

Corporate Governance Models in Europe

Main Features

ecoDa recognises and values the diversity of corporate governance models across Europe. This document provides an overview of their main features and distinctive characteristics.

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ecoDa The European Voice of Directors



About ecoDa

The European Confederation of Directors' Associations (ecoDa) is a non-profit association founded in December 2004 under the laws of Belgium. Through its membership of 26 national institutes of directors (the main national institutes existing in Europe), ecoDa represents around 55,000 board directors from across Europe. ecoDa's member organisations represent board directors from the largest public companies to the smallest private firms, both listed and unlisted.

Our Mission

The mission is: To serve its member institutes by informing them of legislative initiatives in Corporate Governance, by influencing developments that will impact European board members and businesses in general, and by contributing to the enrichment of board members' skills.

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Armenia

A shareholder-centred governance model in a developing capital market, built on the Civil Code, the Law on Joint-Stock Companies and the Law on Limited Liability Companies, and complemented since 2024 by a "comply or explain" Corporate Governance Code

Share ownership structure

- The Armenian equity market is small. Around a dozen companies are listed on the Armenia Securities Exchange (AMX, majority-owned by the Warsaw Stock Exchange since 2022), with an equity market capitalisation of roughly AMD 460 billion (approximately EUR 1 billion) in 2025. Banks dominate both the listings and trading activity, and the corporate bond segment is considerably more active than the equity segment.
- Ownership of listed companies is concentrated: each issuer typically has a controlling shareholder or a small group of significant shareholders (founders, related parties or strategic investors), and the free float is limited.
- Foreign strategic investors, including international financial institutions such as the EBRD, hold stakes mainly in the banking sector. Foreign portfolio ownership is not a significant feature of the market.
- The State retains ownership in infrastructure and strategic entities, generally organised as closed joint-stock companies outside the listed segment. Strengthening the governance and accountability of State-owned enterprises is a current reform priority.
- Outside the listed segment, the private sector is dominated by limited liability companies (LLCs) and closed joint-stock companies (CJSCs) that are family- or owner-managed. A CJSC may not have more than 49 shareholders; above that threshold it must convert into an open company.

Board structure

- Terminology: the Law on Joint-Stock Companies refers to the "Board" (often rendered in translation as the board of directors or supervisory board) as the body responsible for strategic direction and oversight, and to the "executive body" (a sole director/general director or a collegial management board) as the body responsible for day-to-day management.
- A Board is mandatory for joint-stock companies with more than 50 shareholders and, irrespective of the number of shareholders, for banks, insurance companies and other CBA-licensed financial institutions. Smaller companies may operate without a Board, in which case the charter allocates its powers to the general meeting of shareholders.
- Armenian law does not offer a formal choice between one-tier and two-tier systems. The statutory model is closer to a two-tier structure, with the Board distinct from the executive body; however, the general director may also sit on the Board of an ordinary company, so the boards of closed companies often function in practice as unitary boards. Banks and larger open companies operate a clear two-tier model.
- In open joint-stock companies at least one-third of Board members must be independent. The Law sets out negative independence criteria, including restrictions on recent executive roles, significant business relationships with the company and shareholdings exceeding 10%. The 2024 Code recommends a meaningful presence of independent members on the boards of all companies applying it.
- Separation of the roles of Chair of the Board and general director (CEO) is mandatory for open joint-stock companies and for banks, and is common practice elsewhere.

Chain of command

- The hierarchy is clear: General Meeting of Shareholders (supreme body) → Board (strategic direction and oversight of management, except for matters reserved to shareholders) → Executive body (day-to-day management). The executive body is appointed by the general meeting or, where the charter so provides, by the Board, and is accountable to both.
- The general meeting has exclusive, non-delegable competence over charter amendments, reorganisation and liquidation, changes to the charter capital, election of the Board, approval of the annual report and dividends, and appointment of the external auditor. Major transactions and interested-party transactions require approval by the Board or the general meeting, depending on their size and nature.
- Listed companies and other reporting issuers are subject to enhanced disclosure and reporting obligations under the Law on the Securities Market, the regulations of the CBA (which also supervises the securities

market) and AMX listing rules, including IFRS financial reporting, periodic reports and disclosure of significant and beneficial owners.

Voting system

- The principle is one share, one vote. Ordinary shares carry voting rights; since 2021 companies may issue different classes of ordinary shares, and the charter may limit the number of shares or votes held by a single shareholder. Preferred shares are non-voting except on reorganisation, liquidation, charter amendments restricting the rights of their holders and, for certain classes, where dividends have not been paid (Article 38).
- A meeting is quorate if shareholders holding more than 50% of the voting shares participate.
- Decisions are taken by a simple majority of the votes participating, except that charter amendments, reorganisation, liquidation, changes to the charter capital, restrictions on share rights and other matters specified by the Law or the charter require a three-quarters majority of the participating voting shares.
- Shareholders may vote in person, by proxy or by absentee ballot ("voting by poll"); remote participation and electronic voting are permitted and increasingly used.
- Minority protection includes pre-emptive rights in new issues, a right of first refusal on share transfers in closed companies, an appraisal right (buy-out at market value) for shareholders who vote against or do not take part in decisions on reorganisation, major transactions or charter amendments restricting their rights, and approval of interested-party transactions by disinterested Board members or shareholders.

Committees' specificities

- The Law on Joint-Stock Companies does not generally require board committees. The traditional statutory control organ is the control commission (controller), elected by the general meeting to audit the company's financial and economic activity, alongside the external auditor. Board committees are otherwise a matter for the charter and the Board's internal regulations.
- An audit committee composed of non-executive Board members is mandatory for open joint-stock companies, and public-interest entities (listed issuers, banks, insurers, investment funds and other financial institutions) must have an audit committee under the legislation on audit activity and CBA regulations.
- Banks must maintain an independent internal audit function reporting to the Board (council). Audit and risk committees are standard in the banking sector, and remuneration committees are increasingly common.
- Outside the financial sector, board committees remain rare: the boards of family- and owner-managed companies typically deal with audit, nomination and remuneration matters in plenary session.

Directors' duties specificities

- Under Article 90 of the Law on Joint-Stock Companies, Board members, the director (general director), members of the collegial executive body and managers must act in the interests of the company, exercise their rights and perform their duties in good faith and reasonably, and avoid actual and potential conflicts between their personal interests and those of the company (duties of loyalty and care). Persons able to exert significant influence over the company must not induce decisions contrary to the interests of the company or the legitimate interests of non-controlling shareholders.
- They are liable to the company for losses caused by their actions or omissions. Members who voted against the damaging decision or did not take part in the vote are exempt, as are those who acted in good faith without knowledge that the decision would cause loss. Where several persons are responsible, liability is joint and several. Claims may be brought by the company or, on its behalf, by shareholders meeting the threshold set by the Law.
- Controlling shareholders and other persons able to determine the company's decisions bear subsidiary liability where the company's insolvency results from their instructions. Under the insolvency legislation, management must file for bankruptcy once the company becomes insolvent and may be liable to creditors for failing to do so.

The Baltic States

Estonia, Latvia and Lithuania : a civil-law two-tier tradition combined with unusually high state ownership of listed equity

Share ownership structure

- A small market: around 63 listed companies across Estonia, Latvia and Lithuania (Nasdaq Baltic).
- State ownership is unusually high - over 35% of listed equity value in Latvia and Lithuania, among the highest shares globally (e.g. Ignitis Group, Latvenergo).
- Privately held companies are typically founder-controlled, reflecting young, post-Soviet capital markets.

Board structure

- A two-tier civil-law tradition: a management board runs operations under a supervisory board (smaller/private companies may skip the supervisory layer).
- Latvia's 2025 code reform cut the minimum supervisory board size from five to three members and added independence and self-evaluation requirements.
- Lithuanian law sets minimum board sizes for state-owned enterprises and requires at least half their board members to be independent.

Chain of command

- The general meeting elects the supervisory board (or directors directly, in single-tier structures).
- SOE boards have historically faced perceptions of political interference and opaque nominations.
- OECD-driven reforms, especially in Lithuania, have since strengthened board independence and curbed related-party-transaction abuse.

Voting system

- One-share-one-vote is standard; no significant dual-class or loyalty-voting regime is in use.
- Standard EU minority thresholds apply for shareholders to add agenda items or request information.

Committees' specificities

- The Nasdaq Vilnius Corporate Governance Code requires Audit, Remuneration and Nomination committees for issuers within its scope.
- Latvia's 2025 code shifts from 'comply or explain' to 'explain how you comply' and embeds sustainability into board-level guidance.
- Lithuanian SOEs face added oversight via mandatory IFRS reporting and a central Governance Coordination Centre.

Directors' duties specificities

- Directors owe standard civil-law duties of diligent, informed management and loyalty, reinforced by OECD-guided reforms (particularly in Lithuania).
- Latvia's 2025 code gives the supervisory board explicit responsibility for risk appetite and sustainability oversight.



