

CORPORATE GOVERNANCE COMMITTEES IN EUROPEAN UNION EMERGING ECONOMIES

Dumitrașcu Mihaela, Gajevszky Andra

Accounting Department, Faculty of Accounting and Management Informatics System

University of Economic Studies, Bucharest, Romania

red_mille_ro@yahoo.com

gajevszkyandra@yahoo.com

Abstract *The aim of this research is to analyze the support committees of European Union emerging economies. The importance of good corporate governance is vital for an organization, especially in the emerging markets, fact that leads to a several perceived improvements of the entity, while being more trustable, open and transparent in relationship with all its stakeholders. In our demarche we started by choosing the emerging economies from European Union, which lead us to a sample consisting of the companies listed on Bucharest Stock Exchange, Sofia Stock Exchange, Warsaw Stock Exchange, Prague Stock Exchange, Budapest Stock Exchange, without taking into consideration a specific tier. In order to have a heterogeneous sample, we did eliminate the financial institutions from our research. This study is developed at European Union level and takes into consideration the following indices: BET@ BUCHAREST EXCHANGE TRADING (Romania), SOFIX (Bulgaria), WIG 20 (Poland), PX (Czech Republic), BUX The Share Index of the Budapest Stock Exchange Co. Ltd. (Hungary). The data are extracted from the Annual Reports, Corporate Governance Codes, Comply or Explain Statement or the websites of the listed companies, from period 2007 - 2011. We choose this period, because we wanted to see the evolution of the corporate governance committees' implementation from the period when the last countries from our sample joined the European Union since nowadays. Our conclusion is that we can not discuss about good corporate governance practices. Even so, we can observe from our investigation that the trend in this regard is encouraging. Like future research, we thought at developing our study by comparing the emerging economies from European Union with those outside this area. It is an interesting field of investigation, as every country has different regulations.*

Keywords: corporate governance, committees, emerging economies, transparency

JEL Classification: G30, G34

1. Introduction and Literature Review

Corporate governance is a topic which started to gain an increasing interest not only at the academic level, but also at the practical one, and nowadays the importance of good corporate governance practices is perceived widely as a vital mechanism for a healthy entity. The issue related to the **committees** is debated at global level. The need for this study is given by the fact that we must know which companies have the best corporate governance practices. However it is a little bit hard to develop such a

study, seeing that there are many Corporate Governance Codes, Standards, Laws worldwide and a convergence of all of them is quite impossible.

In 1992, after the corporate scandals that took place, was introduced the first Code of Corporate Governance, The Cadbury Code, developed by the London Stock Exchange, in United Kingdom. There are also international principles and here we can mention the OECD Principles, which functions as an orientation guide for both OECD member countries and also for those who are not members of OECD (OECD, 2004).

There is a plenty of definitions regarding corporate governance. So far, the most important is the one of Sir Adrian Cadbury, which said that "corporate governance is the system by which companies are directed and controlled".

There are many studies regarding the corporate governance committees. Here we can mention a study which examines the remuneration committees for a sample of 220 companies from UK. The results reveal the fact that 30 per cent of them have such a committee (Main and Johnston, 1993). Some authors explore the interest on the board supervision, corporate governance committees, on a sample of Fortune Global 250 companies and the results shows that the detailed disclosures are not common. (Kolk, 2006). Other article shows the divergences between the corporate governance committees in France, the Netherlands and the UK. (Karel 2002)

There is an interest to develop a study about committees, for both researchers and companies.

According to Bucharest Stock Exchange, the Audit Committee and the internal auditor should regularly provide the members of the board with information. According to Rec. 27 of Bucharest Stock Exchange: The board should establish an audit committee, from among its members, to assist in the discharge of its responsibilities in the areas of financial reporting, internal control and risk management. Until an audit committee has been set up, the board should deal with these tasks and responsibilities, in close collaboration with the internal and external auditors; to this purpose the Board should meet at least twice a year with the internal and external auditors to discuss issues connected with financial reporting, internal control and risk management. Rec. 28 : The board or, where relevant, the audit committee, should regularly examine the effectiveness of the financial reporting, internal control and risk management system adopted by the company; it should make sure that the audits carried out and the subsequent audit reports conform to the audit plan approved by the board or the audit committee. Rec. 29 : The audit committee should be composed exclusively of non-executive directors; it should contain a sufficient number of independent directors Rec. 30 : The audit committee should meet as often as it deems necessary, but at least twice a year, when it will deal with the half-yearly and yearly results and their disclosure to the shareholders and the public. Rec. 31 : The audit committee should assist the board in monitoring the reliability and integrity of the financial information provided by the company, in particular by reviewing the relevance and consistency of the accounting standards applied by the company (including the consolidation criteria). Rec. 32 : The audit committee should be informed of the external auditor's work program and receive a report from the auditor describing all existing relationships between the external auditor on the one hand and the company and its group on the other hand. The audit committee should make recommendations to the board regarding the selection, appointment, reappointment and removal of the external auditor and, in addition, the terms and conditions of their remuneration. It should monitor the independence and

