to the Chairman and in large companies to a CEO. <p>Possible delegation of specific Powers of representation to a CEO other than the Chairman or to another member of the Board.</p>	<p>Chairman (President of the Board or Vice President) or CEO</p> <ul style="list-style-type: none"> ▪ Power of representation ▪ The Chairman's Power of representation is general ▪ The CEO's Power of representation may be general or limited. ▪ Representation and spokesman of the Board to the General Meeting of Shareholders.

Ireland

Private Limited Liability Company

Control <i>Body</i>	<i>Leader</i>	Management <i>Body</i>	<i>Leader</i>
<p><u>Board</u></p> <ul style="list-style-type: none"> ▪ Appointed by promoters on incorporation and subsequently appointed and removed by shareholder resolution ▪ Unless a contrary provision is contained in the Company's Constitution, the Board is responsible for the management of the Company subject to a contrary direction by the shareholders passing a special resolution (75%) 	<p>Chairman</p> <p>Principally an internal role, not an external one. Principal role is to chair meetings of the Board and shareholders' meetings</p>	<p>Board</p> <ul style="list-style-type: none"> ▪ The Board is responsible for management of the business of the Company subject to a contrary direction by the shareholders passing a special resolution (75%) <p>Usually the directors act collectively as a Board by passing a majority resolution but the Board can delegate executive authority to individual directors, or the CEO or a Managing Director</p>	<p>The day to day executive responsibility is ordinarily delegated by the Board to a Managing Director or a CEO, the terms of which are regulated by a formal contract of employment</p>

Italy

Joint Stock Corporation *Società per azioni (S.p.A.)*

Control Body	Leader	Management Body	Leader
<p>Under the traditional system (this remains by far the most used form):</p> <p>(a) <u>Board of statutory auditors</u>: (<i>Collegio sindacale</i>)</p> <ul style="list-style-type: none"> ▪ Appointment by shareholder resolution (the first members are appointed in the Deed of Corporation); ▪ Composed of three or five members plus two alternate members (they can be individuals different from shareholders); ▪ Term of office cannot exceed three financial years (but re-appointment is permitted); ▪ Supervisory and control of management and accounting control (if not reserved for the exclusive competence of an external audit); ▪ No external power of representation; ▪ Liabilities arising from missing control over management. <p style="text-align: center;">***</p> <p>Starting from 2004, three possibilities:</p> <ul style="list-style-type: none"> - Traditional system <i>management: board of directors or sole director; control: board of statutory</i> 	<p>President:</p> <ul style="list-style-type: none"> ▪ Represents this body towards shareholders and towards managers. 	<p><u>Sole director or board of directors</u>: (<i>Amministratore unico or consiglio di amministrazione</i>)</p> <ul style="list-style-type: none"> ▪ Appointment by the shareholders resolution (but the first members are appointed in the Deed of Corporation); ▪ They may serve for a period of three financial years, unless a shorter period is provided in the Articles, and can be re-appointed for same period; ▪ Members may or may not be employees of the company or they may have some other contractual relationship with it; ▪ Power to supervise the – and conduct – company’s business; ▪ Full management liability (but business judgement rule); ▪ President of the board and managing directors have legal representation; <p>The board of directors has the power to delegate most of its functions to an executive committee (composed of certain of its members) or to one or</p>	<p>President of the board (different from CEO).</p>

- auditors (see above point (a));*
- **Dualistic system**
management:
managing committee;
control: *supervising committee (see below point (b));*
 - **Monistic system**
management: *board of directors;* control:
internal committee of the board of directors (see below point (c)).

more directors
("Managing Directors").

Under the **dualistic system:**

- (b) Supervising committee:
(Consiglio di sorveglianza)
- Appointment by shareholder resolution (but the first members are appointed in the Deed of Corporation);
 - Term of office cannot exceed three financial years (but re-appointment is permitted);
 - Power to appoint and revoke the members of the managing committee, to approve the balance sheet and may bring actions against the members of the managing committee;

Under the **monistic system:**

- Internal committee of the board of directors:
(Comitato sul controllo della gestione)
- Supervision of the management (in particular: the suitability of the company and its system for internal control, administration and accounting).

Limited liability company

Società a responsabilità limitata (S.r.l. or SRL)

Control
Body

Leader

Management
Body

Leader

Sole auditor or Board of statutory auditors:

(Collegio sindacale or sindaco unico)

- The appointment is mandatory by law if the company:
 - is required to prepare consolidated financial statement;
 - or if one of its subsidiaries must prepare consolidated financial statement;
 - for two consecutive years, two of these limits are exceeded: a net asset value over than Euro 4,400,000; an amount of revenue over than Euro 8,800,000 and the average number of staff employed is more

Sole director or board of directors:

(Amministratore unico o consiglio di amministrazione)

- Unless otherwise provided for by the Articles of Association, directors are all the quota holders and each of them is authorized to represent [the company](#);
- First members of the board or the sole director are appointed in the Deed of Corporation;
- Articles of Association may provide for the requirements, powers and duties of the directors (to which some rules set forth for SPA's directors may apply if compatible)

More than one director; decisions made

individually or jointly

(Amministrazione disgiuntiva or congiuntiva).