Belgium

A newly flexible model : 2019–20 company-law reform lets listed companies choose their governance structure explicitly, against a backdrop of concentrated, holding-company-based ownership

Share ownership structure

- Ownership is often concentrated through family or holding-company structures (e.g. Groupe Bruxelles Lambert, Solvay), unlike the more dispersed UK/US model.
- Belgium allows loyalty voting shares, mainly used by companies that already have a controlling shareholder.
- Private/family businesses dominate by number; listed companies are a small, concentrated segment of the economy.

Board structure

- Since 2019, listed companies can explicitly choose between three governance structures.
- One-tier: a single board of directors - expected to become the model of choice for listed companies.
- Two-tier: a supervisory board oversees a management board.
- A sole-director model is also available, though the director must itself be a company with a collegial board.

Chain of command

- Each company must formally choose, and periodically confirm, its governance structure.
- One-tier: the board handles all matters not reserved to the general meeting.
- Two-tier: the supervisory board supervises the management board and sets overall strategy.
- The 2020 Code requires the board to pursue sustainable long-term value creation, including dialogue with employees and debt-holders.

Voting system

- Since 2019, listed companies may adopt loyalty voting shares - a double vote for shares held continuously for more than two years.
- Adopting or removing the mechanism requires a qualified majority; once adopted, it must apply equally to all qualifying shares.
- Around 10% of Euronext Brussels companies have adopted loyalty voting, mostly ones that already had concentrated ownership.

Committees' specificities

- Audit and remuneration committees are statutory requirements for listed companies.
- A nomination committee is recommended and may be combined with the remuneration committee.
- Committee members must have sufficient collective expertise in the relevant field.

Directors' duties specificities

- Directors owe duties of care and loyalty, prioritising the company's interest over personal gain.
- Liability requires conduct outside what a normally prudent director could reasonably view as defensible - a business-judgment-style standard.
- Liability suits may be brought by the general meeting or by an individual shareholder on the company's behalf.

Bulgaria

A predominantly one-tier, statute-driven system with a concentrated ownership and a significant state presence

Share ownership structure

- Bulgarian listed companies vary in terms of terms of ownership structure. Two models: dispersed and concentrated share ownership structure, feature the listed companies.
- Majority of the listed companies have concentrated share ownership structure. Ex privatization funds -holdings have dispersed share ownership structure. The genesis of these entities- voucher privatization, determined the ownership of many vouchers holders resp. dispersed ownership.

Board structure

- Commercial Law, resp. Law for public offering of securities envisage two types of board structure: on tier and two tier. It is the shareholders decision that determines the choice between the two options. The law for credit institutions prescribes for the banks two tier structure- supervisory board and management board.
- The law for public offering of securities prescribes that one third of the board members(Board of Directors or Supervisory Board) have to be independent members.
- Boards of Directors and Supervisory Boards are relatively small- 3- 5 members.
- There is no a special requirement/ quota for women on the corporate boards. According to the independent information one third of the corporate boards members are women. It corresponds to the norms of EU Directive on gender balance(2022 /2381) At present the Directive is transposed in Bulgarian legal system.

Chain of command

- National Code sheds light on the relations between the Supervisory Board and the Management Board
- There is no legal requirements about the separation of the position of the Chairman and the CEO. It is at discretion of the shareholders/ annual shareholders meeting to decide on the separation of the above positions

Voting system

- One share-one vote is the basic principle for the voting rights. There are several options to exercising the voting rights: in person; proxy voting, by correspondence(prior the meeting) and electronic voting.

Committees' specificities

- It is a legal requirement listed companies to establish audit committees. The law for financial independent audit prescribes audit committee“ members to be elected by the shareholders at the annual shareholders meeting. The same law prescribes the functions and structure/ independent members / of the audit committees.

Directors' duties specificities

- Two main duties/ fiduciaries duties - duty of care and duty of loyalty are embedded in the legal system , as well in the National Code for Corporate Governance. Both laws and the Code strictly prescribe the avoidance of conflict of interests

France

A blended model built around the société anonyme, with strong family and state ownership traditions

Share ownership structure

- Controlling shareholders (holding ≥ 40% of equity in listed companies) are present in 33% of SBF 120 companies, with a higher proportion in smaller and unlisted companies.
- Family-owned companies: 71% of French enterprises.
- State-owned enterprises: 86 entities monitored by the French State ownership agency (APE), market value €209 billion.
- Co-operative companies and mutual insurance societies: 10% of French GNP.
- Foreign-owned enterprises employ 2.2 million persons.

Board structure

- Most unlisted companies are SARL (≈ GmbH, mainly SMEs, >1.6M entities), run by a management board or sole director, or SAS (the «simplified» SA, >1.8M and growing), not mandatorily run by a board, though bylaws often create one.
- Larger and all listed companies are sociétés anonymes (SA) (>28,000 entities), run either by a board of directors (conseil d'administration) with a directeur général (combined or separate from the chairmanship), or - less often (≈8% of SBF 120 companies) - a supervisory board (conseil de surveillance) and a management board (directoire).

Chain of command

- The shareholders' meeting has strictly defined powers: adopting/amending bylaws (incl. equity capital), appointing and dismissing the board, approving accounts, appointing auditors.
- The board of directors defines strategy and monitors the executive; the directeur général "has the broadest powers to act on behalf of the company."
- In the alternative model, the supervisory board monitors the executive while the directoire defines strategy and holds the broadest powers to act.

Employee representation

- Companies with ≥1,000 employees in France or 5,000 worldwide: one or two full-fledged directors, mostly appointed by the workers' council.
- Listed companies and large companies where employees hold >3% of share capital: at least one director appointed on proposal of the employees' mutual fund.
- Companies with >50 employees: a non-voting workers' council representative attends all board meetings.
- Employee-shareholders appointed by the shareholders' meeting may not represent more than 1/3 of the board.

Voting system

- Shares held for more than two years by registered shareholders carry a double voting right, unless bylaws provide otherwise.
- Since 2024, newly listed companies may create preferential shares with multiple votes (except for certain resolutions), for a maximum period of 10 years.

Committees' specificities

- Board committees are not compulsory by law, except audit committees for listed companies, banks and insurance companies.
- Corporate governance codes (Afep-Medef and Middlenext) recommend an audit committee, a nomination committee and a compensation committee.

- Some companies also have strategy, CSR (a growing trend), or subject-specific committees (technology, safety, etc.).
- In all cases, committees have no decision-making power and are purely consultative.

Directors' duties specificities

- Key concept: the mandat social - directors (executive or non-executive) act as agents of the company; a mandat social is distinct from an employment contract.
- Directors must act in the interest of the company (not only shareholders), with due regard for social and environmental considerations.
- Civil liability arises mainly from faute de gestion, a broad concept covering acts against the corporate interest.
- The main criminal liability count is abus de biens sociaux (misappropriation of corporate assets).



Germany

A mandatory two-tier, co-determined system rooted in the "Mittelstand" economy

Share ownership structure

- The "Mittelstand": 99% of German companies are SMEs (EU definition), employing 219 million people (54% of the dependent workforce).
- 90% of German companies are family-controlled, including more than 100 listed companies such as BMW, Merck and VW.
- The "Family-DAX" comprises 30 companies run, controlled or significantly owned by families.
- Several German family firms rank among the largest family-owned companies globally.

Board structure

- A Supervisory Board is mandatory for Joint Stock Corporations (AG) and any companies falling under co-determination laws.
- Two-tier structure: Supervisory Board (Aufsichtsrat/Beirat) - non-executive directors - oversees the Management Board (Vorstand) - executive directors (CEO, CFO, CTO, etc.).
- European Corporates (SE) can choose their board structure (two-tier or unitary).

Chain of command

- Shareholders elect the capital-side members of the Supervisory Board but are not entitled to direct the company.
- Employees elect representatives to works councils and to the Supervisory Board.
- By law, the Management Board has direct responsibility for managing the company; the Supervisory Board appoints and supervises management. "Reserved matters" define transactions requiring Supervisory Board consent.
- Per the DCGK: the Management Board manages in the enterprise's best interests and is jointly accountable; it develops strategy, coordinates it with the Supervisory Board, and ensures implementation.
- The two boards collaborate: the Management Board keeps the Supervisory Board regularly, promptly and comprehensively informed on strategy, planning, business development, risk and compliance (DCGK Principle 16); strategy is initiated by the Management Board and approved by the Supervisory Board.

