



## Company structure

Spin out companies are formed as Limited Liability Companies and are separate legal entities. It is important to understand the constituent parts and how they interact.

### Directors

The Board of Directors are appointed by the shareholders of the company. Led by the Chairman they are responsible for the strategic management of the company. It is important to note that being a company director is a position of significant responsibility and the duties of a director are set out in law. You have personal liability for your actions as a company director. The following University video provides further information on the responsibilities of a company director.

[https://mediaspace.nottingham.ac.uk/media/Directors%27+Duties+Podbriefing/1\\_m649h8ie](https://mediaspace.nottingham.ac.uk/media/Directors%27+Duties+Podbriefing/1_m649h8ie).

NTV will provide support for the directors as well as recommendations for courses and training if desired.

### Shareholders

Shareholders are the owners of the business. They are not legally responsible for the business and are ultimately only liable for the monies outstanding on their shareholding. Rights will be set out in the company articles of association and shareholder agreement. Shareholders can lose money used to purchase their shareholding in event of failure of the business but they will not be responsible for any liabilities unless they are also directors. As a founder you will usually be a shareholder in a spin-out company and the level of shareholding is governed by the [University Intellectual Property policy](#).

### Management

The company management team is usually led by the Managing Director / Chief Executive Officer who has delegated responsibility from the Board of Directors to direct the business of the company, who reports to the Chairman.

### Company Secretary

The company secretary undertakes record keeping for the company ensuring the company complies with its legal obligations and reports to the board. This is often outsourced by small companies. Company secretary services are offered by various external organisations – usually lawyers and accountants.