

Composition and working of supervisory and management boards

Composition of supervisory and Management boards

- The structure of the two tier system bodies is flexible:
- The management board is composed by, at least, two members (art. 2409 novies, second paragraph, c.c.).
- The supervisory board is made up of, at least, three persons (art. 2409 duodecies, first paragraph, c.c.).
- In compliance with these limits it is possible to shape the bodies on the grounds of the specifics needs of the company.

Eligibility and disqualification requirements

- Analysing the eligibility and disqualification requirements, is possible to point out that the two tier system is a corporate governance model suitable for family firms, as far as close corporations are concerned.
- On the contrary, stricter requirements are set for listed companies, in order to protect savers and market.

Working of the management board

- No norms govern expressly the working of this organ.
- We have to go by practices of articles of associations and legal scholars' studies.
- It is possible to divide the decision making process into different phases: call of the meeting, meeting, debate and finally the resolution.
- Every single phase is carried out by the chairman, who is the supervisor of the management board working.

Working of supervisory board

- The working of the supervisory board presents the same problems as the management board running.
- Considering that it is a collective organ, its functioning is similar to the management board one.
- Furthermore the law provides a minimum standard of frequency for meetings: every ninety days.

- The chairman has the power to call meetings; and, as far as listed companies are concerned, it is provided that every single member may request the chairman to call the meeting (art. 151 bis t.u.f.)
- Finally, a series of problems may arise on the grounds of the overlapping of norms governing quorums.