Employee representation

- Co-determination (Mitbestimmung) embeds social consensus ("CSR") and aims to preserve alignment of interests at company level ("Betriebsfrieden"); pay/hours/leave disputes are handled through collective bargaining ("Tarifautonomie").
- Board composition depends on company size: Capital side ("Anteilseignerseite") elects 2/3 or 1/2 of seats (threshold >500 or >2,000 employees); the Supervisory Board chair, elected from this side, holds a casting vote when the Supervisory Board consists of an even number of members.
- Staff side ("Arbeitnehmerseite") elects 1/3 or 1/2, with employees, trade unions and "Leitende Angestellte" (directing staff) voting separately; this side elects the vice-chairperson.

Voting system

- All Supervisory Board directors have the same duties and voting rights, regardless of whether elected by capital or staff.
- Restrictions: no Management Board members may sit on the Supervisory Board; no more than two former Management Board members; "overboarding" cap of 10 board seats (5 for financial institutions).
- No general legal qualification requirement for Supervisory Board members, except "fit and proper" rules for financial institutions.
- Dismissal of Supervisory Board members requires a 75% majority.

Committees' specificities

- The Supervisory Board may form committees to organise its work more effectively; Terms of Reference/committee charters define scope and deliverables.
- Mandatory: Audit Committee ("Prüfungsausschuss", Joint Stock Corporation Law). Recommended: Nomination Committee (DCGK).

Directors' duties specificities

- The Supervisory Board supervises management; management responsibilities may not be conferred on it, but the articles or the board may require its consent for specific transactions; members may not delegate their responsibilities to others.
- DCGK: the Supervisory Board appoints and discharges Management Board members, supervises and advises on management (including sustainability issues), and must be involved in decisions of fundamental importance.



Greece

A one-tier, family-influenced model reshaped by recent governance reform and, most recently, Euronext's acquisition of the Athens Exchange

Share ownership structure

- Share ownership in the Greek listed market is generally concentrated, with a significant presence of controlling or reference shareholders, including family and founder-controlled groups.
- The 2024 amendment to the ATHEX regulations introduced ongoing minimum free-float requirements, generally set at 25% or 15% depending on market capitalisation, with periodic compliance reviews.

Board structure

- Greek law provides for a single, one-tier board structure. In listed companies, the board comprises executive, non-executive and independent non-executive directors, supported by mandatory board and audit committees
- Small non-listed companies may use a sole director; this option is unavailable to listed or larger companies.
- Listed companies must have independent non-executive directors representing at least one-third of the total board membership and, in any event, no fewer than two. Listed companies are also subject to statutory gender-balance requirements. The underrepresented gender must generally account for at least 25% of board membership, rising to 33% for larger listed companies meeting the applicable employee and financial thresholds.

Chain of command

- The general meeting decides on matters reserved to it by law or the articles of association, including the election and removal of directors. The board has general responsibility for the management, strategy and representation of the company. Certain material disposals by listed companies require shareholder approval under the specific statutory thresholds.
- The board bears primary responsibility for management and strategy; shareholders act only indirectly, through elections or resolutions.

Voting system

- One-share-one-vote is standard; no dual-class or loyalty-share mechanism is in use. However, Greek law allows preference shares without voting rights or with voting rights limited to specified matters.
- Shareholder rights (e.g. to add agenda items) scale with shareholding size.

Committees' specificities

- Listed companies must have remuneration and nomination committees under Law 4706/2020; these functions may be combined subject to statutory requirements. Public-interest entities must also maintain an audit committee under Article 44 of Law 4449/2017, which may be a board committee or a separate independent committee (with members not being part of the BoD).
- The Head of Internal Audit is appointed by the board following a proposal from the audit committee. The Head reports functionally to the audit committee and administratively to the Chief Executive Officer, while remaining personally and functionally independent and objective.

Directors' duties specificities

- Directors owe statutory duties of care and loyalty, must act in the company's interest, maintain confidentiality and disclose conflicts of interest. Related-party transactions are subject to specific approval, disclosure and fairness safeguards.
- Greek law does not impose a general statutory cap on directors' remuneration. Listed companies must adopt a shareholder-approved remuneration policy and submit an annual remuneration report to an advisory shareholder vote, together with the required disclosures.

Ireland

The Republic of Ireland is a predominantly one-tier board model, underpinned by the Companies Act 2014 and, for Irish companies with a primary equity listing on Euronext Dublin, the principles-based Irish Corporate Governance Code.

Corporate Governance Frameworks in Ireland

There is no single corporate governance code covering every Irish organisation:

- Irish companies generally operate under the Companies Act 2014.
- Euronext Dublin-listed companies follow the Irish Corporate Governance Code.
- Regulated financial services firms have additional Central Bank governance requirements.
- State bodies follow the Code of Practice for the Governance of State Bodies.
- Charities and other sectors have their own governance frameworks.

Share ownership structure

- Ireland's listed-company sector has a comparatively dispersed ownership structure. At the end of 2024, only 11% of Irish-listed companies had three shareholders collectively holding more than 50% of their equity.
- Institutional investors are the largest investor category, accounting for approximately 59% of Irish-listed equity. International institutional investors also have a significant presence in the market.
- Family ownership is prominent within the domestic private-company sector. DCU research in 2020, based on CSO data, estimates that family businesses account for approximately 64% of Irish businesses and employ almost 940,000 people.
- Ireland has an active private-equity and venture-capital market, particularly in the technology and life-sciences sectors. Irish technology SMEs raised approximately €1.1 billion in venture-capital funding in 2025.

Board structure

- Irish listed companies generally operate a one-tier or unitary board structure. The OECD classifies Ireland as a one-tier jurisdiction.
- The Irish Corporate Governance Code states that the roles of Chair and CEO should not be held by the same individual. The Irish Code recommends that at least half of the board, excluding the Chair, should comprise independent non-executive directors
- Ireland now has a statutory gender-balance regime for certain large Irish-listed companies. In-scope companies were required to aim for at least 40% representation of the underrepresented sex among non-executive directors by 30 June 2026 and to establish objectives for executive-director representation.

Chain of command

- For Irish companies, the Companies Act 2014 provides the statutory framework. It says that a company's business is managed by its directors, subject to the Act and the company's constitution. The constitution can set out how authority is allocated and delegated.
- Ireland generally uses a one-tier board structure, bringing executive and non-executive directors together on one board. For companies covered by the Irish Corporate Governance Code, there should be a clear division between leadership of the board and executive leadership of the business.
- The Irish Corporate Governance Code 2024 applies to companies with a primary equity listing on Euronext Dublin, on a "comply or explain" basis. A company dual-listed in Ireland and the UK may follow either the Irish Code or the UK Code.
- The Code recommends regular engagement between the Chair and major shareholders. It also says the board should understand the views of other stakeholders, including employees, and explain how those views have been considered in board discussions and decisions.

Employee representation

- Ireland has no general requirement for employee representation on the boards of private companies. There is, however, a specific statutory framework for elected worker directors in certain designated State enterprises under the Worker Participation (State Enterprises) Acts 1977 and 1988.
- The Irish Corporate Governance Code does not prescribe the UK Code's three workforce-engagement options. Instead, it expects covered companies to have effective stakeholder engagement, including with employees; to keep engagement arrangements under review; and to provide a confidential route for workforce concerns.

Voting system

- The Irish Corporate Governance Code 2024 says all directors should be subject to annual re-election. This is a Code provision for companies within its scope, rather than a general statutory rule for every Irish company.
- The Irish Code sets a 25% threshold: where at least 25% of votes are cast against a board-recommended resolution, the company should explain how it will consult shareholders and later report on the feedback and its effect
- Irish law, implementing the EU Shareholder Rights framework, requires transparency from institutional investors and proxy advisers on engagement and voting policies. Their policies can influence voting outcomes, but practices such as "over-boarding" are generally a matter of investor or proxy-adviser policy rather than a single Irish statutory limit.

- There is no general rule requiring every director of every unlisted company to stand for election annually. The Act provides for election or re-election at an AGM where the constitution provides for it. The constitution may set out appointment, rotation and removal arrangements.
  - Irish companies can have different classes of shares with different voting rights, subject to the Companies Act, the constitution and any applicable regulatory or contractual restrictions.

Committees' specificities

- The Irish Corporate Governance Code recommends an audit committee with a majority of independent non-executive directors, at least three members, an independent chair, and at least one member with accounting or auditing competence. Separately, Irish law requires public-interest entities to establish an audit committee, subject to specified exemptions.
- The remuneration committee should comprise independent non-executive directors; a majority of nomination committee members should be independent non-executive directors.

Directors' duties specificities

- Directors must act in good faith in what they consider to be the company's interests; act honestly and responsibly; comply with the constitution and use their powers for proper purposes; avoid unauthorised conflicts and misuse of company property, information or opportunities; exercise independent judgement; and meet the applicable standard of care, skill and diligence.
- Directors must have regard to the interests of the company's employees as well as its members. That duty is also owed to the company.
- Where a company is insolvent, or likely to be unable to pay its debts, additional duties to have regard to creditors' interests apply.
- Companies with a primary equity listing on Euronext Dublin are covered by the Irish Corporate Governance Code, which adds governance and reporting expectations.



