

#### Article Info

Received: 05 May 2019 | Revised Submission: 20 May 2019 | Accepted: 28 May 2019 | Available Online: 15 Jun 2019

#### Critical Appraisal of Limited North European Corporate Governance Standards after Global Crisis, Corporate Scandals and Market Manipulation

Dinh Tran Ngoc Huy\*

#### ABSTRACT

This paper mainly analyzes principles and standards of some international and North European corporate governance frameworks which are issued during or after the global crisis. First, it looks at the United Nation Good corporate governance practices and analyzes its strengths and impacts on corporate governance model of a company. Second, it compared the UN standards to generally accepted governance standards of Sovereign Wealth Funds. The paper finds out that during the global crisis time 207-2008, despite taking care of risk management, there still lacks of certain governance standards in these 2 Codes. Then, it analyzes some relative good corporate governance standards in a few North European countries including: Norway and Finland. Third, this paper provides with a short summary of evaluation of these above 2 corporate governance principles in 2 groups which can enable corporations to compare to their current codes. Last but not least, it aims to realize a limited general set of standards of corporate governance and give proper recommendations to relevant governances. Additionally, it includes a section for recommending corporate governance for developing countries including Viet Nam.

**Keywords:** Corporate Governance Standards; Financial Crisis; Corporate Scandal; Market Manipulation; Internal Audit.

#### **1.0 Introduction**

There are, in fact, three (3) main periods which are signaling the improvements made in the worldwide countries' corporate governance policies. The first period is the time during 1999-2003 after the Asian financial crisis taking place in 1997-1998, the second period is years from 2005-2008, and the third period is the current time, after the financial crisis 2007-2009 with impacts from US and Europe large economies. OECD and ICGN also offered good recommendations on corporate governance standards for most of countries in the world. This research paper is trying to take an implementation – oriented writing style and focus on some international corporate governance practices and issues during and after impacts from scandals and crises. They are United Nation (UN) and Sovereign Wealth Funds (SWF) governance practices in 2006 and 2008. Furthermore, The Norwegian Code 2010 also tried to provide good corporate governance to enhance confidence in companies. Besides, this research paper aims to provide a writing style to adapt to an understandable reading to most of readers in academic field who is both familiar and not familiar to the corporate governance subject.

#### 2.0 Research Literature Review

Until now, there are many researches in corporate governance field. Berle and Means (1932) identified that the problem of governance of managers comes from the ownership separation to a disciplinary function and a decision-making function. The Russian Code (2002) stated corporate governance influences economic entities and their ability to attract capital. Cremers and Nairs (2003) finds external governance, i.e., market of corporate control, and internal governance, i.e., shareholder monitoring, are strong complements. Gerard Chareaux (2004) said the objective of corporate governance theory is not about how managers govern, but about how they are governed. Malek Lashgari (2004) mentions corporate governance is concerned with managing the relationship among various corporate stakeholders, and common stockholders have the right to elect members of the Board. Abu-Tapanjeh (2008) pointed corporate governance has different meaning to different organizations. Li Wei An (2008) in a research of corporate governance said it is urgent matter to seek which governance model is more suitable for the governance environment where Chinese listed companies survive. Haslinda., & Benedict (2009) stated the corporate governance theory began with agency theory, transaction cost and ethics related theories.

As Kirkpatrick, Grant., (2009) pointed out that even OECD corporate governance, short-called CG, principles needed to be review in key areas, including boar composition and competencies, remuneration issues, etc., after the financial crisis. Lambert, Caroline., and Sponem, Samuel., (2010) research in France with a conclusion that management controllers play an important role in profit manipulation and the shareholder pressure influence the nature of the management controller's task such as reporting and budgetary control. Last but not least, Thomas Wuil Joo (2010) explains "corporate governance" is mainly concern the internal governance of corporation, i.e., the relationship among participants in the enterprise. A short summary or evaluation of a few global governance Codes has not been done yet.

# **3.0** Theory of Corporate Governance, Scandal and Market Manipulation

#### **3.1 Theory of manipulation**

Aggarwal, Rajesh K., Wu, Guonzu (2003) found out that potential manipulators can be corporate insiders, brokers, underwriters, large shareholders and market makers and stock prices rise throughout the manipulation period, prices higher when liquidity greater, and then fall in the postmanipulation period despite unclear evidence. They found that in a market with manipulators, more information seekers makes it easier for a manipulator to enter the market and potentially worsen the market efficiency.

Besides, Mei, Jianping., Wu, Guojun., and Zhou, Chunsheng (2004) shown the manipulator is a large investor who is a price setter, rather than a price taker. He or she can pump the stock price by a series of buying orders, then, dumps the stock to make profit.

# 3.2 Theory of corporate governance and financial crisis

For simplicity, corporate governance is a set of processes, customs, policies, rules directing and controlling an organization. Allen, Franklin., and Gale, Douglas., (2002) identify that Good corporate governance in US and UK means firms pursuing the shareholders' interests while it involves pursuing the interests of all company's stakeholders including customers and employee as well as shareholders, in Japan, France and Germany.

Moreover, Grant Kirkpatrick (2009) states in the OECD CG report that the financial crisis, for example 2007-2009, can be an important factor to failures of the CG system and the OECD CG principles need to be reviewed.

#### 3.3 Theory of corporate scandals

Cadette (2002), Madrick (2003) and Schwartz (2003) indicate that to gaudy earnings, options created outrage when top management or executives allow manipulation on quarterly report, resulted in short-term movements in stock prices, allowing sizeable personal profits despite probable future restatements of company earnings. In scandal examples of Enron, Qwest, many executives sold their stock when its price is high, while employees could not do so, because of access to privileged performance information.

Hence, corporate scandals may derive partially from false actions or manipulations of management or executives. In the scandal examples of Xerox or Worldcom, false accounting practices were taken into account when recognizing booking earnings for counterfeit transactions. Or in the case of Arthur Andersen, one of the Big Five, the auditing technique and procedures and professional responsibilities are main issues which cause failures in auditing Enron Corp which is filed for bankruptcy in 2001.

#### 4.0 Research Methodology

First, we select 2 international corporate governance practices including: 1) UN governance standards; and 2) SWF governance practices; we call this is group 1.

We also use international standards of corporate governance for reference such as: OECD and ICGN's corporate governance principles and standards.

Then, we choose Norway and Finland which are representative for a limited North European group to analyze these countries' governance standards. We call this is group 2 "a relative group".

Second, we perform a qualitative analysis on each group code, then build general standards for corporate governance in two (2) above groups. These standards represent common understanding and principles in each group.

Third, we compare and provide a short summary of evaluation of the 2 groups' standards.

Finally, we make a suggestion on what socalled a short general corporate governance principles for Russia and a few North European nations.

Additionally, it can be considered as the recommendation to relevant countries' government and other relevant organizations for further steps, public policy and necessary evaluation.

#### **5.0 Empirical Findings**

# 5.1 Findings on corporate governance issues after financial crisis, corporate scandals and market manipulation

First of all, we found out that there is a lack of code of ethics or code of conduct.

The second important corporate governance issue is that the corporate governance mechanisms is not complete and perfect in the aspect that some codes mention mainly certain sides of governance such as disclosure and omit other sides.

Third, in the company, who has the right and how to prevent and control the manipulation actions which may come from either manipulators or executives and management team?

Last but not least, one major corporate governance issue exsiting as the main cause to corporate scandals of these companies is that who are qualified board members or management team members.

# 5.2 Findings on ways of manipulation during corporate scandals

Several Manipulation Techniques found out during corporate scandals involve, but not limit to:

# 5.2.1 The manipulation techniques in the income statement

The use of inappropriate companies to inflate the company's revenues with a hope to inflate the company's stock price is done by a family corporation such as Adelphia in the late 1990s, which leads to its collapse in 2002. Another case, Livedoor co. in Japan, shows us that the management cooks its book and transfer profits from its consumer – related firm; so, the firm has earnings, not loss, and manipulate stock price.

# 5.2.2 The manipulation techniques in both the income statement and balance sheet

The technique is used by the famous company in Japan, Xerox, in the year 2001-2002. It manipulates its revenues or earnings by inappropriately classifying equipment rentals as long –term leases, by which it could accelerate the revenues instead of spreading out the rent. By manipulating its earnings, Xerox overstated its revenues up to \$2 billion. During the period 1997-1999, the firm has experienced the effect of the manipulation while its stock price increased up to a peak of \$60 per share, then, falling down.

# **5.2.3** The manipulation techniques relevant to international accounting practice code

We can refer here the case of Nortel Co. in Canada, in which the co. has violated the Canadian GAAP and changed its revenues recognizing policy. This helps the firm to manipulate its books. It also violated the Principle of Conservatism of GAAP by overstating the post-dot com earnings.

# 5.2.4 The manipulation techniques not relevant to all the above

We can refer here the famous case of AOL Time Warner fraud, in which the top executives of the firm used the money of the corporation for affecting stock price collapse, i.e., trick transactions, and then get large benefits by liquidating their shares in 2000-2001.

# 5.3 Findings on actions to prevent or control negative market manipulation

Among proper actions to prevent and control negative market manipulation is taking from the example of Olympus Co. in Japan. This case shows us that if the firm has had the qualified internal auditing, it could avoid the accounting fraud.

