Governance

Company constitution

The spin-out company will be a limited liability company incorporated under English law. It will be a separate legal person that can sue and be sued in its own right. It will consist of:

- **Shareholders**
  These will include the Founders, the University and the investors. Shareholder's liability will be limited to the amount that each shareholder has fully paid up on their shares.

- **Board of Directors**
  The directors of the company (of which there must be at least one) will be appointed by the shareholders. The directors are responsible for strategic management of the company and will be personally liable for their actions as directors of the company. The Directors elect one of themselves to be the Chairman.

- **Managing Director/CEO**
  The managing director will be a member of, and will be appointed by, the board of directors. The managing director will generally be given power by the board to run the company on a 'day-to-day' level.

- **Company Secretary**
  The company secretary reports to the directors and is responsible, along with the directors, for the records of the company, including: notices and minutes of meeting, company house returns etc. The company’s lawyers or accountants will quite often be the company secretary.

Directors’ responsibilities

The legal responsibilities placed on each director, protects creditors from the owners. A limited liability company must have directors; directors must not continue trading when the company is insolvent, directors are like trustees of the company, and must not benefit personally at the company’s expense. Directors are **PERSONALLY LIABLE** for the activities of the spin-out.

Further information

Further information is available from a wide range of sources, including:

- [Companies House](#) (good downloadable booklets)
- [University of Nottingham Web Site Useful Links Page](#)
- [Institute of Directors](#)