The Articles of Association may establish that in case of more directors, each of them is entitled with full powers (*amministrazione*

- than 50.
- When its appointment is mandatory by law, its functioning is subject to the same rules provided for the SPA;
 - Unless otherwise provided for the Articles, this body is charged with the accounting control; in case the accounting control is reserved to an external auditor, this body is in charge only with supervisory and control of management.

disgiuntiva) or may require the consent of all directors to undertake any obligation on behalf of the Company (*amministrazione congiuntiva*).

Netherlands

Stock Corporation

“Naamloze Vennootschap” (N.V.)

Control Body	Leader	Management Body	Leader
Two-tier board			
<p>Supervisory Board (“Raad van Commissarissen”)</p> <ul style="list-style-type: none"> Optional in small companies, mandatory in large companies Appointed by shareholders’ resolution In large companies quota of 1/3 for employees Supervision and control of management, no active management No external power of representation Certain liabilities arising from missing control over management 	<ul style="list-style-type: none"> Chairman / President 	<p>Board of Directors (“Raad van Bestuur”):</p> <ul style="list-style-type: none"> Appointed by shareholders’ resolution or by Supervisory Board in large companies Governing the company Joint and single power of representation, single power can be limited <p>Full liability</p>	<p>Chairman</p>
One-tier board			
<p>Board of Directors (non-executive): (“Niet-uitvoerend bestuur”)</p> <ul style="list-style-type: none"> Appointed by shareholders’ resolution In large companies quota of 1/3 for employees 	<p>One chairman for the whole board, always a non-executive</p>	<p>Board of Directors (executive): (“Uitvoerend bestuur”):</p> <ul style="list-style-type: none"> Appointed by shareholders’ resolution or by Supervisory Board in large companies Governing the 	

- Governing the company and supervision of management
 - Joint and single power of representation, single power can be limited
- Full liability
- company
 - Joint and single power of representation, single power can be limited
- Full Liability

Limited Company

“Besloten Vennootschap” (B.V.)

Control Body	Leader	Management Body	Leader
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Two-tier board

Supervisory Board

(“Raad van Commissarissen”)

- Optional in small companies, mandatory in large companies
- Appointed by shareholders’ resolution
- In large companies quota of 1/3 for employees
- Supervision and control of management, no active management
- No external power of representation
- Certain liabilities arising from missing control over management

- Chairman / President

Board of Directors

(“Raad van Bestuur”)

- Chairman
- Appointed by shareholders’ resolution or by Supervisory Board in large companies
- Governing the company
- Joint and single power of representation, single power can be limited
- Full liability

Control Body	Leader	Management Body	Leader
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One-tier board

Board of Directors (non- One chairman for the

Board of Directors

executive)

(*"Niet-uitvoerend bestuur"*)

whole board, always
a non-executive

(executive)

(*"Uitvoerend bestuur"*)

- Appointed by shareholders' resolution
- In large companies quota of 1/3 for employees
- Governing the company and supervision of management
- Joint and single power of representation, single power can be limited

Full liability

- Appointed by shareholders' resolution or by Supervisory Board in large companies
- Governing the company
- Joint and single power of representation, single power can be limited

Full Liability

Portugal

Stock Corporation *Sociedade Anónima*

Control Body	Leader	Management Body	Leader
<u>Supervisory Board:</u> (<i>Conselho Fiscal</i>)	<u>President:</u>	<u>Management Board:</u> (<i>Conselho de Administração</i>):	<u>Speaker / Chairman</u>
<ul style="list-style-type: none"> ▪ Appointment by shareholder resolution ▪ Supervisory and control of management, no active management ▪ No external power of representation, ▪ Certain liabilities arising from missing control over management ▪ One of the members must be a Statutory Auditor 	<ul style="list-style-type: none"> ▪ Represents this body towards shareholders and towards managers 	<ul style="list-style-type: none"> ▪ Only for stock corporations, ▪ A single member shall be admissible if the share capital is less than € 200.00,00 ▪ Management body of the company ▪ Appointed by shareholder resolution ▪ Full management liability (but business judgement rule) ▪ Joint Power of representation, single power can be granted 	<p>Management Board can have a speaker or a Chairman of the board. (this is not a CEO)</p>

Limited Company *Sociedade por Quotas*

Control Body	Leader	Management Body	Leader
<u>Supervisory Board</u> <i>Conselho Fiscal</i>			
<ul style="list-style-type: none"> ▪ Optional ▪ It is mandatory when 2 of the following elements are present: <ul style="list-style-type: none"> A) Balance sheet total: 			

EUR 1500000;
B) Total net sales and other income: 3000000 euros;
C) Number of employees employed on average during the year: 50.