objectivity of the external auditor, in particular by monitoring the rotation of the partners of the audit firm. According to Bulgarian Code for Corporate Governance, Corporate boards, assisted by the Audit Committee and in accordance with the established professional standards and requirements, present in writing at the General Shareholder Meeting a motivated proposal for the selection of an external auditor. The principle of rotation should be applied in selecting and appointing an external auditor. The company should develop and implement an internal control system which should also ensure the early identification of any material risks the company may face and to effectively manage those risks. Such system should ensure also the effective functioning of the reporting and disclosure of information systems. Budapest Stock Exchange stipulates that the audit committee will usually have 3 to 5 members, mainly or wholly independent directors, who will meet at least four times a year.

According to Article 6 of the Corporate Governance Code of Bucharest Stock Exchange, the Board should establish a Remuneration Committee from among its members. The Remuneration Committee should be composed exclusively of non-executive directors and it should contain a sufficient number of independent directors. According to Rec. 21 of Bucharest Stock Exchange: The board should establish a Remuneration Committee from among its members, to assist in formulating a remuneration policy for directors and managers and it should define the committee's internal regulations. Until a Remuneration Committee has been set up, the board should deal with these tasks and responsibilities at least once a year. The remuneration policy shall be subject to AGM approval directors; it should contain a sufficient number of independent directors. The board should ensure that the Remuneration Committee has access to the necessary skills to effectively fulfill its role. The Remuneration Committee may seek assistance from external experts for the fulfillment of its duties, on issuer's account. Rec. 23 : The Remuneration Committee should submit proposals to the board regarding the remuneration of directors and managers, ensuring that these proposals are in accordance with the remuneration policy adopted by the company. The remuneration of non-executive directors should be proportional to their responsibilities and the time devoted to their functions. directors; it should contain a sufficient number of independent directors. The board should ensure that the remuneration committee has access to the necessary skills to effectively fulfill its role. The remuneration committee may seek assistance from external experts for the fulfillment of its duties, on issuer's account. Rec. 23 : The remuneration committee should submit proposals to the board regarding the remuneration of directors and managers, ensuring that these proposals are in accordance with the remuneration policy adopted by the company. The remuneration of non-executive directors should be proportional to their responsibilities and the time devoted to their functions. Rec. 24 : The company should disclose its remuneration policy in its CG Charter. The total amount of direct and indirect remuneration received by directors and executive managers by virtue of their position should be disclosed in the annual report; a distinction should be made between the fixed and the variable components of this remuneration. Regarding the Remuneration Committee, the Corporate Governance Recommendations of Budapest Stock Exchange by the general meeting (or on the basis of authorisation by the general meeting, the Managing Body) should set up a Remuneration Committee from the members of the Managing Body, which assists in outlining the principles of the remuneration of the members of the Managing Body, the