Moreover, The Corporation, generally, might consider changing its management team or executives. Once the management cooks its books and reports inappropriate profit figures, the team can be replaced. Last but not least, the company might consider using GAAP principles of recognizing revenues or of conservatism, and of recognizing longterm leases for avoiding negative manipulation in accounting and in the stock market.

# 5.4 Findings on construction of a limited general corporate governance standards

These findings will be shown in a detailed analysis of a model indicated in the later sessions.

# 5.4.1 Group 1 – Some international corporate governance standards

### 5.4.1.1 The united nation governance standards analysis

One of major different features in the 2006 UN Code is that it identified independent leadership of Board of management and focus on many aspects of information disclosure.

Besides, the Code emphasizes the two tier system of the Board organization including Board of management and Board of supervisors.

Additionally, The Code pays a lot of attention on disclosure roles and functions of the Board, which forms a new term 'corporate governance disclosure'.

#### Table 1: United Nation Corporate Governance General Standards (a Short Summary Evaluation)

Subjct s or partie s	Main quality factors	Sub qualit y factors	Respon sibilities	Objec tives	Not e
Audit commi ttee	Not mentio ned clearly in the Code	Vary depend s on size, comple xity of the firm;	Review fair value computa tion; Can be used for preparat ory	In conjun ction with interna l audit;	Fro m the Co de;

	-				
			work of		
			the		
			Board;		
			Use		
			external		
			advisers		
	Not	Not	to find	Not	
Nomin	mentio	mentio	new	mentio	Fro
ation	ned	ned	directors	ned	m
commi	clearly	clearly	; Can be	clearly	the
ttee	in the	in the	used for	in the	Co
	Code	Code	preparat	Code	de;
	0040	0000	ory	cour	
			work of		
			the		
			Board;		
Comp		Clear	Can be		
ensati	Not	distinct	used for	Not	Fro
on or	mentio	ion b.t	preparat	mentio	m
Remu	ned	Execut	ory	ned	the
neratio	clearly	ive and	work of	clearly	Co
n	in the	Non-ex	the	in the	de;
commi	Code	directo	Board;	Code	uc,
ttee		rs;	Doard,		
	Not	Not	Roles	Not	
	mentio	mentio	can be	mentio	Fro
	ned	ned	combine	ned	m
CEO	clearly	clearly	d with	clearly	the
	in the	in the	those of	in the	Co
	Code	Code	the	Code	de;
	Couc	Coue	chair;	Coue	
	Not	Not	Roles	Not	
	mentio	mentio	can be	mentio	
The	ned	ned	combine	ned	
Chair	clearly	clearly	d with	clearly	
Chun	in the	in the	those of	in the	
	Code	Code	the	Code	
			CEO;		
CEO	Not	Not		Not	
and	mentio	mentio	Roles	mentio	
The	ned	ned	can be	ned	
Chair	clearly	clearly	combine	clearly	
relatio	in the	in the	d;	in the	
nship	Code	Code		Code	
	Not	Not	Not	Not	
Corpo	mentio	mentio	mention	mentio	
rate	ned	ned	ed	ned	
Secret	clearly	clearly	clearly	clearly	
ary	in the	in the	in the	in the	
	Code	Code	Code	Code	
Compl	Not	"Comp	Not	Greate	
iance	mentio	ly or	mention	r	
officer	ned	explain	ed	inform	
0111001	clearly	"	clearly	ation	

	in 11.	<b>1</b>	in 11-	0.5-5-		1	[	[	C- J			
	in the	mecha	in the	access					Code	process of	;	m
	Code	nism;	Code	to stakeh						related		the Co
				olders;						party		de;
			Clearly	olders,						transacti		uc,
			identify							ons;		
	Two	Disclos	inherent							have		
	tier	e high	risks;							executiv		
	system;	quality	review	Not						e		
Board	Executi	inform	fair	mentio						responsi		
of	ve and	ation	value	ned						bilities;		
Direct	Non-	of BD	computa	clearly						Monitor		
ors	ex	on	tion;	in the						ing and		
	director	financi	oversee	Code						supervis		
	s;	al	the							ion of		
		results;	process							the		
			of F.S;							compan		
	Not		Attend	Not					Can be	y's	Suppo	
Execut	mentio	Compo	committ	mentio				Not	indepe	manage	rt the	Fro
ive	ned	sed of	ee and	ned			Super	mentio	ndent	ment;	structu	m
directo	clearly	the	Board	clearly			visory	ned	externa	Strategi	re,	the
r	in the	Board;	meeting	in the			board	clearly	1	с	roles	cod
	Code		s;	Code			oouru	in the	adviser	directio	of	e;
			Attend					Code	s;	n of the	govern	ς,
			committ						~,	compan	ance;	
Non-	Not	Not all	ee and	Not						у;		
execut	mentio	are	Board	mentio						Enhance		
ive	ned	indepe	meeting	ned						directors		
directo	clearly	ndent	s; Some	clearly						' ability to fulfill		
r	in the	directo	can join	in the								
	Code	rs;	Board	Code				Not	Not	duties;		
			committ				Intern	mentio	mentio	Used by	Risk	
			ees; Can				al	ned	ned	The	manag	
			have				contro	clearly	clearly	Board to	ement	
		Not	greater				1	in the	in the	mitigate	objecti	
	Not	mentio	importa	Not	Fro		-	Code	Code	risks;	ves;	
Indepe	mentio	ned	nce;	mentio	m						Report	
ndent	ned	clearly	Attend	ned	the						to the	
directo	clearly	in the	committ	clearly	Со			Not		Board	highes	
r	in the	Japan	ee and	in the	de;		Intern	mentio		determi	t level	
	Code	Code	Board	Code			al	ned	Effecti	nes	of	
			meeting				audit	clearly	ve;	scope	leaders	
			s;				(I.A)	in the		and duties of	hip of	
	Not	Not	Not	Not				Code		I.A;	the	
	mentio	mentio	mention	mentio						1.77,	enterpr	
CFO	ned	ned	ed	ned							ise;	
010	clearly	clearly	clearly	clearly					Durati	Audit	Provid	
	in the	in the	in the	in the				Indepen	on of	works	e	
	Code	Code	Code	Code			Extern	dence;	current	and	objecti	
	Indepen	Not	Disclose	Financ	Un		al	Integrit	auditor	non-	ve	
Manag	- dent	ial and	der		audit	у;	s;	audit	assura			
ement	leaders	ned	interests	operati	sto			Compet	Avoid	works;	nce on	
team	hip;	clearly	,	onal	od			ency;	interest conflic	fees paid for	F.S;	
		in the	approval	results	fro							

		ts in non-	non- audit	
		audit service s;	works;	
Disclo sure and transp arency	How shareho lders exercis e their control rights; Control structur e; compre hensive ;	Nature, type and elemen ts of related -party transac tions;	Consoli dation require ments on F.S are conduct ed; Disclose significa nt relate- party transacti ons; procedu res of M&A	Equali ty of disclos ure; "subst ance over form";
Shareh olders and Minori ty Stockh older	One share one vote;	Equita ble treatme nt of shareh olders;	Aware of type, number, duties of outside manage ment position s held by individu al director; Judge ability of directors ;	Not mentio ned clearly in the Code
Financ ial reporti ng standa rds	Used Internat ional Financi al Reporti ng Standar ds (IFRs); true and fair view;	Based on general ly accepte d accoun ting princip les;	BD gives further explanat ions in MDA section;	Appro priatel y follow ed;

			Can					
			elect					
	Not	Disclos	supervis	Not				
	mentio	e	ory	mentio				
Emplo	ned	employ	Board;	ned				
yee	clearly	ee	or	clearly				
	in the	involve	nominat	in the				
	Code	ment;	e	Code				
			directors					
			;					
	The underlined part is describing some more							
Note	works needed to be done for relevant subjects							
Note	and p	oarties. ME	OA means M	lanagemen	ıt			
		Discussi	on and Anal	lysis				

#### 5.4.2 SWF governance standards analysis

In Oct 2008, SWF or Santiago (Chile) principles of governance were published after the meeting of 26 IMF country members. They agree on generally accepted principles and practices (GAPP).

Besides, the 2008 SWF Code points the needed disclosure of legal

relationship b.t SWF and bodies such as central bank, other enterprises.

Additionally, The SWF governance principles had paid attention to the organization of SWF (funds) and relevant public disclosure.

Despite of more details in investment governance, the SWF principles cover limited issues, compared to the UN Code.