Supervisory Board

Conselho Fiscal

- Appointment by shareholder resolution,
- Advise of shareholders and/ or managers,
- sometimes control in the quality as a supervisory board,
- Then same liabilities as supervisory board

Chairman / President:

- Represents this body towards shareholders and towards managers

Managing Directors:

(Gerentes):

- Management persons of the company
- Appointed by shareholders
- Full management liability (but business judgement rule)
- Joint Power of representation, single power can be granted

The managers may have a speaker or a Chairman. (this is not a CEO).

Spain

Stock Corporation

Sociedad Anónima (S.A.)

Control Body	Leader	Management Body	Leader
<p><u>Board of Directors:</u> (<i>Órgano de Administración</i>)</p> <ul style="list-style-type: none"> ▪ Optional¹ ▪ In listed companies, it is mandatory pursuant art. 529.1 Spanish Companies Act ▪ Appointment by a shareholder resolution for a maximum period of 6 years ▪ 3 members minimum ▪ Manage and organic representation functions ▪ Joint power of representation; single power can be granted ▪ Directors subject to corporate and fiduciary duties <p>Board must hold one meeting each quarter (minimum)</p>	<p><u>Chairman:</u> (<i>Presidente</i>)</p> <ul style="list-style-type: none"> ▪ Convenes and presides over the general meeting of this body ▪ Convenes and presides over the General Shareholders' Meeting (GSM) 	<p><u>Board of Directors (it is the same body)²:</u> (<i>Órgano de Administración</i>)</p> <ul style="list-style-type: none"> ▪ Also Management Body of the Company. However, some resolutions may be passed only with the authorization of the General Shareholders' Meeting³ ▪ Liable to Company, creditors and shareholders if cause loss due to its violation of laws, regulations or articles of association of the Company in execution of Company duties ▪ All directors shall be jointly and severally liable, unless the director expressed objection to the relevant resolution at the time of voting and the objection is recorded in the meeting minutes 	<p><u>Chairman:</u> (<i>Presidente</i>)</p> <ul style="list-style-type: none"> ▪ The Chairman cannot sign on behalf of the Company by himself, unless specific faculties are granted by the Board <p>Board may appoint a CEO (<i>Consejero Delegado</i>), who may serve as the legal representative of the Company</p>

¹ Companies may be governed by one sole director, two or more directors acting jointly and severally, or jointly, or a Board of Directors.

² Spanish law provides for a standard one-tier board structure. Only European Limited Companies in Spain may opt for a two-tier board, where directors assume the management of the Company and the supervisory body controls their performance.

³ E.g.: Selling or buying more than 25% of Company's assets.

Limited Company
Sociedad Limitada (S.L.)

Control Body	Leader	Management Body	Leader
<p><u>Board of Directors:</u> (<i>Órgano de Administración</i>)</p> <ul style="list-style-type: none"> ▪ Optional ▪ Appointment by a shareholder resolution, which may be for an indefinite period ▪ Minimum of 3 members and a maximum of 12 members ▪ Manage and organic representation functions ▪ Joint power of representation; single power can be granted ▪ Directors subject to corporate and fiduciary duties ▪ Board must hold one meeting each quarter (minimum) 	<p><u>Chairman:</u> (<i>Presidente</i>)</p> <ul style="list-style-type: none"> ▪ Convenes and presides over the general meeting of this body ▪ Convenes and presides over the General Shareholders' Meeting (GSM) 	<p><u>Board of Directors (it is the same body):</u> (<i>Órgano de Administración</i>)</p> <ul style="list-style-type: none"> ▪ Also Management Body of the Company. However, some resolutions may be passed only with the authorization of the General Shareholders' Meeting⁴ ▪ Liable to Company, creditors and shareholders if cause loss due to its violation of laws, regulations or articles of association of the Company in execution of Company duties <p>All directors shall be jointly and severally liable, unless the director expressed objection to the relevant resolution at the time of voting and the objection is recorded in the meeting minutes</p>	<p><u>Chairman:</u> (<i>Presidente</i>)</p> <ul style="list-style-type: none"> ▪ The Chairman cannot sign on behalf of the Company by himself, unless specific faculties are granted by the Board <p>Board may appoint a CEO (<i>Consejero Delegado</i>), who may serve as the legal representative of the Company</p>

⁴ E.g.: Selling or buying more than 25% of Company's assets.