Italy

From concentrated, family-led ownership toward greater board independence and minority protection

Share ownership structure

- Concentrated ownership: the largest shareholder (or a coalition) owns on average 49.1% of equity.
- Families remain the main shareholders in 62% of companies.
- The market itself remains relatively small: 419 listed companies (€840bn market cap in 2024, 38% of GDP); SMEs (market cap <€1bn) represent over 80% of listed companies.

Board structure

- Since the 2003 reform, companies may choose between three systems:
- Two-tier system: AGM appoints a supervisory board, which in turn appoints a management board (used historically by a few large banks).
- One-tier system: AGM appoints a board of directors incorporating a Management Control Committee composed solely of independent directors - used by only 12 companies today, including the two largest banks, Unicredit and Intesa Sanpaolo.

Chain of command

- Per the Civil Code, management is the exclusive responsibility of the directors, who carry out operations for the corporate purpose.
- Shareholders appoint (and can revoke) directors, intervening only “indirectly” in company operations.

Voting system

- Slate voting, mandatory since 2005 for listed companies to protect minority rights: shareholders vote on slates and on individual candidates ; if more than one slate is submitted, at least one board seat goes to the minority slate.
- Minimum shareholding to submit a slate ranges from 0.5% to 1.5% of capital, set by Consob depending on market cap.
- 67% of companies have minority directors; 68% have minority statutory auditors.
- Loyalty shares: up to 2 votes/share after 24 months of continuous holding, rising to a maximum of 10 votes/share; used by 72 companies (most capped at 2 votes).
- Multiple voting rights (up to 10 votes/share, unconditional): only for unlisted companies or pre-existing arrangements carried into a listing; used by 6 companies (at 3 votes/share).

Committees' specificities

- The Corporate Governance Code recommends three non-executive, advisory board committees: Control and Risk (CRC), Remuneration (RC), Nomination (NC) and Related Party Transactions (RPT).
- Adoption: 97% CRC, 95%.
- Among committee members: 87% independent directors, 60% female directors.

Directors' duties specificities

- The Corporate Governance Code states that the board leads the company pursuing its sustainable success, reviews the business plan for long-term value generation, defines risk appetite including elements relevant to sustainable success, and promotes dialogue with shareholders and stakeholders.
- Directors must act in an informed manner; any director may request information from delegated bodies on the company's management.

Luxembourg

A one-tier board is the statutory default for the public limited company (SA), with a two-tier structure available by choice. The jurisdiction combines a small domestic equity market with a listing venue dominated by debt, and a corporate population shaped by holding, financing and investment fund structures.

Share ownership structure

- Small domestic public-equity market. The Luxembourg Stock Exchange (LuxSE) is a major international listing venue, overwhelmingly for debt securities: close to 50,000 securities were listed at end-2025, the large majority of them debt instruments.
- Luxembourg is extensively used for holding, financing, private equity and investment fund structures. Ownership of Luxembourg-incorporated listed groups is frequently concentrated, including through family or founder holding vehicles.
- The SOPARFI is a widely used holding and financing vehicle but is not a separate legal form: it is an ordinary SA or S.à r.l. benefiting from the participation exemption regime.
- The great majority of Luxembourg companies are S.à r.l. managed by one or more gérants, with no board requirement. The points below concern the SA.

Board structure

- One-tier board of directors is the statutory default for the SA. Minimum three directors, reducible to one where the company has a sole shareholder.
- The articles may instead provide for a two-tier structure comprising a management board (directoire) and a supervisory board (conseil de surveillance). The number of members of the management board is determined by the articles or, failing that, by the supervisory board. A single-member management board is permitted where the company has a sole shareholder or share capital below EUR 500,000.
- A legal person may serve as a director, provided a natural person is designated as its permanent representative.
- Mandates may not exceed six years and are renewable. Directors are in principle revocable at any time by the general meeting.
- For companies within the scope of the LuxSE X Principles, the code recommends a maximum of 16 board members and no fewer than two independent directors.

Chain of command

- One-tier: the general meeting appoints and may remove the directors. The board holds the widest powers to manage the company and pursue its corporate object, save for powers reserved by law or the articles to the general meeting.
- The board may delegate day-to-day management, and the representation that goes with it, to one or more directors, officers or agents, without divesting itself of its ultimate responsibility.
- Two-tier: the general meeting appoints the supervisory board. The management board manages the company; the supervisory board exercises permanent supervision and does not manage. Members of the management board are appointed by the supervisory board unless the articles reserve that power to the general meeting.

Employee board representation

- A staff delegation is mandatory in undertakings employing at least 15 employees.
- SAs with their seat in Luxembourg habitually employing at least 1,000 employees over the preceding three years must provide for employee representation on the board of directors or, in a two-tier structure, the supervisory board. One third of its members must represent employees. This is not limited to listed companies.
- Employee representatives are elected by the staff delegation from among the employees and have the same rights, duties and term of office as the other members.
- A separate regime applies to SAs with at least 25% State participation or holding a State concession for their main activity: one employee representative per 100 employees, with a minimum of three and a cap of one third of the board.
- Specific rules apply to the European Company (SE) and to companies resulting from cross-border mergers, conversions and divisions.

Voting system

- One share, one vote is the statutory starting point, and weighted voting rights within the same class of shares are generally not permitted. Luxembourg has no loyalty or double-voting mechanism of the French or Italian type.
- The law is nonetheless flexible on capital structure: separate classes of shares carrying different rights, non-voting shares, and beneficiary units (parts bénéficiaires) whose rights are determined by the articles and which may carry voting rights.
- Listed companies: shareholders holding together at least 5% of the share capital may add items to the agenda of a general meeting and table draft resolutions.
- General SA regime: shareholders representing at least 10% of the subscribed capital may request that additional items be placed on the agenda and may require a meeting to be convened.

Committees' specificities

- Public-interest entities are generally required to establish an audit committee, subject to statutory exemptions and alternative arrangements. Exemptions include certain qualifying subsidiaries where the relevant requirements are satisfied at group level, Luxembourg UCIs and AIFs, certain asset-backed securities issuers and certain debt-only credit institutions. PIEs include entities whose securities are admitted to an EU regulated market, credit institutions and certain insurance and reinsurance undertakings.
- The X Principles of Corporate Governance of the Luxembourg Stock Exchange, fifth version published in January 2024, apply to Luxembourg companies whose shares are admitted to the LuxSE regulated market. They combine mandatory principles with comply-or-explain recommendations and guidelines. They do not apply to SICAVs and funds, and issuers on the Euro MTF are not subject to them.
- Under the X Principles the board establishes the committees necessary for the proper execution of its remit, with audit, nomination, remuneration and sustainability arrangements contemplated and the involvement of non-executive and independent directors.
- Financial-sector entities are subject to additional sector-specific governance, risk management, internal controls and fit-and-proper requirements, depending on entity type and proportionality.

Directors' duties specificities

- Directors are expected to manage the company carefully, diligently and prudently, to act in good faith and in the corporate interest, and to avoid conflicts between their personal interests and those of the company. These duties rest on the Companies Law and case law rather than on a codified statement of duties.
- A director having an interest opposed to that of the company in a transaction must declare it, abstain from the deliberation and the vote, and the matter must be reported to the next general meeting.
- To the company for management fault under the mandate, and joint and several liability towards the company and third parties for breaches of the Companies Law or the articles. A minority action may be brought for the account of the company by one or more shareholders or holders of beneficiary units who, at the general meeting that voted on discharge, held voting securities representing at least 10% of the votes attached to all securities entitled to vote at that meeting. In insolvency, directors may face an action for contribution to the liabilities of the company.



Malta

A one-tier board model shaped by the Companies Act, the MFSA's comply-or-explain Code of Principles of Good Corporate Governance for listed companies and the MFSA Corporate Governance Code for entities subject to MFSA licensing and authorisation

Share ownership structure

- Most Malta Stock Exchange (MSE)-listed companies remain closely held; the majority retain a controlling family or founder shareholder even after listing, and Maltese companies more broadly are predominantly family-owned.
- The MSE itself is wholly government-owned (through MSE Holdings Ltd), but its Regulated Main Market lists around 30-35 equity issuers with a combined market capitalisation of roughly €18.6 billion (end-2025).
- The domestic retail investor base is broad relative to the size of the country (over 75,000 individual investors), but free floats are generally modest and institutional/international shareholding is far less prevalent than in larger EU or UK markets.
- Private limited companies dominate the wider economy; under the Companies Act, a private company may have up to 50 shareholders, and small, family-run structures are the norm outside the listed sector.
- Holding-trading two-tier corporate structures owned by non-resident shareholders benefiting from
- statutory tax provisions.