# Table 2: SWF Corporate Governance GeneralStandards (A Short Summary Evaluation)

Subje cts or partie s	Main qualit y factor s	Sub quality factors	Respons ibilities	Objecti ves	Not e
Audit comm ittee	Not mentio ned clearly in the Code	Not mentio ned clearly in the Code	Might be included in the governa nce structure ;	appropr iate and effectiv e division of oversig ht, decision making, and operatio nal	Un der sto od Fro m the Co de;

	1	1	1			<b>a</b>	1	1	1	1	
				responsi		Secret	ned	ned	ed	ed	
				bilities;		ary	clearly	clearly	clearly	clearly	
				appropr			in the	in the	in the	in the	
				iate and			Code	Japan	Code	Code	
				effectiv				Code			
			Might	e	Un				SWF		
	Not	Not	be	division	der				establish		
Nomi		mentio	included	of	sto			Consist	ment	Not	
	mentio			oversig	od		G 1		clearly		Fro
nation	ned	ned	in the	ht,	Fro	Comp	Sound	ent	authoriz	mention	m
comm	clearly	clearly	governa	decision	m	liance	legal	with	ed under	ed	the
ittee	in the	in the	nce	making,	the	officer	frame	applica	domesti	clearly	Co
	Code	Code	structure	and	Со		work;	ble	c law;	in the	de;
			;	operatio	de;			laws;	forming	Code	,
				nal	ue,				legal		
				responsi					division;		
				-							
				bilities;			approp	D. C	Code of	Accoun	
Comp			Might	<b>a</b>	Un	Board	riately	Profess	conduct	tability	
ensati	Not		be	Sustain	der	of	qualifi	ional	formed;	and	
on or	mentio	Compe	included	able	sto	Direct	ed and	ethical	act in	operatio	
Remu	ned	nsation	in the	long	od	ors	well-	standar	the best	nal	
nerati	clearly	frame	governa	term	Fro	015	trained	ds;	interests	indepen	
on	in the	work;	nce	value	m		;		of SWF;	dence;	
comm	Code	work,	structure	creation	the		Not		Not	Not	Fro
ittee	Coue			;	Co	Execu	mentio	May	mention	mention	
niee			;		de;	tive	ned	from	ed	ed	m
			Code of			direct	clearly	private	clearly	clearly	the
			conduct			or	in the	sector;	in the	in the	Co
			formed;				Code	,	Code	Code	de;
			act in				Not		Not	Not	
	approp		the best			Non-	mentio	May	mention	mention	
	riately	Profess	interests	Not		execut	ned	from	ed	ed	
	qualifi	ional	of SWF;	mention		ive	clearly	private	clearly	clearly	
CEO	ed and	ethical	can be	ed		direct	2	-	5	in the	
CEU	well-	standar		clearly		or	in the	sector;	in the		
			appointe d/	in the			Code		Code	Code	
	trained	ds;		Code			Not		Not	Not	
	;		removed			Indep	mentio	May	mention	mention	
			by			endent	ned	from	ed	ed	
			governin			direct	clearly	private	clearly	clearly	
			g			or	in the	sector;	in the	in the	
			bodies;				Code		Code	Code	
	Profes	Can be		Not			Not	Not	Not	Not	
	sional	support	Code of	mention			mentio	mentio	mention	mention	
The	ethical	ed by	conduct	ed		CEO	ned	ned	ed	ed	
Chair	standa	Vice	formed;	clearly		CFO	clearly	clearly	clearly	clearly	
		Chairm	ionneu,	in the			in the	in the	in the	in the	
	rds;	an;		Code			Code	Code	Code	Code	
CEO	Not	Not	Not	Not			approp	Profess	Code of	Accoun	
and	mentio	mentio	mention	mention			riately	ional	conduct	tability	
The	ned	ned	ed	ed		Mana	qualifi	ethical	formed;	and	
Chair	clearly	clearly	clearly	clearly		gemen	ed and	standar	undertak	operatio	
Chull	-	in the	in the	in the		-					
relatio	1n tho			mule	I I	t team	well-	ds; can	ing	nal	
relatio	in the			Code			tare in 1	1		:	
nship	Code	Code	Code	Code			trained	be	investm	indepen	
				Code Not mention			trained ;	be externa	investm ent	indepen dence;	

	roputo	1	activitie		
	reputa	1			
	ble,	manag	s in		
	credit	ers;	specializ		
	worth		ed		
	у;		instrume		
			nts and		
			markets;		
			reducing		
			costs of		
			maintain		
			ing an		
			asset		
			mgt.		
			operatio		
			n; act in		
			the best		
			interests		
			of SWF;		
			Form a		
			governa		
	Nat	Can	nce	Nat	
	Not	compo	structure	Not	
Super	mentio	se of	,	mention	
visory	ned	govern	together	ed	
board	clearly	ment	with	clearly	
	in the	authori	Board of	in the	
	Code	ties;	Director	Code	
		ues,	s and		
			Manage		
			ment;		
				Adequa	
	Not	А	Identify	te	
	mentio	frame	risk	operatio	Eno
Intern		work		nal	Fro
al	ned	to	bearing	controls	m
contro	clearly	identif	capacity	, strong	the
1	in the	y and	, risk	risk	Co
	Japan	manag	toleranc	manage	de;
	Code	e risks;	e level;	ment	
		,		culture;	
	Not	<u> </u>		Not	-
	mentio		Audit	mention	
Intern	ned	Indepe	internall	ed	
al		ndent	У		
audit	clearly	audits;	activitie	clearly	
	in the		s;	in the	
	Code			Code	
			N.T.		Fro
	Not	Indepe	Not	Not	m
Extern	mentio	ndent	mention	mention	the
al	ned	comme	ed	ed	Co
			alaamlaa	clearly	de
	clearly	rcial	clearly	clearly	ue
audit	clearly in the	rcial auditor	in the	in the	and
	-				

					ix;
Disclo sure and transp arency	Not mentio ned clearly in the Code	Not mentio ned clearly in the Code	Publicly disclosu re of general approac hes to RM; Disclose policy purpose of SWF; legal relations hip b.t SWF and state bodies;	Not mention ed clearly in the Code	
Share holder s and Minor ity Stock holder	Not mentio ned clearly in the Code	Not mentio ned clearly in the Code	Exercise their ownersh ip rights to protect financial value;	Not mention ed clearly in the Code	
Finan cial reporti ng standa rds	Audite d annual ly;	In timely fashion ;	Audited annually complie d with intl. or national standard s;	Not mention ed clearly in the Code	
Emplo yee	approp riately qualifi ed and well- trained ;	Profess ional ethical standar ds;	Code of conduct formed;	Not mention ed clearly in the Code	
Note	works r	needed to b	art is describ e done for r means Risk	elevant sub	jects

# 5.5 Comparison between UN and SWF corporate governance standards

Based on the above information, we can see the UN Code shows a lot of information on disclosure such as disclosure of Board and of selection of external auditors, as well as scope of work of internal audit function.

While, the SWF Code, many times, confirm

the roles of risk management and control activities in SWF. Another advantage in the UN Code is the consideration of Internet voting in meetings of shareholders. The Code encourages some voting technologies. Last but not least, one different point in The SWF Code, compared to the UN Code, is that it connects risk management functions with investment activities. It means that, the Code specifies roles of risk management in more details.

# 5.6 Establishment of a so-called limited international corporate governance standards

With the selection of UN and SWF as two governance codes which represent in the construction of general corporate governance principles and standards, we build the below table with the following criteria:

Firstly, it should have some attributes which enable the corporation or its Board to share and disclose better information with its stakeholders and shareholders.

Secondly, it focuses on risk management functions and roles.

Thirdly, it includes contents that enable corporations to identify gaps or differences with their existing codes.

Therefore, the below table D.1 is trying to summarize what are short general corporate governance standards. It is also constructed in the way that being the better understandable criteria.

 Table 3: A Summary of A Limited International

 Corporate Governance Standards

Subjects or parties	Main quality factors	Sub quality factors
Audit committee	Vary depends on size, complexity of the firm;	Might be included in the governance structure;
CEO and The Chair	Roles can be combined;	The Chair can be supported by Vice Chairman;
Corporate Secretary	N/A (for further research and implementation)	N/A (for further research and implementation)
Compliance officer	"Comply or explain" mechanism;	Sound legal framework;
Board of Directors	Independent leadership;	Two tier system;
Independent	Attend committee	May from

director	and Board meetings;	private sector;
	Form a governance	,
Supervisory	structure, together	N/A (for further
board to the	with Board of	research and
Management	Directors and	implementation)
	Management;	1 ,
Supervisory		Can compose of
to the Board	Can be independent	government
of Directors	external advisers;	authorities;
	Identify risk bearing	Used by The
Internal	capacity, risk	Board to
control	tolerance level:	mitigate risks;
	Board determines	
Internal	scope and duties of	Audit internally
audit	I.A;	activities;
		Duration of
	Independence;	current auditors;
External	Integrity;	Avoid interest
audit	Competency;	conflicts in non-
	competency,	audit services:
		Information
Disclosure	How shareholders	equally
and	exercise their control	available to all
transparency	rights;	shareholders;
		,
		Aware of type, number, duties
	Dontigingto	of outside
Shareholders	Participate effectively in general	
Shareholders		management
	meetings;	positions held
		by individual
	• <i>i</i> 1	director;
E1	appropriately qualified and well-	Professional
Employee	•	ethical
T	trained;	standards;
The	maximize the long-	Can have ethics
corporation	term	committee;
as a whole	return to shareholders	Senior ethics
entity		officer;
	Promote long term	Existence of
	sustainability of the	Code of ethics;
The Code	enterprise; clear and	high level of
	effective division of	integrity;
	roles and duties;	8,,

# 5.7 Group 2 – Relative north european corporate governance standards

# 5.7.1 Norwegian code of practice for corporate governance 2010

One advantage of the Code is that it pays attention to duties of the nomination committee. For example, it stated the committee should note the Board's report on performance. Furthermore, it also shows the connection b.t the Code and the Public Company Act (PCA) or Securities Trading Act or Auditing and Auditors Act. For example, the 21-day notice deadline in PCA for general meeting. Also, while the relevant regulation allows 4-year term for Board, the Code suggests max 2 years term.

