

The position of the members

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Draft models



- German *GmgV* ("*Gesellschaft mit gebundenem Vermögen*") under the draft law **GmgVGE** (2024)
- □ Dutch-RV ("Rentmeestervennootschap") under the Dutch RV-principles (2025)

Steward Ownership – Concept, Potential and Implementation in Germany and the Netherlands, by Anne Sanders and Noah Neitzel (2025)





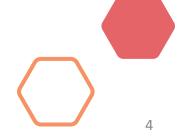




Members v. Shareholders

- ☐ *GmgV* members
- ☐ *Dutch-RV* shareholders









Stewards v. Investors

- ☐ Steward has <u>ultimate decision-making power</u> but has <u>no entitlement</u> to the business's profit
- Investor receives a profit-oriented return but do not claim any decisionmaking rights
- Redeemable shares as an option?







☐ Investors at *GmgV*:

- Investors may neither hold member-like rights nor may they be related to members
- Only limited profit participation rights and possible certain rights to information
- Neither directors nor members may be investors







☐ Dutch-RV:

	Steward	Investor
Control over company / voting rights	Yes - should use this right as an engaged entrepreneur	No
Right to profits	No	Yes







Nature of members

- ☐ Stewards should generally be <u>natural</u> persons
- ☐ Some types of legal persons as a <u>temporary last resort</u>?
- ☐ *GmgV* only <u>natural persons</u> and <u>legal entities with asset-locks</u>
- ☐ *Dutch-RV* <u>natural persons</u> (selection criteria may be indicated)







Profit lock and remuneration

- ☐ Stewards <u>may not receive profit</u> distributions
- ☐ They may work in the enterprise and receive a salary at arms lengths
- ☐ *GmgV* allows members (the stewards) to work <u>as managing directors</u> at <u>fair market salary</u>
- ☐ **Dutch-RV** a remuneration shall not exceed the <u>statutory limits</u> of the Dutch Act on Top Incomes







Decision rights

□ GmgV

- Each member generally has the same voting weight, although deviating rules remain possible in the articles of association
- Members adopt <u>fundamental decisions</u>
- May give <u>instructions</u> to managing directors

□ Dutch-RV

Fundamental decisions fall in the responsibility of the council of stewards who may also include shareholders without rights to dividends and without voting rights





Liability of members

□ GmgV

- Personal liability up to a certain amount determined in the articles of association (at least EUR 5,000) Obligation to contribute equity capital in the same amount
- Personal liability ceases when members have fully paid their equity contribution

□ Dutch-RV

- Shareholders are not liable for the company's debts
- > There is no minimum capital requirement











Accession

- \Box GmgV
 - > A notarized declaration of accession

and

> the approval of the accession by the members' resolution











Membership transfer and inheritance

- \Box GmgV
 - > Membership is neither transferable nor inheritable
 - > The heirs of the member have a claim against the company
 - **'Emergency members'** may only be named in the membership agreement with their notarized consent (shall join the company upon the departure of the last member)











Termination of membership

- ☐ Termination <u>at the member's request</u>
 - > By giving **6-months' written notice** to the end of the fiscal year (the membership agreement may specify a notice period of up to 2 years)
 - A period of up to 5 years for repayment may specified
 - Termination at any time **for good cause** without observing a notice period (if they <u>cannot reasonably be expected to continue their membership</u>) the repayment without delay
 - > If a membership is terminated at an inopportune time without good cause
 - an obligation to compensate the company's damage





- ☐ Termination <u>by member's creditor or insolvency administrator</u>
 - The creditor of a member, <u>after enforcement against the member's</u> assets has been unsuccessful within the last 6 months, may exercise the member's right of termination
 - If the member is entitled to the return of a contribution and insolvency proceedings are opened against his assets, the insolvency administrator may exercise the member's right of termination











Exclusion of a member

- By resolution (a majority of 3/4 of the votes cast) for good cause
- ☐ Good cause shall include, in particular, a serious breach or persistent breaches of the financial commitment
- ☐ The membership agreement may specify <u>further grounds for exclusion</u>











Reimbursement

- Reimbursement in the amount of the contribution made by member and other payments to equity (insofar as these have not been offset by write-offs for losses)
- ☐ Members <u>may waive</u> these reimbursement claims in a notarized form
- ☐ The repayment may only be made based on a members' resolution
- ☐ Reimbursement **may not be made** if the company is unable to meet its liabilities after payment







Thanks for your attention!



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