Board structure

- The Companies Act default is a one-tier board; all MSE-listed companies operate this structure.
- No statutory minimum or maximum board size; the Code of Principles of Good Corporate Governance for listed entities recommends the board be 'of sufficient size' without being unwieldy.
- The Code envisages a mix of executive, non-executive and independent non-executive directors, but this is guidance rather than hard law; a 2026 industry survey found only around 31% of listed companies had independent non-executive directors in practice.
- No strict requirement to separate the Chair and CEO roles, even though the practice of having one person occupying both roles is discouraged; combining them is permitted under a comply-or-explain disclosure.
- A binding gender-balance rule (transposing EU Directive 2022/2381) applies from 30 June 2026: the under-represented sex must hold at least 40% of non-executive director positions, or 33% of all director positions - the only hard board-composition quota in Maltese law.
- Annual re-election of all directors is not standard practice, unlike the UK Code norm.

Chain of command

- Article 137 of the Companies Act vests in the board all powers not reserved to shareholders in general meeting or under the memorandum/articles - a residual-powers model, set out in statute rather than a code.
- Because most companies are closely held, ownership and management overlap far more than in the UK's dispersed-ownership listed sector; controlling shareholders frequently sit on, or effectively direct, the board.
- There is no statutory requirement for the board to engage with shareholders or stakeholders beyond ordinary company-law disclosure; the Code encourages, but does not mandate, regular dialogue with shareholders and the market.

Employee representation

- No general legal right to board-level employee representation; under Maltese law such representation exists only at the employer's discretion.
- In practice, worker-directors are confined to a small number of state-owned or trade-union-owned enterprises; there is no tradition of statutory works councils, and works councils (where they exist) carry no co-determination rights.
- Industrial relations follow the 'shop steward' model of workplace trade-union representation rather than continental-style co-determination; collective consultation at national level takes place through the tripartite Employment Relations Board, not at enterprise-board level.

Voting system

- As an EU member state, shareholder rights largely track EU minimum standards (e.g. the Shareholder Rights Directive), implemented through the Companies Act rather than a code.
- General meeting business is either 'ordinary' (e.g. accounts, dividends, auditor appointment) or, by default, 'special', requiring an extraordinary resolution passed by a qualified majority - a higher default approval threshold for many matters than under UK practice.
- Related party transactions above materiality thresholds require Audit Committee review, and in some cases board or shareholder approval, under the Capital Markets Rules, with connected transactions in the same financial year aggregated.
- The influence of proxy-voting agencies and institutional investors is limited, reflecting the small, closely-held domestic investor base.

Committees' specificities

- Audit committees are mandatory for listed and public-interest companies under the Capital Markets Rules.
- Remuneration and nomination committees are recommended, but not mandatory, under the Code of Principles of Good Corporate Governance, and are less embedded in practice than in the UK given the prevalence of controlling shareholders.
- The Code recommends predominantly independent/non-executive membership for the audit committee (chaired by a non-executive) and non-executive involvement in remuneration and nomination committees, but is less prescriptive on independence thresholds than the UK Code.
- No comparable market-wide data exists on ESG/sustainability or standalone risk committees; these remain the exception outside regulated financial-services entities, which are subject to separate MFSA governance requirements.

Directors' duties specificities

- Codified in Article 136A of the Companies Act (Cap. 386): directors must act honestly and in good faith in the best interests of the company, and must exercise the degree of care, diligence and skill of a reasonably diligent person, judged by both an objective test (what is expected of someone in that role) and a subjective test (the director's own actual knowledge, skill and experience).
- Directors are additionally treated as fiduciaries under Article 1124A of the Civil Code, owing duties of good faith and the diligence of a 'bonus paterfamilias', plus a general duty not to profit from their position or face a conflict of interest.
- There is no single integrated 'success of the company' duty comparable to Section 172 of the UK Companies Act 2006 listing employees, suppliers, community, environment and reputation; Maltese duties remain framed more traditionally around the company's own interests.
- Article 143 restricts a director from competing with the company without shareholder approval; conflicts of interest are separately regulated.
- Breach of duty can expose directors to personal liability for fraudulent or wrongful trading (Article 315); Malta has no standalone 'failure to prevent' offence or EU CS3D-equivalent board-level supply-chain due-diligence duty.



The Netherlands

A predominantly two-tier civil-law model, distinguished by works-council board-nomination rights and widespread anti-takeover foundation structures

Share ownership structure

- Ownership is comparatively dispersed: only 30% of Dutch listed companies have a shareholder owning more than half the shares, versus a 32% European median.
- Nearly 60% of AEX/AMX companies use a foundation (stichting) structure as an anti-takeover device.
- AGM engagement remains strong.

Board structure

- Dutch law is historically based on a two-tier system: a supervisory board alongside a management board.
- A one-tier system (executive and non-executive directors on a single board) is also available.
- The "structuurregime" makes a supervisory board mandatory once a company passes certain size thresholds *(triple cumulative threshold of capital EUR16M or more + Workers Council + 100 employees or more for consecutive 3 years)*

Chain of command

- Two-tier: the supervisory board supervises the management board and, under the full regime, appoints managing directors.
- One-tier: non-executive directors appoint executive directors under the full regime.
- The general meeting can appoint/approves appointment of NEDs on them being nominated by the SB and can only reject that nomination by an absolute majority representing at least one-third of the company's capital

Employee board representation

- Companies with 50 or more employees must have a works council.
- Under the full structuurregime, the works council can recommend one-third of supervisory board members.

Voting system

- One-share-one-vote is the default, but priority and preference shares are commonly used to shift the balance of control.
- STAK depositary-receipt holders retain economic rights but not voting rights.

Committees' specificities

- Audit committees are mandatory for listed companies; boards with more than four members must also have separate remuneration and nomination committees.
- The audit and remuneration committees may not be chaired by the supervisory board chair or a former managing director.

Directors' duties specificities

- Management board members are collectively responsible for policy and day-to-day management; the supervisory board oversees them.
- Directors must disclose conflicts of interest and step back from related decisions.
- The Dutch Code frames director responsibility as a duty of process, not of guaranteed outcome.

Nordic Countries

Denmark, Finland, Norway, Sweden : a distinct, hierarchical, owner-oriented model with strong minority protection

Share ownership structure

- Presence of significant shareholders (>20% of votes) among the ·20 largest listed companies: Denmark 74%, Sweden 65%, Norway 75%, Finland 60% - significantly higher than in the UK and US and notably higher than most other major European markets.

Board structure

- The "Nordic Model" is distinct from both the classic two-tier and one-tier structures: the General Meeting appoints a single non-executive Board (with a Chair), which then apoints a CEO who then in her/his own turn may appoint an Executive Management team - combining a unitary board with a strict, near-universal separation between the Chair and CEO roles.

Chain of command

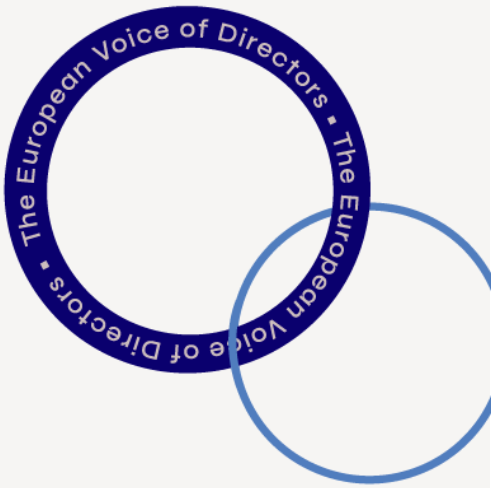
- A strictly hierarchical governance structure: a direct "chain-of-command" from General Meeting → Board → CEO, with strong accountability to the next higher level.
- Boards are mostly entirely non-executive (the CEO is present for board meetings and then adjourned).
- 100% separation of the Chair and CEO positions in listed companies, required by law or code.
- A strict division of duties and responsibilities between the owners, the Board and the CEO, the latter to be defined and annually reviewed in writing.

Voting system

- The maximum voting-rights difference between share classes is 1:10, except for Finland where there is no maximum voting-rights difference.
- Usage varies widely: 50% of listed companies in Sweden, 20–25% in Denmark, seldom used in Finland and Norway.

Shareholder rights and protections

- Far-reaching General Meeting powers; major owners are typically engaged directly in the governance process.
- Statutory auditors are appointed by, and accountable strictly to, the General Meeting.
- A strictly upheld general clause in the Companies Act and far-reaching individual shareholder rights.
- High quorum requirements (2/3 up to 9/10) for certain General Meeting decisions, which could potentially be detrimental to minority shareholder interests.
- Conversely, minorities of just 5–10% have the right to force certain General Meeting decisions.