In the Norwegian Code 2010, it specifies that the Code may a little more restrictive than the Public Company Act in a sense that it allows 1 class, whereas the Act permits different classes of share. This can be considered as another advantage.

However, it would be better if the Code mentions more about qualities of CEO and compliance officer or secretary.

Table 4: Norwegian Corporate Governance Code	
2010 (a Short Summary Evaluation)	

Subjec ts or parties	Main qualit y factor s	Sub quality factors	Responsi bilities	Obje ctives	Not e
Audit commi ttee	Ensure the greates t indepe ndence for Board;	can be formed in smaller firms;	Present at the general meeting; receives plan from auditors annually;	Not menti oned clearl y in the Code	
Nomin ation commi ttee	Duties guided by the genera 1 meetin g; at least 1 memb er not in the Board; avoid conflic ts of interes t b.t candid ates and	Chair , membe rs elected by GM; indepe ndence ; compo sition reflects shareh olders' interest s	Present at the general meeting; present recomme ndations, answers; give informati on of members on web; elect candidate s not proposed by board; use firm's	Not menti oned clearl y in the Code	

	memb		resources		
	ers;		; advice		
	,		from		
			outside;		
Compe nsation or Remun eration commi ttee	Not mentio ned clearly in the Code	Remun eration reflects boards' experti se, duties, time;	Set absolute remunera tion limit for executive ; remunera tion guideline s for executive ;	Not menti oned clearl y in the Code	
CEO	Not mentio ned clearly in the Code	Not in the nomina tion commi ttee; not be a Board membe r;	May not make a decision at the expense of other sharehold ers;	Not menti oned clearl y in the Code	
The Chair	The Chair of the board elected by corpor ate assem bly;	Indepe ndent chairm an for GM; have chairm an for nomina tion commi ttee;	The chairman of board elected by general meeting; ensure well- organized Board jobs; holding training for Board;	Not menti oned clearl y in the Code	
CEO and The Chair relatio nship	Not mentio ned clearly in the Code	Tasks may be delegat ed by Board;	Attend general meeting;	Not menti oned clearl y in the Code	
Corpor	Not	Not	Not	Not	
-					
ate Secreta	mentio ned	mentio ned	mentione d clearly	menti oned	

111 <th< th=""><th>ry</th><th>clearly</th><th>clearly</th><th>in the</th><th>clearl</th><th></th><th></th><th></th><th></th><th>n of</th><th></th><th></th></th<>	ry	clearly	clearly	in the	clearl					n of		
CodeCodeCodeNot CodeNot mentio mentio ned d clarly clarly in the CodeNot mentio mentio d clarly in the CodeNot mentio mentio d clarly clarly clarly direct of codeNot mentio mentio mentio d clarly clarly direct of codeNot mentio mentio mentio rNot mentio mentio mentio mentio in the CodeNot mentio mentio rNot mentio	Ty	5	-									
Not Comple ance ance ance clearly officerNot mentio ned and clearly in the CodeNot Not mentio oned clearly in the CodeNot Not mentio oned clearly in the CodeNot Not mentio oned clearly in the CodeNot Not mentio oned clearly in the CodeNot Not mentio oned clearly in the CodeNot mentio mentio mentio oned clearly in the CodeNot mentio mentio mentio oned clearly in the CodeNot mentio men				0040	-					sina e,	Not	
Not mentio mentio ance elarly in the clearly in the in the code clearly in the code in the requirem the code in the requirem treamly in the clearly in the in the code in the requirem in the requirem <br< td=""><td></td><td></td><td></td><td></td><td>Code</td><td></td><td>Non-</td><td></td><td></td><td>Not</td><td></td><td></td></br<>					Code		Non-			Not		
NotNotNotNotmentioredinin the codeofficein the in the yinofficeoffic					Not		executi					
Compine officer if the clearly officer if the clearly officerned clearly if the if the Codened officer if if the Codedirector if rin the if the codein the r codein the codein the code <td></td> <td></td> <td></td> <td>Not</td> <td>menti</td> <td></td> <td>ve</td> <td></td> <td></td> <td>d clearly</td> <td>clearl</td> <td></td>				Not	menti		ve			d clearly	clearl	
ance officer clearly in the the he Codenead in the in the in the Codedelarly in the in the Codedelarly in the the CoderIn the CodeCodeMot mentio <b< td=""><td>Compli</td><td></td><td></td><td>mentione</td><td>oned</td><td></td><td>directo</td><td>-</td><td>-</td><td>in the</td><td>y in</td><td></td></b<>	Compli			mentione	oned		directo	-	-	in the	y in	
officerin the Codein the corrorateNot menti me	-			d clearly	clearl		r			Code	-	
CodeCodeCodeCodeNotNotNotNotrrCodecoderIndeetmentiomenti	officer	5	-	in the	y in			Code	Code		Code	
Image: second of the second				Code	the			N-4	NI-4		Not	
NameNa		Code	Code		Code		T. J			Not	menti	
NotNotNotNotNotwalues, indepPreven ion annual ion of annual ion of ion in present ion in report; ion;Not inthe int				Define			-			mentione	oned	
Valuedvalues, ethical guideline s; include Corrupt indeet texe intex intex suffici of present intex suffici ethical groot; tarb intex suffici ethical suffici rvalues, ethical guideline s; include Consider annual intex the code; or in the corrupt report; each present in the corrupt report; ethical present in the report; ethical suffici ethic code;rin the codein the Codein the CodeNot mentio mentio ned clearly in the codeNot mentio ned clearly in the codeNot mentio ned clearly clearly in the codeNot mentio ned clearly clearly in the codeNot mentio ned clearly clearly in the codeNot mentio ned clearly clearly clearly clearly clearly clearly in the codeNot mentio ned clearly clearly clearly clearly clearly clearly clearly clearly clearly clearly clearly <b< td=""><td></td><td></td><td></td><td>corporate</td><td></td><td></td><td></td><td></td><td></td><td>d clearly</td><td>clearl</td><td></td></b<>				corporate						d clearly	clearl	
ValuedValuedenclaseenclaseenclaseenclaseCode <th< td=""><td></td><td></td><td></td><td>values,</td><td></td><td></td><td></td><td>-</td><td>-</td><td>in the</td><td>y in</td><td></td></th<>				values,				-	-	in the	y in	
$ \begin to the the control of the $				ethical			1			Code	the	
by an indepe ndent take- of in take- section of at the section of at the of Directo rsPreven indep at the ore take- section of at the section of at the section of at the section of of Directo rsNot indep in the section of at the section of point in the section of at the section of at the section of at the section of at the section of at the section of at the section of clearly in the section of at the section of at the section of at the section of clearly in the section of at the section of at the section of at the section of section of at the section of section of 				guideline				Coue	Code		Code	
by an indep indep index index is corrup index is corrup index is corrup index is corrup in dex is corrup is dex is dex 		Valued						Not	Not		Not	
indepe andent expert (in take- overs); general have in the suffici general have emetin in the in the in the suffici general have meetin in the in the in the in the in the in the code in the code in the code in the code in the code in the in the code in the in the <td></td> <td>by an</td> <td>Preven</td> <td>CG in</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Not</td> <td>menti</td> <td></td>		by an	Preven	CG in						Not	menti	
ndent expert ion; in 		-									oned	
expert (in take overs); section of athea athea bave meetin of in the athea athea take overs); section of athea meetin firm meet in the good the contrain r r male/f tree in tree in tree in tree in tree in the cormin in tree in tree in tree in the cormin ectars tree in the cormin ectars predictab tree in in tree in tree in tree in tree in tree in tree in in tree in in tree in tree in tree in in tree in tree in in tree in tree in in tree in in tree in in tree in in tree in in tree in in tree in in tree in in tree in in tree in tree in in tree in tree in in tree in tree in in tree in tree in in tree in in tree in tree in in tree in in tree in in tree in in tree in in tree in in tree in in tree in in tree in in tree in in tree in in in in in in 				-			CFO			5		
Un take oresp: mave mave for ent ent ent ent ent ent interest inderest inderest inter		-	-					2	-	in the	y in	
Indeeinternation		`								Code		
oversy: have have inther of inthe in								coue	eoue			
have Board of ent in the in t					Soun			Not	Not		Not	
Board     suffici     g; not     firm meet     corpo     fod     fanage     ned     ned     ned     nece     core     oned       Directo     time as     nomina     requirem     gover     m     in the     requirem     m       rs     directo     tion     eens; Set     gover     the     in the     in the     bid     the       rs     commina     eens; Set     gover     the     haac     Code     Stuation;     Code       rs     commina     eens; Set     gover     the     haac     Code     stuation;     Code       male/f     ttee;     lecard     inde     c     de;     in the     stuation;     Code       male/f     ttee;     lecard     individed     i.e.     i.e.     individe     i.e.     individe       e;     yaard     can own     i.e.     i.e.     i.e.     strategic     i.e.     i.e.     strategic     i.e.     i.e.       diversi     i.g.     planning;     i.e.     i.e.     i.e.     i.e.     i.e.     i.e.       ty;     i.g.     strategic     i.e.     i.e.     i.e.     i.e.     i.e.     i.e.       ty;			-							_	menti	
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $			g; not		corpo		U					
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $					·					-		
rsdirectotionents; setnancethecoCodeCodebidther;commipredictab;de;ide;icodesituation;Codemale/fttee;lejde;de;de;de;latelatecodesituation;Codee:pacers;policy;ide;de;de;latendentThendentThebackgrteamycan ownican ownican ownican ownican ownican ownisandican ownican own <t< td=""><td></td><td></td><td>nomina</td><td>-</td><td>gover</td><td></td><td>team</td><td>5</td><td>-</td><td>-</td><td></td><td></td></t<>			nomina	-	gover		team	5	-	-		
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	rs		tion		nance			Code	Code			
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$		,	commi		;				TT	situation;	Code	
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$			ttee;	-		ue,						
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $			term						-	The		
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$			max 2								Not	
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $		-	years;					Not	-	-		
diversi ty;ork;leadieadisorynedordoresstarteoresoresty;iststrategicistrategicisoryboardinteoverss theclearlyindividua		-					Superv	mentio		•		
ty;strategic planning; valuestrategic planning; valueboardboardboardboardwaluat in the Codeboardor and executiveboardwill the explanmanagemCodeindividua individuais andis andis andis andis andin			ork;									
Execut ive e remun directo I imiti rRemun eration imiti rNotify if imiti interest in oned related imiti rNotify if imiti imiti related imiti rNotify if imiti imiti related imiti rNotify if imiti imiti related imiti rNotify if imiti imiti related imiti rNotify if imiti related imiti related imiti related imiti rNotify if imiti related imiti related imiti related imiti related imiti related imiti related imiti related imiti related imiti related imiti related imiti related imiti related imiti related imitic related related imitic related related imitic related related related related related related related related related related related related related related r							2	-				
Image: constraint of the section of		<i>,</i> ,		-			Joand					
Image: SectorIndividuaImage: SectorImage: SectorImage: SectorindividuaIs andIs andImage: SectorImage: Sector<								Code				
Image: constraint of the securit is the securit is executiIs and is and is and is and is and is one of the securit is executiIs and is a									_	-		
Image: constraint of the securit restrictionImage: constrain				ls and						,		
ExecutRemun e remun iveNotify if they have direct/ind involveNot they have direct/ind interest in relatedNot menti oned clearl y in the co.; codeNot menti oned clearl the the co.; codeNot menti oned clearl the the co.; codeNot menti oned clearl transactio clearl transactio and the co.; codeNot menti oned clearl transactio clearl transactio transactio transactio absolut executi ve;Notify if they have direct/ind s share, transactio n with the co.; codeNot menti oned clearl transactio clearl transactio clearl transactio clearl transactio clearl transactio clearl transactio clearl transactio clearl transactio clearl transactio clearl the codeInterna the controlInterna special term supervi annually annually al controlInterna term supervi annually annually and arrang ements ing; syste ion;Involves soun term sound annually al annually and and syste ion;rfor the the controlnumber term <td></td> <td></td> <td></td> <td>groups;</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>				groups;								
Executi iveRemun e remun 				Notify if					· ·	Involves		
absolut eabsolut erationdirect/ind irectNot menti oned clearlNot menti oned clearlg to s fors for ddExecut iveremun erations share, bonus,interest in relatedoned clearloned clearlInterna lInterna lBoardCSR;interndirecto imit rlimit and executi ve;and has elimit;n with the coan holdy in the codeInterna lInterna operati and lInterna accordg to s for supervi annuallyal al controlrfor executi ve;and elimit;n with the can holdy in the codeclearl controlinterna accordg to s fors for d d controldirect/ind supervi and arrang ementsand accordby board and and andol and and ementsrfor executi ve;has elimit;the co.; a bigCode codeCode ementsing;;syste m;ion;reviewed m;m;ion;reviewed m;m;			Domin	they have					Relatin		Soun	
eerationirectiNotEffectiBoardCSR;internExecutremuns share,interest inonedveBoardCSR;interniveerations share,relatedclearlintersactiovesuperviannuallyaldirectolimitandn withy inclearlinter co.;onelarrangaccordby boardolrforhasthe co.;Codeclearlinterandandandandve;elimit;absolutccan holdcodeclearlings;systeinternaabiging ingings;systeings;syste		absolut		direct/ind	Not			TICC		-		
Executremuninvolveinterest ininterest ininternaliveerations share,interest inonedonedsion; inreviewedcontrdirectolimitandransactioy inininternalonedsion; inreviewedcontrrforhasn withthey inthecontrolarranganceand onandve;executiabsolutthe co.;codecodeinshortcomRMve;elimit;a bigion;reviewedm;		e		irect					-			
ive directoeration limit rstrate, bonus, and hasrelated clearl y in n with executi e limit;othed relatedothed clearl y in the codeinterna operati and y in controlsion; in assin; in accordreviewed by boardcontr ol and and and and and the co.; can hold a bigrelated clearl y in the Codeinterna clearl y in controloperati assin; in and arrang ementssion; in accordreviewed by boardcontr ol and and and and in with the codeve;elimit;abigCodeinterna y in the controlinterna accordoperati accordsion; in accordreviewed the controlcontrol ance anceand and with ings;syste		remun		interest in			Internet					
directolimitandtransactioy inrforhasn withtheexecutihasthe co.;controlve;elimit;can holdcodea biga biga big		eration		related				-	-	-	contr	
r for has absolut ve; absolut e limit; a big	directo								accord	by board	ol	
executi ve;absolut e limit;the co.; can hold a bigCode;with legislatshortcom ings;RM systeion;reviewedm;	r	for		n with			control	Ű,	ance	and on	and	
ve; e limit; a big ion; reviewed m;		executi						ements	with	shortcom	RM	
a big ion; reviewed m;		ve;			Coue			,	legislat	ings;	syste	
proportio by			c mint,	-					ion;	reviewed	m;	
				proportio						by		