Supervisory Board and the executive management. Related to the conditions of non-executive and independent members of this committee, it is suggested that the Remuneration Committee consists exclusively of non-executive members of the Managing Body (2005/162/EC App. I. 3.1.2.) and the majority of the members of the Remuneration Committee should be independent (2005/162/EC App. I. 3.1.2.) Corporate Governance Recommendations prepared by Corporate Governance Committee of the Budapest Stock Exchange Company Limited by Shares: R 3.4.1. The general meeting (or on the basis of authorization by the general meeting, the Managing Body) should set up a Remuneration Committee from the members of the Managing Body, which assists in outlining the principles of the remuneration of the members of the Managing Body, the Supervisory Board and the executive management. R 3.4.2. The Remuneration Committee should make a proposal for the system of remuneration of the Managing Body, the Supervisory Board and the executive management (individual level and structure of fees), and carry out a review, ensuring adequate structure and transparency. (2005/162/EC App. I. 3.2.) No member of the Managing Body may participate in formulating a suggestion on his own remuneration. R 3.4.3. The Remuneration Committee should prepare proposal packages for the Managing Body, to be discussed and approved, in the case of the executive management, by the Managing Body, in the case of the Managing Body, by the general meeting. It is the task of the Committee to exercise control over the system of share options, cost reimbursements and allowances (agreements on pensions, severance pay) contained in the remuneration of the Board members and the members of the executive management. (2005/162/EC App. I. 3.2.) E When making its proposals, the Remuneration Committee takes into consideration the performance of the company and the individual, in the case of Board members and members of the executive management, other possibilities for fulfilling the given position, as well as remuneration applied by other companies. The Remuneration Committee formulates remuneration guidelines and benchmarks and it controls their implementation. R 3.4.4. In addition to remuneration guidelines and proposals on the remuneration of given individuals, the Remuneration Committee should also deal with the terms of agreements concluded with members of the executive management, and ascertain whether the company has fulfilled its publication obligations regarding issues of remuneration. (2005/162/EC App. I. 3.2.) S 3.4.5. The Remuneration Committee should prepare a Remuneration Statement to be published annually. ("Remuneration Statement" – 4.1.11.) (2005/162/EC App. I. 3.2.) S 3.4.6. It is suggested that the Remuneration Committee consists exclusively of non-executive members of the Managing Body. (2005/162/EC App. I. 3.1.2.) R 3.4.7. The majority of the members of the Remuneration Committee should be independent. (2005/162/EC App. I. 3.1.2.) R 3.5.1. When setting up the committees, the Managing Body may decide that the duties of the Nomination Committee and the Remuneration Committee will be executed by one (merged board) committee. In this case, an explanation should be given as to the causes of the decision, and it should be indicated how, according to the Managing Body, the committees, with a reduced number of members, will be able to achieve the general goals of two (remuneration and nomination) committees. (2005/162/EC 7.1.) R 3.5.2. In the case of a small number of members, the Managing Body may carry out the duties of the Nomination and Remuneration Committees, if it meets the requirements regarding the composition of the given committee and provides adequate information on this. (2005/162/EC 7.2.) In order to assist directors to properly shoulder their

responsibilities and be in a position to inform shareholders knowledgeably about activities of their company it is recommended that Boards include the adoption of committees which review the audit, nomination and remuneration functions of the company. The establishment and functioning of each of these three committees should follow an unemotional style and consequently it is better that they are composed mainly, if not wholly, by independent directors. The Remuneration Committee usually has 3 to 5 members, mainly or wholly independent directors, who meet annually but may need ad hoc sessions as well. Code of Best Practices of Warsaw Stock Exchange has no information related to Remuneration Committee. The recommendations of OECD Principles from 2004 for Prague Stock Exchange: the Board shall appoint Nomination Committee and Remuneration Committee among from its members.

In the principle X of Article 5 of the Corporate Governance Code of Bucharest Stock Exchange it is stated that the Board of Directors shall evaluate whether to establish among its members a Nomination Committee made up, mainly, of independent directors. According to Bucharest Stock Exchange, The Board of Directors shall evaluate whether to establish among its members a Nomination Committee made up, mainly, of independent directors. According to Rec. 19 of Bucharest Stock Exchange: Where established, the Nomination Committee should lead the process for board appointments and make recommendations to the board to propose candidates for the position of director. Rec. 20 : The Nomination Committee should evaluate the balance of skills, knowledge and experience on the board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In the third chapter of the Corporate Governance Recommendations of Budapest Stock Exchange it is stated that the general meeting (or on the basis of authorisation by the general meeting, the Managing Body) should set up a Nomination Committee from the members of the Managing Body, which assists in selecting members for the Managing Body, the Supervisory Board, and the Chief Executive Officer. In the same Recommendations it is suggested that the majority of the members of the Nomination Committee are independent. (2005/162/EC App. I. 2.1.2.) R 3.3.2. The Nomination Committee should ensure the preparation of personnel changes with the aim that the replacement of a Managing Body member leaving due to retirement, resignation or any other reason, or the succession of members of the executive management is carried out smoothly, with the company's work continuing uninterrupted. The Nomination Committee examines the practice of the Managing Body for selecting and appointing members of the executive management, assesses the performance of members of the Managing Body, the Supervisory Board, and the executive management (and the suitability of candidates). The Nomination Committee examines all suggestions relating to the nomination of Board members which are submitted by the shareholders or the Managing Body. E The Nomination Committee's main task is to prepare informed and objective suggestions to the shareholders on the nomination for membership of the Managing Body and the Supervisory Board (appointment, dismissal). The purpose of the Committee's operation is to ensure that members of the Managing Body and the Supervisory Board possess adequate qualifications and professional experience to perform their duties in the best interest of shareholders. As part of company strategy those persons who have the capacity to substitute or replace appointed managers and members of the Managing Body shall be specified. Preparation for personnel changes also includes the identification of employees with