Poland

A two-tier, statute-driven system (KSH) shaped by post-1989 transition and a fast-growing private sector

Share ownership structure

- sp. z o.o. (LLC): dominant corporate form; usually 1–5 shareholders, often family- or founder-controlled, with limited institutional participation.
- S.A. non-listed (joint-stock): less numerous; often controlled by founders, strategic investors or corporate groups.
- S.A. listed: around 400 companies on the Warsaw Stock Exchange; ownership is often concentrated, with strategic/controlling shareholders, institutional investors, foreign investors and free float.
- P.S.A. (simple joint-stock company, since 2021): flexible form typically used by startup founders, VC funds and angel investors.
- State-owned/controlled companies: 500+ entities, including around 20 listed; particularly important in energy, oil & gas, banking, transport and infrastructure.
- Private sector: dominant by number and employment; governance is generally market-driven and shareholder-oriented.
- Family-owned companies: around 40% of WSE Main Market companies are family-controlled and 60–70% of Polish companies have a family character; first-generation succession is becoming a key governance issue.

Board structure

- The two-tier system is dominant: General Meeting → Supervisory Board → Management Board.
- A Supervisory Board is mandatory for joint-stock companies and, subject to statutory thresholds, for LLCs.
- Simple joint-stock companies (P.S.A.) may choose either a one-tier or two-tier structure.
- Poland therefore predominantly separates oversight from executive management, while retaining some flexibility for P.S.A.s.

Chain of command

- General Meeting: approves financial statements and the annual report; decides on profit distribution/loss coverage; grants discharge; appoints and dismisses Supervisory Board members; amends the articles; decides on major capital and structural changes.
- Supervisory Board: exercises permanent supervision, reviews management reporting and financial statements, appoints and dismisses the Management Board, and reports annually to the General Meeting. It does not issue binding instructions to management.
- Management Board: conducts the company's affairs and represents it externally; consists of one or more members and is generally appointed by the Supervisory Board for terms of up to five years.
- The 2022 KSH reform strengthened Supervisory Board information rights and introduced the Business Judgment Rule for properly informed, loyal decisions within justified business risk.

Committees' specificities

- Audit Committee: mandatory for Public Interest Entities, subject to statutory exemptions; focuses on financial integrity, auditor oversight and internal controls.
- Risk and Remuneration Committees: mandatory for significant banks, covering risk management and executive remuneration.
- Nomination Committee: recommended for listed companies under WSE Best Practices, with a focus on board composition, independence and succession.
- Strategy Committee: recommended for state-owned and state-controlled companies, particularly for long-term planning and major investments.
- KNF principles: promote effective and independent Supervisory Board oversight in financial institutions.
- WSE Best Practices: encourage board diversity and at least two independent Supervisory Board members for listed companies.
- State ownership governance: the Ministry of State Assets' Code of Good Practices recommends Audit and Strategy Committees for state-owned and state-controlled companies.

Romania

A one-tier, rules-based model anchored by Legea nr. 31/1990 and, for listed companies, the BVB Corporate Governance Code

Share ownership structure

- Ownership is highly concentrated compared to Western European markets. The majority of listed and non-listed joint-stock companies (SA) are controlled by a single dominant shareholder, such as the Romanian State, a founding family, or a foreign strategic investor – with free float often limited.
- The Bucharest Stock Exchange (BVB) lists approximately 80 companies; a number of the largest are state-controlled enterprises (e.g. Hidroelectrica, OMV Petrom, Romgaz, Transgaz), where the Romanian state remains the controlling shareholder directly or through intermediary vehicles.
- Family-controlled companies are prevalent across the private sector, with concentrated ownership frequently combined with management control by the founding family.
- Foreign strategic investors hold significant stakes in several large listed companies, while purely institutional or dispersed retail ownership remains limited by EU comparison.
- Private equity penetration is growing but remains modest relative to GDP compared to Western European markets.
- State-owned enterprises (SOEs) are subject to a distinct governance framework under OUG no. 109/2011 on corporate governance of public enterprises (as amended by Law 158/2025 and Law 172/2026). AMEPIP has a central role in overseeing the application of this framework.

Board structure

- For a joint stock companies, both a one-tier board system (*In Romanian: consiliul de administrație*) and a two-tier system (*In Romanian: directorat + consiliu de supraveghere*). In practice, the one-tier system is the most commonly used governance structure among listed companies in Romania.
- In the one-tier system, the board may delegate day-to-day management to executive directors (directori). Where such delegation occurs, the majority of board members must be non executive.
- Board size depends on the type of company and applicable statutory requirements. A joint-stock company may have one or more directors, but companies whose annual financial statements are subject to a statutory audit must have at least three directors. Additional requirements apply to SOEs ; Specific requirements for SOEs (3 members in the one-tier system and 3 to 5 members in the two-tier system, selected through a professional, competition-based procedure with a mandatory nomination committee).
- The BVB Corporate Governance Code (comply-or-explain) recommends separation of the Chair and CEO roles and a meaningful presence of independent directors.
- Romania recognises independence as a qualification/status, but does not yet fully develop independence as a distinct governance function requiring specific safeguards for independent judgement..
- No legal gender diversity quotas exist for private-sector boards ; Women are estimated to hold approximately 15–20% of board seats on BVB-listed companies; exact figures should be verified against the most recent BVB or ASF annual governance report.

Chain of command

- Where management is delegated to executive directors, the board retains strategic oversight and the non-executive majority exercises supervision.
- The General Meeting of Shareholders holds sovereign authority on matters reserved by law or the articles of association: capital operations, appointment, removal and remuneration of board members, statutory auditor appointment, and annual accounts.
- Shareholder engagement is primarily managed through the formal GM mechanism; direct board–investor dialogue outside the GM is not culturally embedded in Romanian market practice to the same degree as in Western European markets.
- For SOEs, the state shareholder exercises its rights through the responsible line ministry or through AMEPIP has statutory monitoring, evaluation and selection-related roles subject to procedural requirements.

Voting system

- Ordinary GM resolutions require a simple majority of votes cast (with a quorum of shareholders holding the majority of share capital for first convening, lower for second convening). Extraordinary resolutions require a qualified majority and higher quorum.
- One share, one vote is the default principle; dual-class share structures are not prohibited but are not commonly used on BVB.
- SRD II transposition introduced: a binding vote on the remuneration policy (at least every four years or upon material change); an advisory vote on the annual remuneration report; a related-party transaction disclosure and approval mechanism (material RPTs exceeding 5% of total assets require board approval and public disclosure); and enhanced proxy voting facilitation obligations.
- Pre-emption rights on new share issues are protected ; Minority shareholders holding at least 5% of share capital may request convening of a GM or add items to the agenda.
- The institutional investor and proxy advisory ecosystem is significantly less developed than in the UK; proxy advisors (ISS, Glass Lewis) operate but their influence is limited by the concentrated ownership structure. No "20% dissent engagement" expectation equivalent to the UK Code exists in Romanian governance standards.

Committees' specificities

- Audit committees are mandatory for listed companies and public-interest entities (PIEs) under EU Audit Regulation requirements as transposed into Romanian law.
- Remuneration and nomination committees are not legally mandatory for private-sector companies but are recommended by the BVB Corporate Governance Code for listed companies on a comply-or-explain basis.
- For SOEs, three board committees are required: a Nomination and Remuneration Committee, a Risk Management Committee and an Audit Committee. The legislation expressly assigns the Risk Management Committee responsibilities for risk identification, assessment, monitoring and reporting, as well as for assessing the undertaking's solvency. .Independence requirements for audit committee members in PIEs follow EU Audit Regulation standards.
- ESG/sustainability committees on BVB-listed boards remain an emerging area; no consolidated prevalence data is available.

Directors' duties specificities

- Directors are required to act in the interest of the company and to avoid conflicts of interest.
- For listed companies, related party transaction duties are reinforced by Legea 24/2017 and ASF implementing regulations.
- For SOEs, additional governance and performance obligations on board members, including mandatory performance management plans, semi-annual and annual reporting, and accountability to AMEPIP.
- Directors may be removed at any time by the General Meeting of Shareholders.



Slovenia

A two-tier, German-inspired model with statutory employee co-determination, concentrated ownership and a strong state shareholder

Share ownership structure

- Small, concentrated market: 17 companies listed on the Ljubljana Stock Exchange (8 Prime, 9 Standard); market capitalisation €17.6 bn (end-2025, ·22% of GDP).
- The state is the dominant owner: Slovenian Sovereign Holding (SSH) manages stakes in 50+ companies worth €14.0 bn (2025), including most Prime Market blue chips. Municipalities own many utility companies.
- International investors hold large stakes in the biggest companies (NLB, Krka) and generate over half of Prime Market turnover; retail shareholders remain numerous, a legacy of 1990s voucher privatisation.
- Non-listed sector dominated by family-owned SMEs, mostly limited liability companies (d.o.o.).