Switzerland

Stock Corporation (Aktiengesellschaft)

Control <i>Body</i>	<i>Leader</i>	Management <i>Body</i>	<i>Leader</i>
<p>Board: (<i>Verwaltungsrat</i>)</p> <ul style="list-style-type: none">▪ Appointment by shareholder resolution▪ Supervisory and control of management, to some extent also active management▪ No general external power of representation,▪ Certain liabilities arising from missing control over management	<p>Chairman / President:</p> <ul style="list-style-type: none">▪ Represents this body towards shareholders and towards managers	<p>Also Board</p> <ul style="list-style-type: none">▪ Also Management body of the company▪ Full management liability (but business judgement rule)▪ Several members have Power of representation, single power can be granted	<p>Management Board can have a speaker or a Chairman of the board. (this is not a CEO)</p>

Turkey

Stock Corporation

Anonim Şirket

Control Body	Leader	Management Body	Leader
<p><u>General Assembly</u> (<i>Genel Kurul</i>)</p> <ul style="list-style-type: none"> Consists of shareholders Supervisory and control of management No general external power of representation 		<p><u>Board of Directors:</u> (<i>Yönetim Kurulu</i>):</p> <ul style="list-style-type: none"> Only for stock corporations, Management body of the company Appointed by the General Assembly Full management liability Joint power of representation, single power can be granted 	<p>Board of Directors must have a Chairman and a Vice Chairman (this is not a CEO).</p>

Limited Company

Limited Şirket

Control Body	Leader	Management Body	Leader
<p><u>General Assembly:</u> (<i>Genel Kurul</i>)</p> <ul style="list-style-type: none"> Consist of shareholders Supervisory and control of management 		<p><u>Managers:</u> (<i>Müdürler</i>)</p> <ul style="list-style-type: none"> Management persons of the company Appointed by the General Assembly of Shareholders Full management liability (but business judgement rule) Joint Power of representation, single power can be granted At least one Shareholder must be appointed as 	<p>If there are more than one Manager, thin will constitute a Board of Managers and a Chairman has to be appointed to the Board of Managers (this is not a CEO).</p>

Directors with full
power to manage the
company

Leader

▪ **Chairman**

Appointed by the board of directors among themselves for the specific meetings or by insertion in the charter document for all the board meetings.

▪ **Managing Director / Chief Executive Officer / Whole-time Director**

- To uphold and enhance the Company's reputation and its relationships with the outside world and in particular its Shareowners, the investing public, Government and fellow industrialists;
and

To ensure that the affairs of the Company are conducted as per the applicable laws and the Memorandum and Articles of Association of the Company

UK

Private Limited Liability Company (Ltd)

Control <i>Body</i>	<i>Leader</i>	Management <i>Body</i>	<i>Leader</i>
<p data-bbox="204 555 411 584"><u>Director(s)/Board</u></p> <ul style="list-style-type: none"> <li data-bbox="217 629 539 987">▪ Appointment of directors is governed by the company's articles. Most articles provide that a director may be appointed by a Board resolution or by an ordinary resolution (i.e. simple majority) of the shareholders <li data-bbox="217 1003 539 1547">▪ The articles usually provide that the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company, subject to restrictions set forth in the articles, previous shareholder resolutions and statute. <li data-bbox="217 1563 539 1736">▪ Directors are subject to fiduciary and other duties to the company, and will be liable for breach of such duties. 	<p data-bbox="568 555 687 584">Chairman</p> <p data-bbox="568 629 815 1099">The articles may designate a chairman. A chairman usually chairs the board meetings and shareholders' meetings. A chairman may also be given a casting vote, although not all chairmen have casting votes.</p>	<p data-bbox="890 555 1098 584"><u>Director(s)/Board</u></p> <ul style="list-style-type: none"> <li data-bbox="903 629 1198 1176">▪ The articles usually provide that the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company, subject to restrictions set forth in the articles, previous shareholder resolutions and statute. <li data-bbox="903 1191 1198 1624">▪ Usually the directors act collectively as a Board by passing a majority resolution but the articles normally allow directors to delegate any of the powers which are conferred on them to individual directors/persons or committees. 	<p data-bbox="1227 555 1503 840">It is common practice for day-to-day management of the business to be delegated to a CEO or managing director, or an executive committee.</p>

Public Limited Liability Company (Plc)

Control <i>Body</i>	<i>Leader</i>	Management <i>Body</i>	<i>Leader</i>
<p><u>Board</u></p> <ul style="list-style-type: none"> The basic control structure of a public limited liability company is the same as a private limited liability company. <p>Unlike private companies, public companies are permitted (but not required) to offer their securities to the public. If a public company is listed on the London Stock Exchange, then it will need to follow certain corporate governance codes, on a voluntary basis or a comply-or-explain basis, depending on the specific market the company is listed on.</p>	<p>Chairman</p> <p>Same as a limited liability company.</p>	<p><u>Board</u></p> <ul style="list-style-type: none"> The basic management structure of a public limited liability company is the same as a private limited liability company. The articles of a plc usually provide for directors to retire by rotation and where eligible, stand for re-election at annual general meetings. If a public company is listed on the London Stock Exchange, it will need to follow certain corporate governance codes (in particular, with respect to Board composition and Board committees), on a voluntary basis or a comply-or-explain basis, depending on the specific market the company is listed on. 	<p>Same as a limited liability company. Note that listed public companies will need to consider recommendations under the applicable corporate governance codes with respect to separation/delegation of responsibilities for the directors.</p>