Interna 1 audit	Not mentio ned clearly in the Code	annuall y review ed by board;	auditors with proposals for improve ment; Board receives routine report;	Not menti oned clearl y in the Code	
Extern al audit	Not mentio ned clearly in the Code	Knowl edge, experie nce;	Present at the general meeting; once a year review internal control procedur es;	Not menti oned clearl y in the Code	Fro m the cod e;
Disclos ure and transpa rency	Inform ation publis hed to provid e predict ability to shareh olders;	Firm inform ation in both Norwe gian and Englis h consid ering shareh olders;	Report CG in annual report; disclose dividend policy; Give informati on to nominate a candidate for a board on web;	Not menti oned clearl y in the Code	
Shareh olders and Minori ty Stockh older	Equal treatm ent; the firm only has 1 class of share; 21 day notice prior the	The firm explain s the justific ation from waivin g the pre- emptio n rights; at least	Can value whether the firm follows good CG; can anticipate the firm scopes; exercise rights as many as possible;	Not menti oned clearl y in the Code	Un der sto od fro m the cod e and pub lic co. act;

	GM;	2	use			
		Board	electronic			
		membe	means in			
		rs	GM;			
		indepe				
		ndent				
		of				
		main				
		shareh				
		olders;				
	In					
	accord					
	ance					
	with					
Financi	genera	Not		Not		
al	lly	mentio	Not	menti		
reporti	rti accept	ned	mentione	oned		
ng	ed	clearly	d clearly	clearl		
standar	accoun	in the	in the	y in		
ds	ting standar	Code	Code	the Code		
	ds and			Code		
	actual					
	situati					
	on;		Follow	Not		
	Their	Not	ethical	menti		
	rights	mentio	guideline	oned		
Emplo	includ	ned	s to	clearl		
yee	ed in	clearly in the Code	communi	y in		
	CSR;		cate with	the		
	CDR,		Board;	Code		
	The underlined part is describing some more					
Note		-	e done for rel	-		
			nd parties.		-	
	und purdes.					

#### 5.7.2 Finish code of corporate governance 2010

One of its distinctions is mentioning information on board and committees and supervisory board that a firm needs to disclose in 5 years. Besides, the Code addressed its view of taking 2 statements: CG and remuneration statements of the company. It emphasizes the web disclosure on these. But, it still needs more information on corporate secretary or compliance officer.