Board structure

- The Companies Act (ZGD-1) allows a two-tier or one-tier model; almost all listed and state-owned companies are two-tier, so Chair and CEO roles are normally separate. In one-tier boards the chair may never be an executive director.
- Supervisory boards: minimum 3 members (typically 6–9 in listed companies, incl. employee representatives); usual lengths of terms are 4 years, renewable. By law, no one may hold more than three supervisory/board seats.
- The Corporate Governance Code for Listed Companies (Ljubljana Stock Exchange and the Slovenian Directors' Association – ZNS, 2024; comply or explain) recommends that all supervisory board members be independent, including employee representatives, with a limit of three terms or 12 years; annual self-evaluation and external evaluation every three years.
- Gender quotas (ZGD-1M, EU Directive): 40% of the under-represented sex on supervisory boards or 33% across all boards by 30 June 2026. At end-2025, women held 31.6% of supervisory and 24.2% of management board seats in the 48 companies tracked by Slovenian Directors' Association/Deloitte; 22 met both targets.

Chain of command

- General meeting elects the supervisory board → supervisory board appoints, oversees and dismisses the management board → management board runs the company independently.
- The supervisory board cannot manage, but may require its consent for certain transactions. Early dismissal of management requires cause (serious breach, incapacity, no-confidence vote at GM) or other economic/business reasons.
- Management reports at least quarterly; the Code asks the supervisory board chair to keep regular contact with management between meetings. In state-owned companies SDH exercises shareholder rights under its own code and nomination procedure.

Employee representation

- Mandatory co-determination (ZSDU; smaller companies exempt from most obligations): employees hold one third to one half of supervisory board seats; in one-tier boards at least one per three members. Employee representatives cannot chair the board.
- Companies with 500+ employees must have a "workers' director" on the management board (or an executive director from among employee representatives), nominated by the works council who among general duties represents employees' interestsin HR and social matters.
- Companies' works councils elect and recall employee representatives in supervisory boards and have information, consultation and co-decision rights.

Voting system

- Usually there is one share, one vote rule; non-voting preference shares allowed (up to 50 % of capital); multiple-voting shares are possible since 2026, with 1 share having maximum of 10 votes. Three-quarters

majority for changes to the articles of incorporations, multiple voting rights shares changes, capital changes, mergers and early dismissal of supervisory board members.

- Minority rights: 5 % to call a meeting or add agenda items; 10 % to have their board candidates voted on first; squeeze-out at 90 %; mandatory bid at one third of voting rights if ZPre-1 applies.
- Advisory say-on-pay (policy and report). Related-party transactions above 2.5 % of assets need prior supervisory board consent, on an audit committee proposal, and public disclosure.
- SDH and other blockholders usually decide votes; proxy advisors matter mainly via foreign investors in the largest companies.

Committees' specificities

- Audit committee mandatory for public-interest entities; it must include an independent accounting/auditing expert – typically an external, non-board member – and otherwise only independent supervisory board members.
- Specificity: committees may include external experts who do not sit on the board, bound by the same independence and confidentiality rules.
- The Code recommends a remuneration committee (often combined with nomination); banks must also have risk and nomination committees. Committee chairs should be shareholder representatives, not the board chair.

Directors' duties specificities

- Duty of care of "a conscientious and honest businessman" applies to members of management and supervisory boards; joint and several liability with reversed burden of proof if the damages were caused by breach of their duties; no codified business judgment rule.
- Claims time-barred after 5 years (10 years in state/municipally controlled companies); mandatory D&O deductible of at least 10 % of loss; in certain cases creditors can sue directors directly.
- Conflicts must be disclosed within 3 working days; transactions with board members need supervisory board consent. Strict insolvency duties (ZFPPIPP) and criminal liability for abuse of position.
- Board members of state-owned companies must file asset declarations (ZIntPK).

Spain

A one-tier, CNMV-supervised model undergoing a rapid ownership shift toward international investors

Share ownership structure

- Ownership has shifted markedly: international investors now control 48.7% of the market, while family ownership has fallen to 15.8%.
- Public-sector participation stands at a 27-year high (4.1%), held through entities like SEPI and FROB.
- Ownership was historically far more concentrated: families were the ultimate owners of 52.7% of listed firms in 2002.

Board structure

- Spanish law provides for a standard one-tier board; only European public companies (SE) may opt for a two-tier structure.
- The board must have at least three members; the Good Governance Code recommends five to 15, balanced between executive (just the minimum number necessary, depending on the complexity of the company) and non-executive directors.
- Boards frequently delegate day-to-day powers to an executive committee.

Chain of command

- The general shareholders' meeting elects and removes directors and holds ultimate constitutional authority.
- Core management and supervisory powers are non-delegable and remain the board's direct responsibility.

Voting system

- Since 2021, listed companies may grant loyalty shares - double voting rights for shares held continuously for at least two years.
- Outside loyalty-share arrangements, the standard rule is one-share-one-vote.
- Use of remote/electronic voting continues to rise, reaching 67.2% of companies in 2024.

Committees' specificities

- Audit and nomination/remuneration committees are mandatory by law for listed companies.
- The CNMV's Good Governance Code sets further 'comply or explain' expectations on committee functioning.
- In 2024, 72.7% of IBEX 35 companies had boards with at least 50% independent directors.

Directors' duties specificities

- Directors owe duties of diligence and loyalty, including avoiding conflicts of interest and personal gain.
- Breach of duty can trigger a company action or an individual shareholder action for damages.
- Remuneration reports go to an annual non-binding shareholder vote.



Switzerland

A one-tier board model shaped by the Swiss Code of Obligations, the SIX Corporate Governance Directive and the 2013 'Minder' say-on-pay reform

Share ownership structure

- Ownership is more concentrated than in the UK: alongside a free float, many SMI/SPI companies retain a reference shareholder, founding family or foreign parent.
- Several large caps (e.g. Roche, Richemont, Schindler, Swatch Group) remain family-controlled, often through a shareholder pool or a class of registered shares carrying privileged voting rights.
- International investors hold a substantial share of the free float on SIX Swiss Exchange, alongside significant domestic institutional holdings (pension funds, insurers).
- Significant-shareholding disclosure is mandatory at 3%, 5%, 10%, 15%, 20%, 25%, 33⅓%, 50% and 66⅔% under the Financial Market Infrastructure Act (FinMIA).

Board structure

- Swiss law provides for a one-tier board ("Verwaltungsrat"/conseil d'administration); in practice, most listed companies also delegate day-to-day management to an executive management (direction générale), creating a de facto two-tier structure. Banks and insurers must formally separate management from oversight.
- No statutory maximum board size or age limit. The Swiss Code of Best Practice for Corporate Governance (SCBP, economiesuisse) recommends a majority of non-executive, independent directors.
- Chair and CEO roles are typically separate at listed companies; combining them is uncommon and expected to be justified.
- Under Art. 734f CO (in force 2021), large listed companies must reach at least 30% of each gender on the board (compliance by 2026) and 20% in executive management (by 2031), on a comply-or-explain basis.
- Women held around 35% of SMI board seats in 2023, with over half of newly elected directors female for three consecutive years – a marked rise driven by the quota and investor pressure.

Chain of command

- The board holds non-transferable, inalienable duties under Art. 716a CO: overall strategic direction, determining the organisation, appointing/dismissing/supervising the persons entrusted with management, and financial control. It may delegate preparation and execution of its resolutions to committees, but never the decision itself.
- Delegation of day-to-day management to the executive management is standard practice for listed companies and must be set out in written organisational regulations (Art. 716b CO).
- Shareholder and stakeholder engagement is typically shared between the chair and the CEO/investor relations function; the SCBP encourages structured, regular dialogue with major shareholders.

Employee representation

- No statutory right to board-level employee representation – codetermination in the German sense does not exist in Switzerland.
- Under the 1993 Participation Act (Mitwirkungsgesetz/loi sur la participation), employees of companies with a sufficient workforce (in practice generally from around 50 employees) may elect a staff representative body (commission du personnel) with information, consultation and, in limited areas (e.g. pension fund, occupational safety), co-decision rights – but no board seat.
- Trade unions play a comparatively modest role given a strong tradition of social partnership and sector-level collective bargaining agreements (conventions collectives de travail).

Voting system

- Default rule is one share, one vote, but the law allows registered shares with transfer restrictions and shares carrying privileged voting rights, long used by family-controlled companies to retain control with a reduced

equity stake; the 2020 company-law reform (in force 2023) further extended the availability of multiple-voting-rights shares.

- Following the 2013 popular vote on the "Minder" initiative against excessive remuneration (now embedded in the revised Code of Obligations), shareholders of listed companies must elect the chair, each board member and the members of the remuneration committee individually and annually, and hold a binding annual vote on the compensation of the board and executive management.
- "Golden hello" and "golden parachute" payments and unjustified transaction bonuses are prohibited by law; breaches can trigger criminal liability.