Global

Brazil (PNST)

Stock Corporation *Sociedade Anônima*

Control <i>Body</i>	<i>Leader</i>	Management <i>Body</i>	<i>Leader</i>
<p><u>Board of Directors:</u> (<i>Conselho de Administração</i>)</p> <ul style="list-style-type: none"> ▪ Appointment by shareholder resolution ▪ Supervisory and control of management ▪ No general external power of representation, ▪ Certain liabilities arising from missing control over management ▪ Mandatory only in publicly traded companies 	<p>Representation:</p> <ul style="list-style-type: none"> ▪ Joint representation towards shareholders and towards managers by joint resolution of its members 	<p>Board of Officers (<i>Diretoria</i>)</p> <ul style="list-style-type: none"> ▪ Appointed by Board of Directors, if existing ▪ Also Management body of the company ▪ Full management liability (but diligent businessman rule) ▪ Several members have Power of representation, single power can be granted 	<p>Board of Officers can have a President (can be the CEO) and other Officers</p>

Brazil (Fraga)

Brazil / Stock Corporation

Sociedade por Ações
(S.A.)

Control Body	Leader	Management Body	Leader
<p><u>Board of Directors</u> (<i>Conselho de Administração</i>)</p> <ul style="list-style-type: none"> ▪ It is only mandatory for a company to have a Board of Directors if the company is a publicly-held company or if the social capital of the company can be increased by means of a resolution of the Board of Directors. ▪ In case the company does have a Board of Directors, the Bylaws must state that the company shall be managed by a Board of Directors <u>and</u> by a Board of Officers; ▪ The Board of Directors is a collegiate management and decision-making body. It does not have powers to represent the company before any third party; ▪ Must have at least 03 (three) members, to be appointed and removed by resolution of the shareholders; ▪ <u>Main duties of the Board of Directors</u> 	<p><u>Chairman/President of the Board of Directors</u></p> <ul style="list-style-type: none"> ▪ <u>Main duties:</u> <ul style="list-style-type: none"> ✓ Represent the Board of Directors before the shareholders; ✓ Call the meetings of the Board of Directors. 	<p><u>Board of Officers</u></p> <ul style="list-style-type: none"> ▪ Mandatory in any case; ▪ The Board of Officers is a collegiate management and representative body. The Officers represent the company before third parties; ▪ Must have at least 02 (two) members, appointed and removed by resolution of the shareholders or of the Board of Directors, as the case may be; <p><u>Main duties of the Board of Officers:</u> represent the company before third parties and conduct all acts relevant to the business course of the company</p>	<p><u>Chairman/President of the Board of Officers</u></p> <ul style="list-style-type: none"> ▪ <u>Main duties:</u> <ul style="list-style-type: none"> ✓ Represent the Board of Officers before the Directors, if applicable; ✓ Call the meetings of the Board of Officers.

(amongst others):

- ✓ Set the business course of the company;
 - ✓ Appoint and remove the members of the Board of Officers and set their duties, in accordance to the Bylaws;
 - ✓ Supervise the mandate of the Officers, analyze the records of the company and the transactions executed by the company;
 - ✓ Call the general meeting;
 - ✓ Overview the financial status of the company and provide the shareholders with its analysis;
 - ✓ Approve certain transactions yet to be executed by the company.
-
- Liability: as a general rule, the members of the Board of Directors shall not be liable for acts executed on behalf of the company during the regular term of the mandate, except if acting with intent or misconduct; or in breach of the law or of the Bylaws of the company.

 - Remuneration: the remuneration of the members of the Board of Directors shall be established by resolution of the shareholders.

Limited Liability Company
Sociedade Limitada
(Ltda.)

Control Body	Leader	Management Body	Leader
N/A.	N/A.	<p><u>Management</u> (<i>Administração</i>)</p> <ul style="list-style-type: none"> ▪ Even though it is not forbidden by the Brazilian Civil Code and other applicable law, <u>it is not mandatory (or usual) for a limited liability company to have a management body.</u> This kind of company is usually managed by 01 (one) or more individuals, jointly or in separate, who are usually called the managers of the company. ▪ The manager of the company is appointed and removed by resolution of the shareholders and the relevant amendment to the Bylaws. ▪ <u>Liability:</u> as a general rule, the manager of the company shall not be liable for acts executed on behalf of the company during the regular term of the mandate, except if acting with intent or misconduct; or in breach of the law or of the Bylaws of the company. 	N/A.

Remuneration: the manager of a limited liability company may receive a compensation (*“pro labore”*) for performing the duty. In this case, it is necessary that the Bylaws of the company provide that the manager is entitled to receive payment.