**Table 5: Finish Corporate Governance Code** 2010 (a Short Summary Evaluation)

Subje cts or partie s	Main quality factors	Sub qualit y factor s	Respon sibilitie s	Obje ctives	N ot e	
--------------------------------	----------------------------	-----------------------------------	--------------------------	----------------	--------------	--

At least 1 membe r have experti signific account of area interma interma interma interma interma interma on or memio on or memio on or memio on or memio comm interma inte				D-1		Г		-11	a ma <sup>1</sup> .1.		-11	
least 1 r have experti s have experti auditin interna supervi interna supervi 		At						-				
membe r have char r have se in auditin interna auditin interna auditin interna auditin interna auditin interna auditin interna auditin interna auditin interna <br< td=""><td></td><td>least 1</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>•</td><td></td></br<>		least 1									•	
r have experi auditin auditin interna ucountin interna int								Code				
Audit sci sci addit indexi itteeexperti sci in issi interna addit interna itteereportin supervi menti supervi posta itteereportin supervi menti supervi interna itteeNot interna itteeSubject menti menti menti supervi interna itteeNot menti menti supervi interna itteeNot menti menti menti supervi posta interna signific ant olders;reportin interna signific itteeNot menti supervi posta ecomplia interna interna itteeNot menti menti menti menti nedNot menti menti menti onedNot menti menti oned edNot menti oned edNomi inter inter inter inter inter interNot menti me				1					job;		Code	
se in auditin interna auditin interna supervi g or interna				reportin						Subject		
Audit account internation to account internation ting at indepe nenti indepe nenti indepe indent of signific and indepe indent of signific and indent of signific and indent of signific and indent of signific and indent indent of signific and indent indent of signific and indent indent indent of signific and indent indent odlers;Not indent indent index <b< td=""><td></td><td>-</td><td>Expert</td><td>g and</td><td></td><td></td><td>CEO</td><td>Not</td><td>Not</td><td>to</td><td>Not</td><td></td></b<>		-	Expert	g and			CEO	Not	Not	to	Not	
Audit accoun iticeinterna accoun ting at itimeinterna isinificsumeria se oned clearly yin reportin the g; compti eThe inthe action inthe inth			ise in	control;	Not					develop	menti	
Audit comm inteelaudit, ing; at least 1 indep of signific antlaudit, iscore ing; at eraportin the evaluat'score inte the complia inte evaluatlaudit, iscore inte evaluat'score indep inte the indep evaluat'ne indep inte indep evaluat'ne indep inte inte inte indep inte int			interna	supervi	menti					ment	oned	
account inteebookk ingfinancia indepclearl y in y in relationclearl inthe in the in the	Audit	g or	l audit.	-	oned					phases.	clearl	
itteeleast 1 least 1 indep ndent ofeeping rportin the g; complia ant sharch olders;1y in rportin the g; complia ant accnthe the complia complia complia accnthe the complia accnthe the complia accnthe the codenthe code codenthe codenthe codenthe codeNomi nation nation nation inteeIndepe to of to of mentioNot nectNot mentio oned director as at g; the codeNot mentio oned director as at g; the codeNot mentio mentio oned director as at g; the codeNot mentio mentio need inthe codeNot mentio mentio mentio need inthe codeNot mentio mentio mentio need inthe codeNot mentio mentio mentio need inthe codeNot mentio mentio mentio mentio need inthe codeNot mentio mentio mentio need inthe codeNot mentio menti			,					clearly	-	-		
least 1reportin indepe indept of signific ant shareh olders;reportin g; codethe codeCode combin codeCode codeCode codeNomi nation olders;ing; complia ncc inteCodecode codeNot mentio mention <td></td> <td>ting; at</td> <td></td> <td></td> <td></td> <td></td> <td>relatio</td> <td>in the</td> <td>in the</td> <td></td> <td>-</td> <td></td>		ting; at					relatio	in the	in the		-	
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	nuce	least 1	coping	-	-		nship	Code	Code			
ndent of signific ant 		indepe	,	-							Coue	
of signific ant shareh olders; $e$ complia nce with $e$ complia nce withNot rate rate ned ned clearly aryNot mentio ned ned clearly in the CodeNot mentio ned clearly clearly clearly in the clearly clearly clearly clearly clearly clearly clearly clearly clearly clearly clearly in the mentio mentio mentioNot mentio ned clearly <br< td=""><td></td><td>ndent</td><td>-</td><td></td><td>Code</td><td>Ļ</td><td></td><td></td><td></td><td>ea</td><td></td><td></td></br<>		ndent	-		Code	Ļ				ea		
signific ant shareh olders;e complia nce with laws;Corpo complia nce with laws;mentio rate rate arymentio ned ned red clearly in the in the codementio ned clearly clearly in the clearly in the codementio ned clearly in the codementio ned clearly in the codementio ned clearly in the mentio nedmentio ned clearly in the in the <br< td=""><td></td><td>of</td><td>ement;</td><td></td><td></td><td></td><td></td><td>Not</td><td>Not</td><td>Not</td><td></td><td></td></br<>		of	ement;					Not	Not	Not		
ant shareh olders;ant ncerate ncened stareh olders;ned clearly in the clearly in the clearly in the clearly in the codened clearly in the clearly in the codened clearly in the clearly in the codened clearly in the codened clearly in the codened clearly in the codened clearly in the codened clearly in the codened clearly in the codened clearly in the codened clearly in the codeNot mentio oned clearly in the clearly <b< td=""><td></td><td></td><td></td><td>-</td><td></td><td></td><td>Corpo</td><td></td><td></td><td></td><td></td><td></td></b<>				-			Corpo					
shareh olders;ince withince within the aryclearly in the aryclearly in the in the aryclearly in the in the in the Codeclearly in the in the codeNot mentio oned in the in the codeNot mentio oned in the in the codeNot mentio oned in the codeNot mentio in the codeNot<		-		-			-				oned	
Nomi nation nation inteeNot laws;Not menti ation on oned director s at y in est of inteeNot in the CodeNot in the CodeNot mentio mentio ned in the CodeNot mentio mentio ned in the CodeNot mentio mentio ned in the CodeNot mentio mentio ned in the CodeNot mentio mentio ned in the CodeNot mentio mentio mentio mentio mentio in the clearly in											clearl	
Nomi nation indent;Consis ts of directo rs;Present menti ation on oned director rs;Not Present ation on oned director s at GM;Not the CodeNot CodeNot CodeNot mentio mentio ned resent mentio nedNot mentio mentio nedNot mentio mentio ned resent resent resent director s at the CodeNot mentio mentio resent s at the codeNot mentio mentio resent s at the codeNot mentio mentio resent resent oned resent rese				with				-	-	•	y in	
Nomi nation indent;Present sof director rs;Not oned director rs;Not oned director rs;Not menti oned director GM;Not menti oned director CodeNot mentio mentio oned director officerNot mentio mentio oned ned in the clearly in the extern in the extern in the extern itteeNot mentio mentio in the extern r;Not menti oned menti oned iclearl iclearl iclearl in the clearly in the clearly in the clearly in the clearly in the in the clearly in the clearly in the clearly in the clearly in the clearly in the clearly in the clearly in the clearly in the in the <td></td> <td>olucis,</td> <td></td> <td>laws;</td> <td></td> <td></td> <td>ary</td> <td></td> <td></td> <td></td> <td>the</td> <td></td>		olucis,		laws;			ary				the	
Norm nationIndepe ts of directorConsist 					Not			Code	Code	Code	Code	
NomIndepeConsisation ononedMotMotmentiomentiomentionationndent;tirectors aty ininmentiomentionmenti	N7 .		<u> </u>	Present	menti	F					Not	
nation comm itteeIndepe director s at rs;director s at g M;clearl y in GM;Compl the Codementio ned (clearly (clearly)mention o (clearly)oned (clearly)Compl ensati on or mentio no mentio nentio nentioMajori ty be managi menti managiAppoint menti managiMajori menti managiAppoint menti managiCompl indepe menti menti menti o nod ccan in the ccan in the ccanAppoint menti menti o ned ccan in the ccan in the ccan in the ccan in the ccan in the ccan in the ccanMajori mentio mentio o ned indepe indept in the in the in the in the in the in the in the in the in the in the codeMajori mentio menti mentio menti o ned in the in the<				ation on	oned			Not	Not			
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$		-					Compl		mentio			
itteeIffs; rGM; Codethe Codeofficerclearly in the Codeclearly in the in the Codeclearly in the in the Codeclearly in the in the Codeclearly in the Codeclearly in the the Codeclearly in the Codeclearly in the Codey in the the CodeComp ensati no or nerati clearly undent; on or in the clearly in the clearly use on in the clearly in the clearly in the clearly in the clearly in the clearly in the clearly in the clearly in the in the clearly in the in the i		ndent;	directo				-	ned	ned	ed		