Committees' specificities

- A remuneration committee is mandatory for listed companies; its members are proposed and elected annually and individually by the shareholders' meeting and should, per the SCBP, be exclusively independent directors.
- Audit committees are not a statutory requirement but are near-universal among listed companies and recommended by the SCBP, with majority-independent, financially literate membership; FINMA-regulated banks and insurers face specific audit-committee requirements.
- A nomination committee is not mandatory; where one exists, the SCBP recommends predominantly independent membership. Governance, risk or sustainability committees are increasingly common among larger caps.

Directors' duties specificities

- Directors owe duties of care and loyalty (Art. 717 CO), with business-judgment-rule-style protection when acting in good faith, free of conflicts of interest and on an informed basis.
- Directors and executive management must disclose conflicts of interest immediately to the board, which must take the measures necessary to safeguard the company's interests.
- Companies subject to ordinary audit must report on environmental (incl. CO_2 targets), social, employee, human-rights and anti-corruption matters (Art. 964a ff. CO); larger companies face additional climate-related (TCFD-aligned) disclosure duties.
- Board-approved due-diligence and reporting obligations apply to companies sourcing "conflict minerals" (tin, tantalum, tungsten, gold) or facing a reasonable suspicion of child labour in their supply chain (Ordinance on Due Diligence and Transparency, in force since 2022, Art. 964j–964l CO) – broadly comparable to the UK's 'failure to prevent' regime and the EU's CS3D.
- Directors are jointly and severally liable for damage caused by an intentional or negligent breach of duty (Art. 754 CO); annual discharge granted by the shareholders' meeting limits, but does not eliminate, subsequent claims.



United Kingdom

A one-tier, principles-based model anchored by the UK Corporate Governance Code

Share ownership structure

- The majority of listed companies have a dispersed ownership structure; most exceptions are foreign-registered companies listed in London.
- International investors hold a significant presence on the London market (over 50%).
- Many family-owned private companies (20% of the largest private companies; 75% of all companies with employees).
- A significant number of large private-equity/venture-capital-backed companies, valued at 6% of GDP.

Board structure

- All listed companies have a one-tier board, although the law permits either model.
- Average board size: 10. Most companies have separate Chair and CEO roles.
- Strong presence of independent directors (UK Code recommends 50% or more).
- Most companies have two (CEO and CFO) or three executive directors.
- No legal diversity quotas, but voluntary targets and public reporting: 44% women on FTSE100 boards (19% of executive directors); 19% ethnic minorities; 37% of FTSE100 directors are not UK nationals.
- Annual election of all directors is standard practice but not mandatory.

Chain of command

- Very little is set in law on the board–management relationship - largely left to each company's constitutional documents and, for listed companies, the UK Code.
- The one-tier structure and Chair/CEO separation ensure a level of accountability.
- Engagement with shareholders and stakeholders is usually led by management, but the UK Code recommends that "the chair should seek regular engagement with major shareholders" and that "the board should understand the views of the company's other key stakeholders."

Employee representation

- No legal requirement for employee representation. The UK Code recommends listed companies adopt one or more of three options: a director appointed from the workforce; a formal workforce advisory panel; or a 'designated non-executive director'.
- Only five FTSE350 companies have appointed workforce directors; the designated NED is the most common approach.
- No data exists for workforce representation in private companies. Co-operatives and mutuals are not significant by number (0.25% of UK companies) but matter in sectors such as retail; employee-owned businesses are increasing, from a low base.

Voting system

- Legal rights are largely the same as in the EU, supplemented by UK Code and market guidance: annual election of directors, pre-emption rights (higher approval threshold for new share issues), and an expectation that companies engage when shareholder dissent reaches 20% or higher.
- Voting policies of major investors and proxy voting agencies are highly influential (e.g. on "over-boarding").
- 2024 Listing Rule changes removed several shareholder rights/requirements: mandatory shareholder approval for Related Party Transactions and some other major transactions; the requirement for a relationship agreement with a controlling shareholder; and adopted a more relaxed approach to dual-class share structures.

Committees' specificities

- Audit committees are mandatory for listed companies.

- Remuneration and nomination committees are not mandatory but almost universal in practice.
- The UK Code recommends fully independent membership for audit committees, and majority-independent membership for remuneration and nomination committees.
- 54% of FTSE100 companies have a committee whose remit includes ESG or sustainability (sometimes combined with other topics); 20% have stand-alone risk committees.

Directors' duties specificities

- Most legal duties resemble those in EU countries (care, conflicts, etc.).
- Section 172 of the Companies Act: directors must act in the way most likely to promote the success of the company for the benefit of its members as a whole, while having regard to: long-term consequences; the interests of employees; relationships with customers and suppliers; the impact on the community and environment; and the desirability of maintaining a reputation for high standards of business conduct.
- Additional duties apply to some non-executive directors in regulated sectors, such as financial services.
- 'Failure to prevent' legislation (e.g. bribery) places board-level duties equivalent to an individual director's duty of care - broadly comparable to the EU's CS3D.



Ukraine

A flexible one-tier/two-tier model in active transition, driven by EU integration and state-sector reform

Share ownership structure

- Ownership is highly concentrated, typically one or a few owners; privatised companies may retain thousands of small shareholders, but rarely institutional ones.
- Most companies are privately held: the limited liability company (LLC) is the dominant form (around 830 thousand registered LLCs), and many joint-stock companies (JSCs) convert into LLCs to avoid the heavier JSC regime.
- The public capital market is undeveloped: government bonds dominate trading, and shares of around ten Ukrainian issuers were traded on the largest exchange in 2025.
- A large public sector: around 3,000 state-owned enterprises (SOEs) and 14,000 municipal ones, to be converted into LLCs or JSCs by 2028; state banks hold about half of banking-sector assets.
- Foreign investors and international financial institutions drive governance improvements shareholders's agreements and boards with independent directors.

Board structure

- Since 2023, JSCs and LLCs may choose between a one-tier board of directors and a two-tier structure (supervisory board plus executive body). The two-tier model prevails and is mandatory for banks and SOEs.
- Average board size: 5 to 7. Statutory minimum 5 for public JSCs and banks; 5 to 9 for SOEs; 9 for state-owned banks.
- Chair and CEO are separated by law in the two-tier model; in a one-tier board they may be combined.
- Quotas for independent directors, whose criteria broadly follow EU standards: one-third (minimum two) in public JSCs; one-third in banks; a majority in SOEs; six of nine in state-owned banks.
- Directors are elected for up to three years; an independent director's tenure is capped at twelve. No diversity quotas: women hold around 40% of supervisory board seats in reporting companies.

Chain of command

- Very little is set in law on the board–management relationship - largely left to each company's constitutional documents and, for listed companies, the UK Code.
- Competences are allocated by law and the charter and cannot be reassigned: even the general meeting cannot decide a matter reserved to the board.
- Appointing the CEO, approving strategy and overseeing risk are reserved to the board; non-executive directors may not interfere in operations other than through board meetings.
- In practice, shareholders still often instruct management directly, although boards are shifting from nominal to active bodies. Engagement is led by the CEO and the chair, often the majority owner.
- Major transactions in JSCs: board approval from 10% to 25% of assets, general meeting above 25%; related-party deals above 10% need shareholder approval, interested parties not voting.

Voting system

- Key thresholds: 5% in JSCs and 10% in LLCs - information, calling a meeting, agenda items, derivative claims; 25%+1 - veto; 50%+1 - control; 75% - charter, capital and reorganisation decisions; 95% in JSCs - squeeze-out.
- One share, one vote. JSCs may issue non-voting preference shares (uncommon); in LLCs voting weight is set by the charter or a shareholders' agreement. Cumulative voting is mandatory for electing supervisory boards in public companies and banks.
- Minority protection: pre-emptive rights; a buy-out right at market price for those voting against critical decisions; a mandatory offer above 50%; squeeze-out and sell-out at 95%.

Committees' specificities

- Audit, remuneration and nomination committees (the last two may be combined) are mandatory for public JSCs, banks, public interest entities and SOEs, chaired by and with a majority of independent directors.
- Distinctive rule: where a matter is prepared by a committee, the board may decide only within the scope of the committee's proposal, unless independent directors form a board majority.
- Banks also need a risk committee; elsewhere risk oversight sits with the audit committee, which also oversees the statutory audit. Other boards set up committees at their discretion, and private LLCs have none.

Directors' duties specificities

- Code codifies unified duties for all officers: to act in the interests of the company, in good faith and with due care, and within the powers conferred by the charter and the law.
- Duties are owed to the company, although the framework increasingly promotes a stakeholder-oriented approach; all directors bear equal duties and must manage conflicts of interest.
- The Supreme Court applies a business judgement rule: officers are protected if they act in the company's interests, disinterestedly and on a sufficiently informed basis.
- Banks, capital-market intermediaries and SOEs must maintain a compliance function, and bidders in large public tenders must adopt anti-corruption programmes.



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