India

LIMITED LIABILITY PRIVATE COMPANY

Control <i>Body</i>	<i>Leader</i>	Management <i>Body</i>	<i>Leader</i>
<ul style="list-style-type: none"> ▪ Control of the company remains in the hand of shareholders of the company ▪ Charter documents of the company (i.e. Memorandum of Association (MoA) and Articles of Association (AoA) of the Company) regulate the terms and condition of control over the company. ▪ Control related terms as may be agreed between the shareholders are captured in the charter documents of the company to be enforceable inter-se between company and shareholders. ▪ Certain matters require Shareholder's approval as per legal provisions like objects change, name change etc. ▪ Shareholders can also specify the reserve matters which require shareholders' approval in the charter documents of the company. ▪ Shareholders appoint their nominee on the board of directors to manage day to day 	<ul style="list-style-type: none"> ▪ Chairman ▪ Appointed by shareholders in their meeting or By shareholders in the charter documents for all the shareholders meeting. 	<ul style="list-style-type: none"> ▪ Board of Directors ▪ Minimum 2 Directors, one of them is required to be Resident Director, i.e., a person who has stayed in India for a total period of not less than 182 days in the previous calendar year. ▪ Maximum number of Directors: Fifteen (15). However, the number of directors can be increased by Company by passing special resolution in general meeting of shareholders. 	

affairs of the company.

- **Appointment of Directors:** Every director shall be appointed by shareholders' in general meeting. However, if authorised in Articles of Company, the following classes of directors can be appointed by Board of Directors:
- **Additional Director -** If need arise, the Board may appoint any person as additional director who shall hold the office of director up to the date of next annual general meeting. He may be regularised as director in the general meeting by the shareholders.
- **Alternate Director –** Board may appoint any person as an alternate director for a director during his absence for a period of not less than three months from India.
- **Nominee Director –** Board may appoint any person as a director nominated by any financial institution in pursuance of the provisions of any law for the time being in force, or of any agreement, to represent its interests.

Managing Director / whole-time director –
Appointment of managing director / whole-time director is not necessary

under the Companies Act, 2013. However, if company wishes to appoint, it can appoint in general meeting of shareholders or in board meeting subject to approval in next general meeting of shareholders.

LIMITED LIABILITY PUBLIC COMPANY

Control <i>Body</i>	<i>Leader</i>	Management <i>Body</i>	<i>Leader</i>
<ul style="list-style-type: none"> ▪ Control of the company remains in the hand of shareholders of the company ▪ Charter documents of the company (i.e. Memorandum of Association (MoA) and Articles of Association (AoA) of the Company) regulate the terms and conditions of control over the company. ▪ Control related terms as may be agreed between the shareholders are captured in the charter documents of the company to be enforceable inter-se between company and shareholders. ▪ There are certain provisions on which a public limited company cannot put restriction in their charter documents e.g. 	<ul style="list-style-type: none"> ▪ Chairman: ▪ Responsibility to oversee the functioning of the board and ensure that board fulfils their role; and ▪ To act in the best interest of the Company and all its stakeholders inter-alia Shareholders, investors, financial institutions/ lenders, customers, employees and the communities within which the Company operates. 	<ul style="list-style-type: none"> ▪ Board of Directors ▪ Minimum 3 Directors, one of them is required to be Resident Director, i.e., a person who has stayed in India for a total period of not less than 182 days in the previous calendar year. ▪ Maximum number of Directors: Fifteen (15). However, the number of directors can be increased by Company by passing special resolution in general meeting of shareholders. ▪ Certain categories of Public limited companies to have following directors as well on their board of directors: 	

transfer of shares as shares of a public limited company are freely transferable.

- Certain matters require Shareholder's approval as per legal provisions like objects change, name change etc.
- Shareholders can also specify the reserve matters which require shareholders' approval in the charter documents of the company.
- Shareholders appoint their nominee on the board of directors to manage day to day affairs of the company.
- **Appointment of Directors:** Every director shall be appointed by shareholders' in general meeting. However, if authorised in Articles of Company, the following classes of directors can be appointed by Board of Directors:
 - **Additional Director -** If need arise, the Board may appoint any person as additional director who shall hold office of director up to the date of next annual general meeting. He may be regularised as director in the annual general meeting by the shareholders.

- **Independent Director -** At least one third of the board to be comprised of independent directors in case of public listed company (i.e. a public company listed on a stock exchange); and, at least 2 (two) independent directors in case of:
 - Public companies having paid up share capital of INR 100 Million or more;
 - Public companies having turnover of INR 1 Billion or more; and
 - Public companies having, in the aggregate, outstanding loans, debentures and deposits exceeding INR 500 million.
- **Woman Director –** Following companies shall have at least one woman director:
 - Every listed company;
 - Public company having paid up share capital of INR 1 Billion or more;
 - Public company having turnover of INR 3 Billion or more.
- **Small shareholders' director –** A listed company shall

- **Alternate Director –**
Board may appoint any person as an alternate director for a director during his absence for a period of not less than three months from India.
- **Nominee Director –**
Board may appoint any person as a director nominated by any financial institution in pursuance of the provisions of any law for the time being in force, or of any agreement to represent its interests.