CompMajori ty beAppoint managiCodein the Codein the <b< td=""><td>ittee</td><td></td><td>rs;</td><td></td><td>-</td><td></td><td></td><td>clearly</td><td>clearly</td><td>clearly</td><td></td><td></td></b<>	ittee		rs;		-			clearly	clearly	clearly		
Comp ensatiMajori ty be indepeAppoint managiMot managiCodeCodeCodeCodeCodeComp ensatiNot indepeindepe ng mentiNot managiNot managiNot managiNot managiExpertiInterac se, experieFirst timeFirst timeInterac timeNot neraticlearly useuse r;clearl rationclearl rationclearl rationPerfor withMot timeComm comm tteeCodeS; rationData schemeCodeSi se, r; ration time se, r; ration se, r; ration se, r; remune se, r, remune				UNI,			officer	in the	in the	in the	•	
Comp ensatity be indepeAppoint managiNot managiExpertiImageImageImageon or mentiondent; directorng mentimenti directoroned itimeindent; directornde			Malari		Coue			Code	Code	Code		
ensati on or mentio nor mentio nerati clearly on in the comm itteeNot indent; ng in can in the extern advise r;imanagi ng menti oned iclearl remune ration the scheme codeimanagi ng menti oned clearl remune ration the scheme codeimanagi ng menti oned clearl remune remune remune riteeimanagi ng menti oned clearl remune riteeimanagi ng menti director remune scheme r;imanagi ng menti clearl remune ritedimanagi ng menti remune ritedimanagi ndent;imanagi menti oned clearl remune remune ritedimanagi ndent;imanagi menti oned clearl remune	G		÷	Appoint		-					Code	
on or Remu nerati clearly on in the commndent; can can ; clearl rationng oned oned ; clearl pin rationmenti oned it it enet eInterac nce; tionFirst time director and a shareh and a sufficieon on in the commal advisescheme s;Code s;Interac nce;First time director and a sufficieon inter itteeadvise advisescheme s;Code s;Interac ma ma schemeFirst time director and a sufficieCEO or manag ing direct orAppoin ted/ board;Not the board;Ensur e e day practi manage the board;Ensur e e compl the board;Board accou practi manage cc compl with laws;Board of job;of job; electe genderGM; 1 attendsmenti mentioThe ChairNot ma a GM;Mot managecc compl with laws;Signific atton;attends and atton;yin andThe ChairNot manageNot mentioNot manageNot mentiNot mentiNot manageNot mentiThe ChairNot manioMot mentioNot mentiNot mentiNot mentiNot mentiThe ChairNot manioAttends mentiNot mentiNot mentiNot mentiNot mentiThe ChairNot mentioPerfor ma<	-		-	managi	Not			-				
on orIntentioIndenti, candirectoronedintentioFirstFirstRemunedcan;clearlnce;tionFirsttimeonin theexternremuney in rationtheSchemeCodeand aand acommCodealschemeCodeschemeCodeintentiomatsharehand aitteeadvises;erableinntNotr;s;CEOAppoinNotaccoueofbothdinsclearlmanagauthorichairmdaypractiorss; atyearGM; theingzed bythemanageceandorNotment;complyindepesufficiattendsy inorNotwithlaws;attendsTheNotPerformatNotmentiattendsTheNotmentiomaGM:mentiattTheNotmentiomaGM:mentiatttracementiomaGM:mentimentiingSord;PerformatedirectNotmenti			-	-	menti							
Remunedcan;clearlneraticlearlyuseremuney inonin theexternrationthecommCodealschemeCodeadviseschemeCodeinand aitteeadvises;r;s;r;s;r;s;r;s;r;s;r;s;r;s;r;s;r;s;r;s;norted/ntingauthorian ofmanagece-ingzed bythement;compldirectorboard;thement;compldirectNotmanagece-ingsoard;ywithlaws;-ftince;finform-ation;ofinform-indepesuffici-ofinform-ofinform-findepiation;indepi-			ndent;		oned			experie	Interac	First		
nerati onin the in the extern adviseremune rationy in the the schemePerforwith ma director and a sufficiecomm itteeCode adviseal schemecode s;considolders erableand a sufficier;r;S;			can					nce;	tion			
onin the commextern al adviseration schemethe Codemashareh considand a sufficieitteeadvise advises;	nerati	clearly	use	, remune				Perfor	with			
comm itteeCodeal advisescheme s;Codeconsidolderssufficieitteeadvises;r;s;ntNotr;r;Ensur 	on	in the	extern		-			m a	shareh			
itteeadvises;-erableinntNotr;r;s;amountGM;boardmentiCEOAppoinNoteeof job;electememberonedorAppoinNotaccou0fbothd insclearlmanagted/chairmdaypractiorss; atyearGM; 1attendsy iningzed bythement;complorss; atyearGM; thetheorboard;thement;complindepesufficiproperofindepesufficiorNotment;ywithlaws;ofinformatton;ation;theTheNotPerforAttendsNotmentianttion;tion;tion;	comm	Code	al					consid	olders			
CEOAppoin or manag ing direct orNot the board;Ensur eBoard eamount of job;GM; electe bothntNot memberCEO or manag ing direct orNot the board;Not day practi an of the board;Day to day practi manage the board;Ensur eBoard of of bothGM; the board the least 2member oned s chairmond s clearl of the board;Not ment;memti eThe ChairNot mentioPerfor m aAttends GM;Not mentiNot mentiNot mentiThe ChairNot mentioPerfor m aAttends GM;Not mentiNot mentiThe ChairNot mentioPerfor m aAttends GM;Not mentiNot mentiNot menti	ittee		advise		Code			erable	in		N	
CEO or manag ing directNot the chairmEnsur e eBoardof job; bothelecte din memberboardmenti memberOrAppoin ted/ authori orNot the chairmDay to day day practi managenting practi ce ment;Boardof job; bothelecte din din sboardmenti memberOrAppoin ted/ authori orNot the board;Day to day ment;nting ce ce ment;Board of job;of job; directelecte din memberboard memberoned s clearlManage orce the board;ment; with laws;compl with laws;Board of job;electe din din s; at least 2memti memberoned s s clearlThe ChairNot mentioPerfor m aAttends GM;Not mentiNot mentiNot mentiNot mentiNot mentiThe ChairNot mentioPerfor m aAttends GM;Not mentiNot mentiNot mentiNot mentiNot menti			r;	s;				amount				
CEO or manag ing direct orNot ted/ chairm authori zed by directNot the day day the board;e accou nting practi day manage ce ment;of chairm accou practi ce directoboth din direct orsdin s schair attendsmember s of s; at least 2oned din s s; at least 2member s orsoned s s chair attendsManage direct orNot board;Day to day the board;nting day practi ment;orss; at s; at least 2year term; adminisGM; the adminisV orNot mentioment;compl with laws;orss; at s; at least 2term; trationadminis trationCodeV orNot mentioPerfor m aAttends GM;Not mentiNot mentiNot mentiNot mentiNot mentiNot mentiNot menti					Ensur		Board					
CEO or manag ing directNot the chairmNot bay to day day practiaccou nting practiDirect orsgender s; at least 2GM; 1 attendss clearlclearl attendsing directauthori zed by board;an of the board;manage ment;ce ment;compl s; at complDirect orsgender s; at least 2GM; 1 attendss attendsy in GM;orzed by board;the board;ment;compl yce ment;indepe indepesuffici inform ation;code trationThe ChairNot mentioPerfor m aAttends GM;Not mentiNot mentiNot mentiNot mentiNot mentiNot menti								e e		member		
or manag ing directAppoin ted/ authori zed by board;the day day manageDay to nting practi adw practi ce manageorss; at s; at least 2year term; directo receiv tration tration tration tration trationwith the adminisorVert authori zed by board;The ment;Mot Perfor ma Attendsorss; at s; at ces term; directo receiv receiv receiv tration rsattends GM;y in the adminis tration adminis tration rsThe ChairNot mentioPerfor ma AttendsNot mentiNot mentiNot menti	CEO		Not							S		
manag ing directted/ authorichairm dayday practi ce ment;least 2term; receivGM; administhe code trationdirect orzed by board;the board;ment; vcompl y with laws;least 2term; receivadminis trationCode trationornof board;ment; vcompl with laws;ndent of significent organiz ation;Code trationThe ChairNot mentioPerfor m aAttends GM;Not mentiNot mentiantindep				Day to						attends	y in	
ing direct orauthori zed by board;an of the board;manage ce compl board;ce compl ydirecto receivreceiv tration and trationadminis tration and trationorzed by board;the board;ment; ycompl yindepe ndentsuffici inform of signific antproper organiz ation;The ChairNot mentioPerfor m aAttends GM;Not mentiNot menti		ted/		•	-		015			GM;	the	
direct orzed by board;the board;ment; the board;compl y with laws;rs e indepetration and proper organiz ation;The ChairNot mentioPerfor m aAttends GM:Not mentioNot mentiosignific antation;	-	authori		-	-					adminis	Code	
direct orboard;the board;ment;compl yorboard;yyboard;ywith laws;ndentent organiz ation;The ChairNot manioPerfor m aAttends GM;Not mentiosignific antation;		zed by		-								
or     board;     y       Indepe     suffici       Ind		•		ment;	-							
Not     Perfor     Attends     Not       Chair     mantio     ma     GM:     mentio	or	,	board;					-				
Not     Perfor     Not     Signific     ation;       The     mentio     m a     GM:     mentio     ant												
The     Not     Perfor     Attends     Not       Chair     mentio     m a     GM:     menti     ant					laws;			of	inform	-		
Chair mentio m a GM menti ant	The	Not	Perfor	Attende	Not			signific	ation;	anon,		
ned consid OW; oned shareh		mentio	m a		menti			ant				
	Chair	ned	consid	UM;	oned			shareh				

