

G. Verveniotis & Partners
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The Limited Liability Company
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The Limited Liability Company

The establishment and operation of a Limited Liability Company (Ltd.) is governed by law 3190/1955.

The Ltd. is a commercial company which combines elements of both personal and capital companies. The dual character of the Ltd. is mainly manifested in the possibility of the partners to assume duties as administrators of the company and in the requirement that decisions of the partners' General Meeting be taken in majority of both number of partners (personal element) and of their participation in the company's capital expressed in corporate parts (capital element).

The company is liable with its entire property, whereas the liability of the partners is restricted to the extent of their contribution to the company's capital. Each partner participates in the company with one participation portion consisting of one or more corporate parts. Currently the minimum required capital for a Ltd. amounts to €4.500

The Ltd. may be established by one or more natural persons or legal entities. Its operation is regulated by mandatory provisions of law and its Articles of Association, which are signed before a public notary and are a prerequisite for the company's establishment. While the company's founders have some discretion when determining the provisions of the company's Articles of Association there exist mandatory provisions, from which they cannot deviate.

The company's Articles of Association must at least contain regulations as to the following matters:

i. The name, profession, residence and nationality of the partners

ii. The name and the object of the company

iii. The seat of the company

iv. The duration of the company

v. The company's legal form as limited liability company

vi. The height of the company's capital, the participation portions, the corporate parts of each partner, as well as an explicit statement of the partners that the company's capital has been deposited to the company's treasury in total.

vii. The object of contributions in kind by the partners, the assessment of their value, the name of the partner contributing them, as well as their total value.

The company's bodies are the General Meeting of the partners and the administrators.

The General Meeting of the partners is the supreme body of the Ltd. and has the right to decide on any matter, which regards the company. This decision is binding also for the partners who are absent or disagree with it.

The General Meeting of the partners has the exclusive competence to decide on the following matters: a) modification of the Articles of Association, b) appointment and revocation of the administrator(s), as well as their discharging of every responsibility and the determination of their remuneration, c) approval of the company's financial statements and balance sheets and decision on the disposal of the company's profits (under the reservations of mandatory provisions, i.e. for the building up of reserves), d) the filing of a suit against the bodies of the company or against any partner for claims of the company for compensation, which derive from actions or omissions during the establishment or operation of the company, e) prolongation of the duration of the company, mergers, conversion or dissolution and liquidation of the company, appointment or revocation of the liquidators and f) every other matter determined by the law or the Articles of Association. A unanimous decision of the General Meeting is required for certain decisions, such as the modification

Purpose of the present short report is to outline the basic features of the Greek Limited Liability Company at the time of its production (October 2008). It serves general information purposes only and does not constitute professional advice. Appropriate legal advice should be sought before any action is taken.

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of the nationality of the company, the increase of the partners' obligations beyond the provisions of the law and of their liability towards the company and the decrease of their rights, which derive from the law and the Articles of Association.

Each partner has at least one vote at the General Meeting of the partners. If he has more than one corporate parts, he is represented at the General Meeting of the partners according to his participation percentage. For the taking of a decision a majority in both number of partners and capital (corporate parts) is required.

As a rule, the company, unless otherwise regulated in its Articles of Association, is administrated and represented by all of the partners acting collectively. However, the Articles of Association of the Ltd. or the General Meeting of the partners by its pertinent decision may assign the administration and representation of the company to one or more partners or third persons for a specific time period. Limitations to the administrator's authorities by the company's Articles of Association or by decisions of the General Meeting of the partners cannot be invoked towards third parties.

The administrators do not have the right to perform on their own account or on account of others actions which constitute the object of the company, nor can they be partners to a general partnership, a limited partnership or another Limited Liability Company with the same object, without the prior unanimous approving decision of the company's partners. Further restric-

tions may be applied by the Articles of Association of the company.

Certain acts of and data pertaining to the Ltd. are subject to publicity. These include among others:

i. The company's Articles of Association

ii. Decisions regarding the modification of the company's Articles of Association as well as the entire new Articles of Association. The publicity in these cases is of constitutive character.

iii. Decisions of the General Meeting of the partners regarding the appointment of the persons who are competent to administer and to represent the company, as well as the revocation and cancellation of their such competence for any reason.

iv. The appointment of the auditors

v. The appointment and replacement of liquidators

vi. The increase or decrease of the number of the corporate parts as well as any alteration in the partners' names, due to transfer of corporate parts

vii. The dissolution of the company

viii. Any court decision declaring the company invalid or bankrupt

ix. The annual financial statements

x. The balance sheets of the liquidation, as well as the final balance sheet

The publicity is affected through the registration of the pertinent act or data in the Registry of Limited

Liability Companies maintained at the Secretariat of the First Instance Court at the seat of the company and the publication of a summary of the aforementioned registration in the Government Gazette.

Law 3190/1955 further contains provisions, which aim at the protection of minority partners. These include, among others, the right of partners representing at least 20% of the company's capital to request the convocation of the company's General Meeting by also determining the matters to be discussed thereat, as well as the right of each partner to obtain information on the development of the company's affairs, to examine the company books and to obtain copies of them. With regard to the drafting of the company's balance sheets and its financial statements, law 3190/1955 refers to the law on the Sociétés Anonymes.

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