Managing Director / whole-time director – A director/person may be appointed as managing director / whole time director by board of directors by passing a board resolution containing the terms and conditions of appointment including the remuneration which shall be subject to approval by a resolution at the next general meeting of the shareholders.

appoint a small shareholders' director elected by small shareholders upon receipt of notice of not less than one thousand small shareholders or one-tenth of the total number of such shareholders, whichever is lower.

- **Managing Director –** Every listed company and every public company having paid-up share capital of INR 100 Million or more shall have a managing director.

Whole-time Director - Every listed company and every public company having paid-up share capital of INR 100 Million or more may appoint a whole-time director instead of managing director or it may appoint both as it deem fit.

PRC

Limited Liability Company

Control <i>Body</i>	<i>Leader</i>	Management <i>Body</i>	<i>Leader</i>
<u>Supervisory Board</u>	Chairman	<u>Board of Directors</u>	Chairman
<ul style="list-style-type: none"> ▪ Appointment by shareholder resolution except for employee members ▪ 3 members minimum ▪ In small companies or companies having a relatively few shareholders, 1-2 supervisors instead of a supervisory board ▪ quota of 1/3 for employees ▪ Supervisory and control of management, no active management ▪ have a fiduciary obligation and obligation of diligence to the company ▪ liable to company if cause loss due to its violation of laws, regulations and articles of associations of the company in execution of company duties ▪ No external power of representation ▪ 	convene and preside over the meeting of this body	<ul style="list-style-type: none"> ▪ Management body of the company ▪ Appointment by shareholder resolution, but in a company invested and established by state-owned entities, must have employee members ▪ 3-13 members ▪ In small companies or companies having a relatively few shareholders, 1 director instead of a board of directors ▪ have a fiduciary obligation and obligation of diligence to the company ▪ liable to company if cause loss due to its violation of laws, regulations and articles of associations of the company in execution of company duties ▪ No external power of representation 	<p>Vice-chairman (optional)</p> <ul style="list-style-type: none"> ▪ convene and preside over the meeting of this body ▪ convene and preside over the meeting of shareholders only Chairman of the Board of Directors, executive director or general manager may serve as the legal representative of the company

Company Limited by Shares

Control <i>Body</i>	<i>Leader</i>	Management <i>Body</i>	<i>Leader</i>
<p><u>Supervisory Board</u></p> <ul style="list-style-type: none"> ▪ Appointment by shareholder resolution except for employee members ▪ 3 members minimum ▪ quota of 1/3 for employees ▪ Supervisory and control of management, no active management ▪ have a fiduciary obligation and obligation of diligence to the company ▪ liable to company if cause loss due to its violation of laws, regulations and articles of associations of the company in execution of company duties ▪ No external power of representation 	<p>Chairman</p> <p>Vice Chairman (optional)</p> <p>convene and preside over the meeting of this body</p>	<p><u>Board of Directors</u></p> <ul style="list-style-type: none"> ▪ Management body of the company ▪ Appointment by shareholder resolution, employee members optional ▪ 5-19 members ▪ have a fiduciary obligation and obligation of diligence to the company ▪ liable to company if cause loss due to its violation of laws, regulations or articles of associations of the company in execution of company duties ▪ liable for a board resolution which causes loss due to its violation of laws, regulations, articles of associations of the company, or shareholder resolution, unless the director expressed objection to the resolution at the time of voting and the objection is recorded in the meeting minutes ▪ No external power of representation 	<p>Vice-chairman (optional)</p> <ul style="list-style-type: none"> ▪ convene and preside over the general meeting of this body ▪ convene and preside over the meeting of shareholders <p>only Chairman of the Board of Directors or general manager may serve as the legal representative of the company</p>

Russia

Stock Corporation

Akzionernoye obshestvo

Control <i>Body</i>	<i>Leader</i>	Management <i>Body</i>	<i>Leader</i>
<p>General stockholders' meeting: (<i>Obshee sobraniye akzionerov</i>) Meeting at least once a year No external power of representation Powers:</p> <ul style="list-style-type: none"> ▪ Appointment of the supervisory board for 1 year ▪ Appointment of the executive body (general director), if not the competence of the supervisory board ▪ Amendment of the charter ▪ Capital increase/reduction ▪ Stock consolidation and split ▪ Approval of big deals ▪ Reorganization and Liquidation of the Company <p>Appointment of revision commission, auditors</p> <p><u>Supervisory Board:</u> (<i>Nabludatelniy sovet or Sovet direktorov</i>)</p> <ul style="list-style-type: none"> ▪ Appointed by shareholder resolution ▪ Obligatory body in case the number of shareholders accedes 50 persons ▪ No quota for employees ▪ Supervisory and control of management, no 	<p>Chairman of the General stockholders' meeting: Appointed by the General stockholders' meeting, arranges the meeting agenda</p> <p>Chairman / President:</p> <ul style="list-style-type: none"> ▪ Represents this body towards shareholders and towards managers 	<p><u>Management Board:</u> (<i>Pravlenie</i>):</p> <ul style="list-style-type: none"> ▪ Optional Management body of the company ▪ Appointed by Supervisory Board or the General stockholders' meeting ▪ Full management liability (but business 	<p>Chairman of the Management board is the CEO (General director)</p>

active management

- No external power of representation ,

Certain liabilities arising from missing control over management

- judgement rule)
- Execution of the decisions of the General shareholders' meeting;
 - Drafting of quarterly activity plans
 - Financial planning