outstanding performance, and the planning of their careers within the company. For the sake of the above, when judging the suitability of candidates, the Nomination Committee should not only take into consideration business and personal relations, but also examine the candidate's competence, professional ability, and estimate whether the candidate is capable of devoting enough time to carry out his duties as a Board member. (2005/162/EC App. I. 2.2.) It is suggested that the Nomination Committee prepares an evaluation at least once a year for the Chairman of the Managing Body on the operation of the Managing Body, and the work and adequacy of the members of the Managing Body. S 3.3.4. It is suggested that the majority of the members of the Nomination Committee are independent. (2005/162/EC App. I. 2.1.2.) S 3.3.5. The Nomination Committee's rules of procedure should give details of the criteria used for the appraisal of nominees. In addition to the provisions of current Hungarian laws and regulations, these criteria should cover membership of the Boards' and committees' of other companies, the degree of the nominees' independence, and their experience acquired. The Nomination Committee usually consists of 3 to 5 members, mainly or wholly independent directors, who meet as required. Code of Best Practices of Warsaw Stock Exchange has no information related to Nomination Committee. The recommendations of OECD Principles from 2004 for Prague Stock Exchange state that the Board shall appoint Nomination Committee and Remuneration Committee among from its members.

2. Sample Selection and Methodology

In our demarche we start from choosing the emerging economies from European Union. So, our sample is consisting of the companies listed on Bucharest Stock Exchange, Sofia Stock Exchange, Warsaw Stock Exchange, Prague Stock Exchange, Budapest Stock Exchange, no matter what tier. Because we want to have a heterogeneous sample, we have eliminated the financial institutions from our research. This study is developed at European Union level and takes into consideration some indices, like: BET® BUCHAREST EXCHANGE TRADING (Romania), SOFIX (Bulgaria), WIG 20 (Poland), PX (Czech Republic), BUX The Share Index of the Budapest Stock Exchange Co. Ltd. (Hungary). BET, the first index developed by BVB, is the reference index for the Bucharest Stock Exchange (BVB) market. BET is a free float weighted capitalization index of the most liquid 10 companies listed on the BVB regulated market. SOFIX is an index based on the market capitalization of the included issues of common shares, adjusted with the free-float of each of them. WIG20 index has been calculated since April 16, 1994 based on the value of portfolio with shares in 20 major and most liquid companies in the WSE Main List. The initial value of WIG20 index was 1000 points. It is an price index and thus when it is calculated it accounts only for prices of underlying shares whereas dividend income is excluded. The WIG20 index may not include more than 5 companies from a single exchange sector. PX is the Price Index of blue chip issues. The BUX index is the official index of blue-chip shares listed on the Budapest Stock Exchange Ltd. It is calculated in real time by the BSE every five seconds based on the actual market prices of a basket of shares. The index shows the average price changing of the shares with the biggest market value and turnover in the equity section. Hereby this is the most important index number of the exchange trends. The data are extracted from the Annual Reports, Corporate Governance Codes, Comply

or Explain Statement or the websites of the listed companies, from period 2007-2011. We choose this period, because we wanted to see the evolution of the corporate governance committees' implementation from the period when the last countries from our sample joined the European Union since nowadays.

There are 44 companies in our sample. The period analyzed is between 2007- 2011. We did not excluded the banks and other financial institutions from our sample, even if they have special regulations, but we must excluded the companies that do not have the complete information or that ones that do not have published it. So, our final sample consists of 37 companies.

