

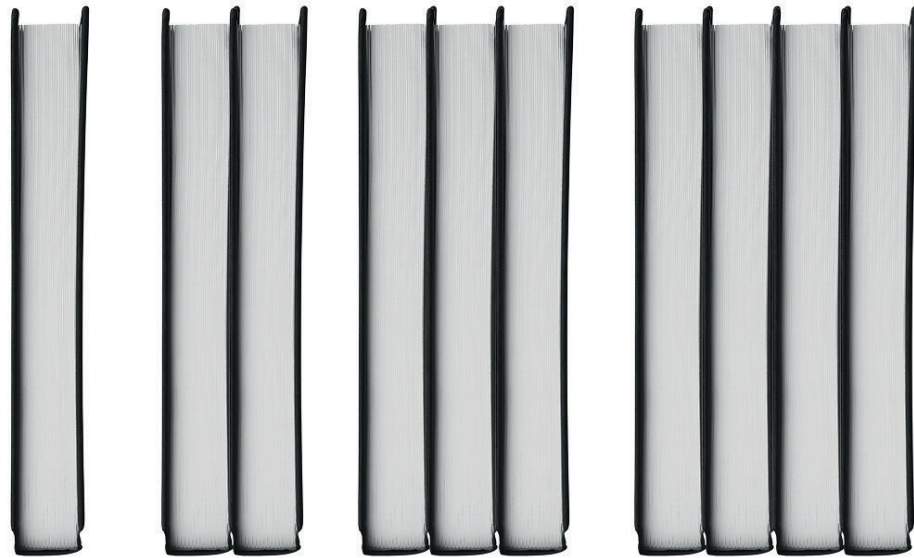
EVERSHEDS  
SUTHERLAND



## **Case law overview**

TOP 10 commercial law  
cases of 2022

Eversheds Sutherland  
Czech Republic



The commercial law team  
at Eversheds Sutherland  
in the Czech Republic  
has selected the TOP 10 case  
law decisions of 2022.

**1**

**Power to decide on the provision of an advance on the share in profit of a joint-stock company**

The provision of an advance on the share in profit of a joint-stock company is decided by the governing body. As this is not a matter within the business management of the company in question, it may be delegated to another body.

**2**

**Whether or not a company has suffered damage is not decisive for the assessment of the breach of due professional care and diligence**

Due professional care and diligence is not based on liability for the outcome, therefore it is irrelevant whether the decision in question was advantageous, disadvantageous or detrimental to the company.



# 3

## Conflict of interest when concluding an agreement between a company and its executive director

If the executive director acts in an unlawful conflict of interest, he/she is not entitled to represent the company in the given case; the company is not bound by any such act unless a third party was in the company's representative authority in good faith.

# 4

## Right of a shareholder to a "fair exit"

A shareholder has the right to redeem the share only if no other remedy is possible. In addition, the Supreme Court has set out a list of conditions that must be met in order to terminate a shareholder's involvement in the company.



# 5

For the revocation of the General Meeting of a limited liability company already convened, the rules for the revocation of the General Meeting of a joint-stock company apply by analogy

The convened General Meeting of a limited liability company may be revoked by the convener or the person authorised to convene the General Meeting. However, it must be assessed whether or not there is a conflict of interest.

# 6

How serious does a breach of due professional care and diligence have to be for a member of the governing body to be expelled from the company?

The expulsion of a member of the governing body from the company for breach of due professional care and diligence requires at least two serious breaches over a period of three years.





# 7 Inactivity or absence of income of the company does not entitle the company not to comply with the obligation to file financial statements in the collection of documents

A company is obliged to file financial statements in the collection of documents even if it does not carry out any long-term business activity or has no income.

# 8 Exception from the obligation to lodge a protest at the General Meeting due to unexpected developments

A subjective circumstance consisting in unexpected developments of the General Meeting that prevented a shareholder from lodging a protest against a resolution of the General Meeting may be an exception from the obligation to lodge a protest at the General Meeting.

# 9 Enforceability of a claim for compensation for damage caused by an executive director as a precondition for the occurrence of liability

The liability of a member of an elected body is not conditional on the maturity (payment) of a claim for damages, but on its enforceability.

# 10

Suspension of voting rights of a shareholder due to violation of his/her duties as a member of an elected body

An invitation to the General Meeting at which a member of an elected body who is also a shareholder is to be removed must contain information that the removal is to be due to a breach of his or her duties; only in such a case may the exercise of the voting rights of that shareholder be suspended.

**Are you interested in the courts' decisions in this cases?  
You can find the link in the post.**

**If you wish to contact our commercial law specialists directly:**



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