CEO:
(General director as sole executive body)

- Obligatory management body
- Appointment of multiple CEOs in same time is possible
- Appointed for the term fixed into the charter, can be dismissed anytime by the Supervisory board or the General shareholders' meeting (upon the charter)

Needs an approval from the Supervisory board or the general shareholders' meeting for several activities listed into the charter

Limited Company

Obshchestvo s ogranichennoy otvetstvennostyu

Control
Body

Leader

Management
Body

Leader

General participants's meeting
(Obschee sobranie uchastnikov)

Chairman appointed by the meeting

Meeting at least once a year
No external power of representation

Powers:

- Appointment of the supervisory board
- Appointment of the executive body (general director), if not the competence of the supervisory board
- Amendment of the charter
- Capital increase/reduction
- Approval of big deals and deals with interest
- Reorganization and Liquidation of the Company

Appointment of revision commission, auditors

Supervisory Board

(*Nabludatelniy sovet or Sovet direktorov*)

- Appointed by participants' resolution
- Obligatory body in case the number of participants exceeds 50 persons
- No quota for employees
- Supervisory and control of management, no active management
- No external power of representation ,
- Certain liabilities arising from missing control over management

CEO cannot be the chairman of the Supervisory board
Supervisory board cannot consist of more than 1/4 of the management board

Management Board:

(*Pravlenie*):

- Optional Management body of the company
- Appointed by Supervisory Board or the General participants' meeting
- Full management liability (but business judgement rule)
Powers:
Execution of the decisions of the General shareholders' meeting;
Drafting of quarterly activity plans
Financial planning

Chairman of the Management board is the CEO (General director)

Managing Directors:

(Generalny director):

- Obligatory Management body of

- the company
- Appointed by participants or Supervisory Board
- Full management liability (but business judgement rule)
- Joint or single Power of representation

USA

Stock Corporation

Control <i>Body</i>	<i>Leader</i>	Management <i>Body</i>	<i>Leader</i>
<p><u>Board:</u></p> <ul style="list-style-type: none"> ▪ Appointment by shareholder resolution ▪ Appointment and Supervisory control of management, generally no active management of the business ▪ No general external power of representation ▪ Limited liability arising from control over management 	<p>Chairman of the Board and potential other officers of the Board; notably vice Chairmen:</p> <ul style="list-style-type: none"> ▪ Represents this body towards shareholders and managers 	<p>Board appointed executive officers of the Company</p> <ul style="list-style-type: none"> ▪ Responsible for day to day operations of the Company ▪ Full management liability (but business judgement rule) ▪ One or more officers usually have Power of representation; which would be granted and defined by the Board 	<p>Chief executive officer (“CEO”) or a President</p>

Limited Liability Company

Control <i>Body</i>	<i>Leader</i>	Management <i>Body</i>	<i>Leader</i>
<p><u>Board</u></p> <ul style="list-style-type: none"> • Optional as determined by the members of the limited liability company and their accompanying operating agreement • May be organized as a corporation , partnership, or sole proprietorship • If a Board: the number of board members, the powers of the board and the selection of 	<ul style="list-style-type: none"> • Flexible structure as determined by the operating agreement • May be a Board of Managers (internal or external) • May be a single member of the limited liability company • May be an appointed non-member 	<ul style="list-style-type: none"> • Optional as determined by the members of the limited liability company and their accompanying operating agreement • May be organized as a corporation , partnership, or sole proprietorship • If a corporation: the members or the manager would generally appoint 	<p>Depending on structure could be any one of the following:</p> <ul style="list-style-type: none"> • Chief Executive Office • President • Board of Managers • Managing Member • Managing Partner

<p>board members will be in accordance with the operating agreement</p> <ul style="list-style-type: none">• If organized as a partnership same rules apply to an executive committee or partnership board, its powers, its selection of members and its numbers.• Board may be organized with members or outsiders• Liabilities generally limited by operating agreement <p>Outward representation will be governed by operating agreement</p>	<p>General term would be "Manager"</p>	<p>officers to manage the day to day business; the number of officers, their powers and their selection of will be in accordance with the operating agreement</p> <ul style="list-style-type: none">• If organized as a partnership, generally a managing partner is the lead, however could have an executive committee.• Officers could be member or outsiders <p>Generally would report to the managing member(s)</p>
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