Table 1 The Sample Selection

Selection criteria	Total
Bucharest Stock Exchange	5
Sofia Stock Exchange	7
Warsaw Stock Exchange	15
Prague Stock Exchange	11
Budapest Stock Exchange	6
Total companies	44

Source: The authors (based on the research)

We purpose in our demarche to analyze through the present study up to 35 criteria: 11 criteria (for the Audit Committee), 8 criteria (for the Remuneration Committee), 8 criteria (for the Nomination Committee), 8 criteria (for the Compensation Committee). The paper is organized as follow: it has an introduction, a section which consists in the literature review regarding the corporate governance and corporate governance committees, a section that describes the sample selection and the methodology aspects, a section that disclose the aspects related to our study, its components and the section that draws some conclusions.

3. **Research and Results Regarding Committees**

Prague Stock Exchange

From the eleven companies out of our sample, eight (72%) have an Audit Committee through the analyzed period, with the minimum of seven companies in year 2008 and the maximum of nine companies in 2011. Between 2007-2010, only three companies (27%) had a Nomination Committee and a Remuneration Committee, while in 2011 the number of companies having these two committees increased with 10 %. Related to the Compensation Committee, there was a single company that has established it, which means that only one of the ten analyzed companies considered this committee to be necessary.

Budapest Stock Exchange

Out of the six companies of our sample, all of them had an Audit Committee through the analyzed period, fact that leads us to the conclusion that for the companies listed on the Budapest Stock Exchange, the establishment of an Audit Committee is very relevant. Related to the Nomination Committee, only one company out of the six

ones had established this support committee, while half of them had established a Remuneration Committee. When analyzing the existence of the Compensation Committee, we have discovered that only one company has established this consultative committee.

Warsaw Stock Exchange

From the fifteen companies of the Warsaw Stock Exchange sample, in medium, eight companies (53,33%) had an Audit Committee through 2007-2011, with six companies (40%) in 2007 and eleven (73,33%) in 2011. None of the studied companies had an independent Nomination Committee, but three of them (20%) had a Nomination and Remuneration Committee. Related to the Remuneration Committee, in medium, six companies (40%) of the selected sample had established this committee, with a minimum number of four companies in 2007 and the maximum number of seven companies in 2010 and 2011. None of the companies had through the analyzed period a Compensation Committee.

Bucharest Stock Exchange

Out of the five companies which formed the sample, in medium, 3.2 had established an Audit Committee, leading to a percentage of 64 % companies which had an Audit Committee in the analyzed period. Through 2007-2011, only one company (20%) out of the five ones that formed the sample for Bucharest Stock Exchange had a Nomination Committee, while two companies (40%) had established a Remuneration Committee. As in the case of Warsaw Stock Exchange sample, none of the selected companies had a Compensation Committee.

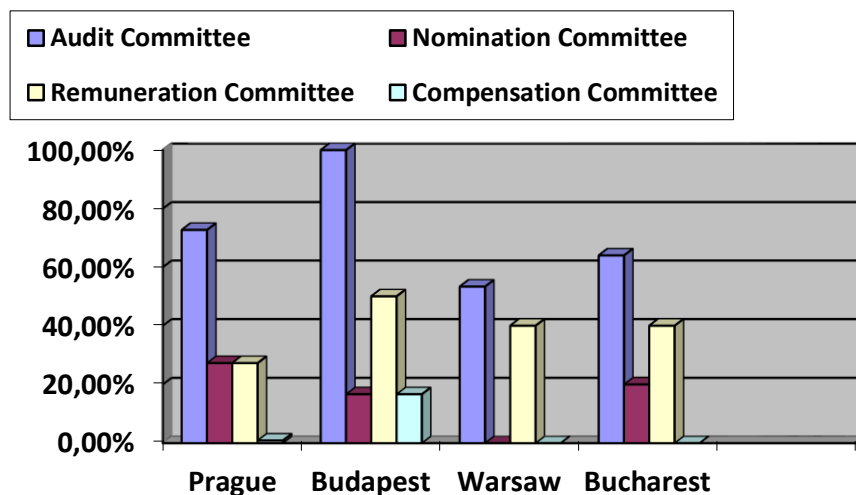


Figure 1 The presence of the four Committees in the selected sample

As it can be seen in the figure above, the companies listed on the Budapest Stock Exchange have in proportion of 100% an Audit Committee, being followed by those from Prague, Warsaw and finally Bucharest Stock Exchanges. Analyzing the existence of the Nomination Committee, we can observe that the highest number of

