

# **Duty of Loyalty of a Shareholder of a Capital Company**

## **Abstract**

This thesis deals with the issue of the duty of loyalty of a shareholder of a capital company. It focuses mainly on the analysis of the duty of loyalty of a shareholder towards the company, and marginally presents the duty of loyalty of the company towards the shareholder and the duty of loyalty between the shareholders.

The main objective of this thesis is to define the duty of loyalty and to analyse this duty in some of the relationships within a company. Central to this analysis is the interpretation of the provisions of Section 212 of the Civil Code, which I address in this thesis in turn. Due to the generality of the concept of loyalty, a key part of this thesis is the analysis of the existing decision-making practice of the courts, including the applicability of decisions based on the regulation before the recodification of private law.

The thesis is divided into an introduction, four parts and a conclusion. The first part deals with the principle of good faith as the fundamental basis of the duty of loyalty, its nature as a general clause and its derived functions.

The second part introduces the reader to the duty of loyalty in shareholder relations of a capital company on three levels. The main focus is on the shareholder's duty of loyalty to the company, presenting its development in the Czech legal system, current interpretation and doctrinal classification. Subsequently, the duty of loyalty of the company to the shareholder, which is the counterpart of the shareholder's loyalty to the company, is discussed. Finally, the duty of loyalty of a shareholder towards other shareholders is briefly described.

The following section is devoted to the possible consequences of a breach of the duty of loyalty of a shareholder to the company. These consequences are described in more detail in the individual subsections. The fourth part deals with the impact of the duty of loyalty on the individual rights and obligations of a shareholder of a capital company. The thesis analyses these rights and obligations mainly through situations that have been resolved in domestic decision-making practice.

**Key words:** duty of loyalty, shareholder, capital company