






# ecoDa's Corporate Governance self-evaluation questionnaire for unlisted companies in Europe

*New Edition  
March 2021*




- ecoDa's Corporate Governance self-evaluation questionnaire is a voluntary tool with which you can periodically measure your Corporate Governance performance.
- It is recommended that you utilize this tool at least once per year, ideally before the Annual General Meeting.
- It is recommended that, once completed, you agree the action points for the coming year.
- Even though it is a voluntary exercise, external perceptions of your governance will benefit if you share a summary of the results with shareholders and third parties/stakeholders.
- This self-evaluation questionnaire is a tool to help you periodically assess your governance level in relation to ecoDa's Corporate Governance Principles for unlisted companies in Europe.

ecoDa Corporate Governance <b>self-evaluation questionnaire</b> for unlisted companies in Europe		Achieved	Not achieved	Room for improvement/ Additional actions required
	<b>Phase 1 principles</b> – applicable to <b>ALL</b> unlisted companies	✓	✓	✓
<b>Principle 1</b>	Shareholders should establish an appropriate constitutional and governance framework for the company.			
	Bylaws or similar documents are updated.			
	Matters reserved to shareholders decisions, and matters and fundamental responsibilities delegated to the board, are well defined.			
<b>Principle 2</b>	Every company should strive to establish an effective board, which is collectively responsible for the long-term success of the company, including the definition of corporate purpose and strategy. However, an interim step on the road to an effective and independent board may be the creation of an advisory board.			
	An effective board or advisory board has been set up.			
	The members of this board/advisory board understand their duties and responsibilities, including definition of corporate purpose and strategy, among others. Fundamental board responsibilities are clearly established: 1) Strategy definition and strategic decision-making; 2) Accountability to shareholders and stakeholders; 3) Supervision of risks performance, and sustainability; 4) Supervision of senior executives 5) Board management.			

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<b>Principle 3</b>	The size and composition of the board should reflect the scale and complexity of the company's activities, and take into account an appropriate level of diversity in its composition.			
	The board(s) reviews periodically their required diversity and composition according to the complexity of companies' activities and has assigned specific responsibilities to board members to support key tasks: Audit and Control, Nominations and Compensation.			
	An orderly succession plan for board members and senior managers is set up and regularly reviewed.			
<b>Principle 4</b>	The board should meet sufficiently regularly to discharge its duties, and be supplied in a timely manner with appropriate information.			
	To review board matters, (not shareholders meetings or management meeting topics), board meeting dates are set up before new year's entrance, and the annual agenda of the board covers all key areas of board responsibility.			
	Chair and members of the board understand the need for an agenda, information and written minutes to monitor progress against strategy and plans. Budgets are set up regularly.			
<b>Principle 5</b>	Levels of remuneration should be sufficient to attract, retain, and motivate executives and non-executive board members of the quality required to run the company successfully.			
	Shareholders approve board member's remuneration and board approves senior executive's remuneration.			
	No one is involved in deciding his/her remuneration and executive remuneration levels have the composition and conditions to reward individual performance. Remuneration is based on previous evaluation.			
<b>Principle 6</b>	The board is responsible for risk oversight and should maintain a sound system of internal control to safeguard the company's assets and the long-term interests of stakeholders.			
	The board understands and reviews periodically main risks and plans to mitigate them.			
	The board should maintain a system of internal control to safeguard company sustainability.			

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<b>Principle 7</b>	There should be a dialogue between the board, shareholders and other key stakeholders based on the mutual understanding of objectives. The board as a whole has responsibility for ensuring that a satisfactory dialogue with shareholders and stakeholders takes place. The board should not forget that all shareholders have to be treated equally, and that each category of relevant stakeholders should be treated appropriately.			
	The board knows shareholders and stakeholders main objectives and a periodic dialogue is set up for mutual benefit. This dialogue is viewed as a continuous process.			
	The board understands its obligations to be accountable to shareholders and stakeholders and has established the appropriate communication procedures.			
<b>Principle 8</b>	All board members should receive induction on joining the board and should regularly update and refresh their skills and knowledge.			
	Board members regularly updated and refresh their skills and knowledge to meet their duties.			
	All board members received induction on joining the board.			
<b>Principle 9</b>	Family-controlled companies should establish family governance mechanisms that promote coordination and mutual understanding amongst family members, as well as organise the relationships between family governance and corporate governance.			
	Company corporate governance should be based on professionalism and merit.			
	Family governance mechanisms should be set up to coordinate family interests and corporate governance.			
<b>Phase 1</b> <b>Summary</b>	<b>An executive self-questionnaire summary report is prepared for shareholders and stakeholders.</b>			
	<b>An action plan with responsibilities has been agreed to improve current corporate governance performance in phase I</b>			



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<b>Phase 2 principles</b> – applicable to: * Larger and/or more complex unlisted companies * Unlisted companies with significant external financing * Unlisted companies aspiring to a public listing				
<b>Principle 10</b>	There should be a clear division of responsibilities at the head of the company between the running of the board and the running of the company’s business. No one individual should have unrestricted powers of decision.			
	Running the board and running the company operations are undertaken by different meetings with different persons. No one has all powers.			
	In large/complex companies the Chair of the board and the CEO or managing director should not be exercised by the same individual.			
<b>Principle 11</b>	Board structures vary according to national regulatory requirements and business norms. However, all boards should contain members with a sufficient mix of competencies and experiences. No single person or small group of individuals should dominate the board’s decision-making.			
	A board is a mix of skills and knowledge with a collective responsibility. This mix is evaluated when successions and appointments are undertaken.			
	Independent criteria, constructive relations and no group/individual domination are the key considerations in board decision making.			
<b>Principle 12</b>	The board should establish appropriate board committees in order to allow a more effective discharge of its duties.			
	The board has evaluated better ways to discharge its duties assigning functions to board individuals or board groups/committees.			
	Board groups/committees are made by non-executive board directors.			
<b>Principle 13</b>	The board should undertake a periodic appraisal of its own performance and that of each individual board member.			
	Periodic board evaluation of the board as a whole is done.			
	In addition, individual board member evaluation is planned or has been done.			

<p style="text-align: center;"><b>ecoDa</b>  <b>Corporate Governance self-evaluation questionnaire</b>  <b>for unlisted companies in Europe</b></p>	<p style="text-align: center;">Achieved</p> <p style="text-align: center;">✓</p>	<p style="text-align: center;">Not achieved</p> <p style="text-align: center;">✓</p>	<p style="text-align: center;">Room for improvement/  Additional actions required</p> <p style="text-align: center;">✓</p>
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<p><b>Principle 14</b></p>	<p>The board should present a balanced and understandable assessment of the company's position and prospects for external stakeholders, and establish a suitable programme of stakeholder engagement.</p>			
	<p>Board presents an accuracy and understanding assessment of company performance, plans and activities for shareholders and stakeholders.</p>			
	<p>A suitable programme of stakeholder engagement is prepared.</p>			

<p><b>Phase 2</b>  <b>Summary</b></p>	<p><b>An executive self-questionnaire summary report is prepared for shareholders and stakeholders.</b></p>			
	<p><b>An action plan with responsibilities has been agreed to improve current corporate governance performance in phase I and II.</b></p>			