Source : The Authors

companies which have established this committee is from Prague Stock Exchange, followed by Budapest, Bucharest and last Warsaw companies. The Budapest Stock Exchange sample of companies comprise the highest number of entities which have a Remuneration Committee, while the sample from Prague Stock Exchange scores the lowest in terms of companies which have established a Remuneration Committee. Again the sample from the Budapest Stock Exchange scores the highest in terms of companies which have a Compensation Committee, being closely followed by Prague sample, while the companies listed on the Warsaw and Bucharest Stock Exchanges did not establish a Compensation Committee.

Prague Stock Exchange

In terms of Audit Committee size, the number of members oscillated from 3.11 in 2011 to 3.28 in 2008, the medium number of members for the 2007-2011 period being 3.21. Related to the Nomination Committee size, between 2007-2010, the number of members staid constant at 3.66, reaching 3.5 in 2011 with a medium number of 3.63. The members of the Remuneration Committee remained constant along the analyzed period, with the number of 3 members. In terms of Compensation Committee size, the number of members composing this committee was 3.

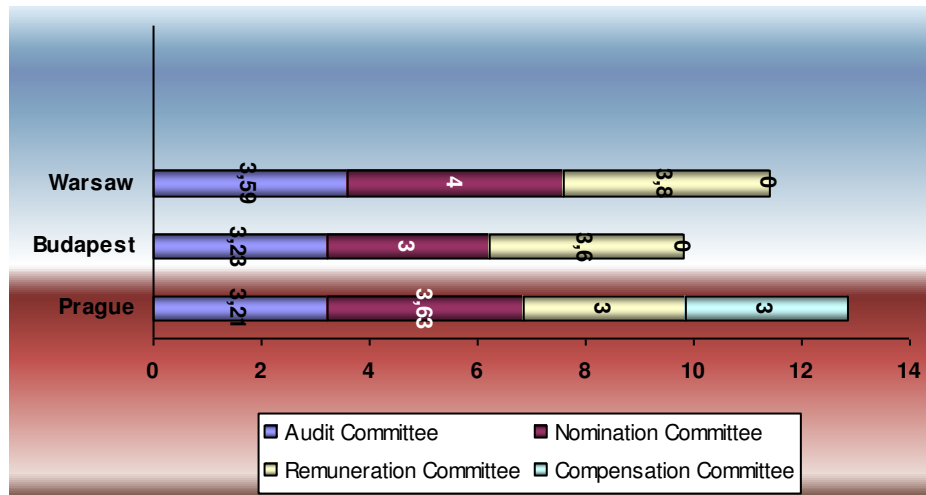
Budapest Stock Exchange

Between 2007-2009, the number of Audit Committee members reached the value of 3.17, increasing both in 2010 and 2011 at 3.33 members, with a medium number of 3.23 members along the analyzed period. The Nomination Committee size remained constant along 2007-2011 with a number of 3 members. The Remuneration Committee had in 2007 3.33 members, increasing until it reached 3.67 members for the next analyzed years, leading to a 3.6 medium number of its members.

Warsaw Stock Exchange

When taking into account the Audit Committee size, it can be stated that the maximum number of members was 4 in 2007 with the lowest number of 3.5 members in 2010. Still, the medium number of Audit Committee members was 3.59, while the medium number of the Nomination Committee size was 4 along the period 2007-2011. The medium Remuneration Committee size was 3.8 members with 3.75 members in 2007 and 2008, increasing slowly to 4 members in the next two years.

Figure 2 The four Committees size



Source : The Authors

Analyzing the graphic above, the companies listed on the *Warsaw Stock Exchange* have the highest number of Audit Committee members, as well as Nomination Committee members and Remuneration Committee.

On *Prague Stock Exchange* company sample, one of the analyzed companies has a Nomination and Remuneration Committee consisting of 5 members, out of which 3 are non-executive throughout 2007-2011. In 2011, another company has established a Nomination Committee composed of 3 members, 2 non executive, 1 independent and independent chairman. For the other companies which had a Nomination Committee, there were no information available related to non executive and independent members. Regarding the Remuneration Committee, there was a company with a Remuneration Committee consisting of 3 members, out of which 2 were non executive and independent without independent Chairman.

On *Budapest Stock Exchange* company sample, one company has a Corporate Governance and Nomination Committee consisting of 4 members, all of them being non executive and independent, with independent chairman. For the rest of the companies, there were no information available related to non executive and independent members.

On *Warsaw Stock Exchange*, one company had a Remuneration and Nomination Committee consisting of 3 members, with 1 non executive and 2 independent ones, another one had a Remuneration and Nomination Committee consisting of 5 members, with 4 non executive ones. Another company had a Remuneration Committee formed of 4 members with 3 non executive, 1 independent member and independent Chairman, while another two companies that have established a Remuneration Committee, were both characterized by a number of 3 members with 2 non executive ones.

4. Conclusions and Recommendations

By far our motivation when we started our demarche was to increase the confidence of all stakeholders in the quality of financial reporting and to promote and encourage organizations to develop good corporate governance practices. Like we stated before, the literature emphasizes a variety of reasons to study these sensitive aspects. One of the major outcomes of the process of corporate governance is to increase the stakeholders' confidence in the company's practices of financial reporting and governance, fact that lead us to analyzing the existence and characteristics of the support committees for our selected sample. Although we have focused on emerging economies and we expected weak transparency practices, it does not mean that these analyzed aspects are not important, moreover, their importance is increased in these markets and the role of corporate governance practices is even greater in emerging economies in more developed markets. Even though in the selected economies the Codes of Corporate Governance specifically points the existence and characteristics of the support committees, after conducting our analyze, we can state that most of the companies do not comply with these requirements, their non-complying decision varying from case to case. Our conclusion is that we can not discuss about good corporate governance practices. Even so, we can observe from our investigation that the trend in this regard is encouraging. Like future research, we thought at developing our study by comparing the emerging economies from European Union with those outside this area. It is an interesting area of investigation, as every country has different regulations.

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Appendix

No.	The Stock Exchange	The Companies
1	Bucharest Stock Exchange	OMV Petrom SA
2		SNTGN Transgaz SA
3		CNTEE Transelectrica
4		Biofarm SA
5		Electromagnetica SA
6	Sofia Stock Exchange	Sopharma AD
7		Bulgartabac Holding
8		Monbat AD
9		M+S Hydraulic
10		Albena
11		Kaolin AD- Senovo
12		Zarneni Hrani
13	Warsaw Stock Exchange	Assecopol
14		Boryszew
15		Eurocash
16		Globe Trade Centre
17		JASTRZĘBSKA SPÓŁKA WĘGLOWA SA
18		Kernel Holding SA
19		KGHM Polska Miedz SA
20		Lotos - GRUPA LOTOS SPÓŁKA AKCYJNA
21		Bogdanka - LUBELSKI WĘGIEL BOGDANKA SPÓŁKA AKCYJNA
22		Polska Grupa Energetyczna SA
23		PGNIG - POLSKIE GÓRNICTWO NAFTOWE I GAZOWNICTWO SPÓŁKA AKCYJNA

No.	The Stock Exchange	The Companies
24		PknOrlen- POLSKI KONCERN NAFTOWY ORLEN SPÓŁKA AKCYJNA
25		Synthos SA
26		TAURON POLSKA ENERGIA SPÓŁKA AKCYJNA
27		TELEKOMUNIKACJA POLSKA SPÓŁKA AKCYJNA
28	Prague Stock Exchange	CEZ
29		Telefónica Czech Republic
30		Unipetrol
31		New World Resources
32		Philip Morris CR
33		PEGAS NONWOVENS SA
34		Orco Property Group S.A.
35		CENTRAL EUROPEAN MEDIA ENTERPRISES LTD.
36		Tatry mountain resort
37		Fortuna Entertainment Group N.V
38		AAA Auto Group N.V.
39	Budapest Stock Exchange	EGIS Pharmaceuticals Public Limited Company
40		MOL Hungarian Oil and Gas Public Limited Company
41		Magyar Telekom Telecommunications Public Limited Company
42		PannErgy
43		Gedeon Richter Plc.
44		Synergion information Systems plc