	olders			
Execu tive direct or	Not mentio ned clearly in the Code	May not in the nomin ation commi ttee;	Operati ve manage ment; remune ration disclose d;	Not menti oned clearl y in the Code
Non- execut ive direct or	Not mentio ned clearly in the Code	Not mentio ned clearly in the Code	Not mention ed clearly in the Code	Not menti oned clearl y in the Code
Indepe ndent direct or	Not mentio ned clearly in the Code	Hold the majori ty of board;	Not mention ed clearly in the Code	Not menti oned clearl y in the Code
CFO	Not mentio ned clearly in the Code	Not mentio ned clearly in the Code	Not mention ed clearly in the Code	Not menti oned clearl y in the Code
Mana gemen t team	Not mentio ned clearly in the Code	Not mentio ned clearly in the Code	Not mention ed clearly in the Code	Not menti oned clearl y in the Code
Super visory board	Not mentio ned clearly in the Code	Not mentio ned clearly in the Code	Remun eration , compos ition and operatio n disclose d;	Not menti oned clearl y in the Code
Intern al contro	Not mentio ned	risk MGT a part	Monitor ed by audit	Ensur e profit

1	1 1	C	•,	1 1	
1	clearly	of	commit	able	
	in the	contro	tee;	operat	
	Japan	1	main	ions	
	Code	system	features	of the	
		;	reviewe	firm;	
			d by		
			Audit		
			Commit		
			tee;		
			Define		
			principl		
			es of		
			internal		
			control		
			and risk		
			MGT;		
			risk		
			valued		
			by		
			board;		
			Monitor		
			ed by		
		Organi	audit	Not	
<b>.</b>	Not	zation	commit	menti	
Intern	mentio	of IA	tee;	oned	
al	ned	functi	instructi	clearl	
audit	clearly	ons	ons	y in	
(IA)	in the	disclos	approve	the	
	Code	ed;	d by	Code	
			audit		
			commit		
			tee;		
		term			
		not >	Present		
	NL	7	at GM;	Not	
	Not	years;	gives	menti	
Extern	mentio	audit	shareho	oned	
al	ned	and	lders	clearl	
audit	clearly	non- audit	indepen	y in	
	in the Code	servic	dent	the	
	Code		opinion	Code	
		e fees disclos	on F.S;		
Disclo	Reliabl	ed; Insider	CM	Not	
		admini	GM		
sure	e, up to		minutes	menti	
and	date	stratio	present	oned	
transp	inform	n	ed on	clearl	
arency	ation	system	web;	y in	

	distrib ution;	aticall y and reliabl y organi zed;	disclose contract benefits of managi ng	the Code	
			director ; disclose major risks and uncertai nties;		
Share holder s and Minor ity Stock holder	Not mentio ned clearly in the Code	Equal treatm ent; GM held after 6 month of fiscal year;	Extra GM organiz ed if at least shareho lders with 10% shares demand ; ask questio ns in GM; elect board and auditors ;	Not menti oned clearl y in the Code	
Financ ial reporti ng standa rds	Not mentio ned clearly in the Code	Done by audito r;	Not mention ed clearly in the Code	Not menti oned clearl y in the Code	
Emplo yee	Not mentio ned clearly in the Code	Not mentio ned clearly in the Code	Not mention ed clearly in the Code	Not menti oned clearl y in the Code	
Note	The un	derlined p	art is descr	ibing sor	ne

more works needed to be done for
relevant subjects and parties.

# **5.8** The Establishment of a relative north european corporate governance standards

# **5.8.1** Comparison between the norwegian and finish corporate governance principles

Different from other Codes, there is some information on the corporate assembly in the Norwegian Code 2010. For example, its composition has 12 members elected by shareholders and employee. Besides, the independence of Board members also involves the meaning in which family or business not affect his/her decisions.

On the other hand, the Finish Code considers many descriptive information of the firm need to be disclosed.

After making comparison, the following table is constructed in the way that creates the better understandable criteria, or at least a few.

# Table 6: A summary of A Relative NorthEuropean Corporate Governance Standards

Subjects or parties	Main quality factors	Sub quality factors
Audit committee	opinions on errors of business and risks; Meeting at least once a month;	Unlimited access to firm information; Meeting at least once a month;
CEO	Day to day management; Tasks may be delegated by Board;	Present at shareholder meeting; resolve all corporate conflict matters not within authorities of BD; Not the chairman of the board;
The Chairman	Professional reputation; Perform a considerable amount of job; Tasks may be delegated by	organize work of committee; nominating boar members for committee;

	Board;	
Corporate Secretary	Knowledge for proper performance and functions; not be affiliated person of firm and officers;	receive notice from CEO, managerial board if any conflicts of company interests;
Compliance officer	Not mentioned clearly in the Code	Not mentioned clearly in the Code
Board of Directors	at least 2 directors independent of significant shareholders	Set clear, predictable dividend policy; have liability insurance; not disclose insider information;
Independent director	Involved in board;	Not serve as member of managerial board; not a representative of the government;
Supervisory board to the Management	Can be board of directors;	Not mentioned clearly in the Code
Supervisory to the Board of Directors	The corporate assembly supervises the board and executive management;	Remuneration , composition and operation disclosed; Use independent expert in take- overs valuation and explanation to public;
Internal control	main features reviewed by Audit Committee; Define principles of internal control and risk MGT; risk valued by board;	Risk MGT a part of internal control; annually reviewed by board and on shortcomings; reviewed by auditors with proposals for improvement;

Internal audit	Monitored by audit committee; instructions approved by audit committee;	Board receives routine report;
External audit	disclose deficiencies in financial activity;	audit and non- audit service fees disclosed; Honesty, competence; once a year review internal control procedures;
Disclosure and transparency	Information published to provide predictability to shareholders;	disclose shareholders' information with 20% or >5% shares;
Insider information	Insider information controlled by the firm;	Not allow operations based on confidential information;
Shareholders	Give objective opinion in GM;	Not allow harm the rights of other shareholders; not misuse their rights;
Employee	Workplace healthcare, safety, labor efficiency mentioned in ethical standards;	Their rights included in CSR;
Candidates in nomination	Competence, capacity and independence, education, business experience;	information given to shareholders before meeting;
The corporation as a whole entity	Define guidelines for CSR; set corporate values; create transparent	Define scope of business, objectives, strategies; appropriate equity for objectives,

	1	
	mechanism	strategy, risk;
	for dividend	
	payment;	
The Code	Have a	
	separate	"Comply or
	corporate	explain" approach
	governance	explain approach
	statement;	

# **5.8.2** 1<sup>st</sup> Establishment of so-called limited north european corporate governance standards

# 5.8.2.1 Comparison of corporate governance standards between<D.1> and <D.2> group

Before we come to set up a set of general limited standards of corporate governance, we need to review the standards combined in the previous two (2) groups:

The advantages of Group 1, but not limited to, disclosure standards, shareholders and supervisory board, though it still works more on duties of corporate secretary.

On the contrary, the Group 2 including 3 above countries has certain strong features. For example, the Russian code considered the company as a whole which could establish the easy to understand dividend payment policy for shareholders. Whereas the Finnish Code 2010 needs the company issues its own CG statement on matters such as: information on managing directors and duties, etc...Generally, both groups need more information on Supervisory board to management.

Based on the above analysis, we consider building comparative standards as below.

# Table 7: A Summary of A Limited North European Corporate Governance Standards

Subjects or parties	Main quality factors	Sub quality factors
Audit committee	opinions on errors of business and risks; Meeting at least once a month;	Vary depends on size, complexity of the firm;
Nominating committee	elect candidates not proposed by	Use external advisers to find new directors;

	board; use	Can be used for		
	firm's	preparatory		
	resources;	work of the		
		Board;		
		Attract skilled		
		experts;		
	Remuneration	evaluate		
Numeration or	reflects boards'	performance of		
Compensation		BD and		
Committee	expertise,	managerial		
	duties, time;	board; have		
		remuneration		
		statement;		
	Present at	,		
	shareholder			
	meeting;			
	resolve all	Day to day		
	corporate	management;		
	conflict	Not in the		
CEO	matters not	nomination		
	within	committee; not		
	authorities of	be a Board		
	BD; Not the	member;		
	chairman of			
	the board;			
	the board,	The Chair can		
	organize work			
	of committee;	be supported		
The Chair	nominating	by Vice		
	boar members	Chairman;		
	for committee;	professional		
		reputation;		
CEO & The	Roles can be	Tasks may be		
Chair	combined;	delegated by		
		Board;		
	Not mentioned	Not mentioned		
CFO	clearly in the	clearly in the		
	Code	Code		
	Knowledge for	receive notice		
	proper	from CEO,		
	performance	managerial		
Corporate	and functions;	board if any		
Secretary	not be	conflicts of		
	affiliated	company		
	person of firm	interests;		
	and officers;	micresis,		
Compliance	"Comply or	Sound logal		
Compliance	"Comply or explain"	Sound legal		
Compliance officer		Sound legal framework;		

		-	T			
Directors	predictable	system; at least			activity;	services;
	dividend	2 directors			How	Information
	policy; have	independent of		Disclosure	shareholders	published to
	liability	significant		and	exercise their	provide
	insurance; not	shareholders		transparency	control rights;	predictability to
	disclose insider				control rights,	shareholders;
	information;				Insider	Not allow
Management	develop	Have sufficient		Insider	information	operations
team	guidelines of	time;		information	controlled by	based on
team	operations;	time,		mormation	the firm;	confidential
		Not serve as			uie min,	information;
		member of				Not allow harm
		managerial			Participate	the rights of
Independent	Involved in	board; not a		Shareholders	effectively in	other
director	board;	representative		Shareholders	general	shareholders;
unector	board,	of the			meetings;	not misuse
		government;				their rights;
		May from			Disclose	Pay attention to
		private sector;			shareholders'	Public
Supervisory	Can be board	Not mentioned		Stakeholders	information	Company Act,
board to the	of directors;	clearly in the		Stakenoiders	with 20% or	Securities
Management	of directors,	Code				trading Act,
	The corporate	Use			>5% shares;	etc
	assembly	independent			Information	disclose
	supervises the	expert in take-		A ( 1.11)	equally	information on
Supervisory to	board and	overs valuation		Accountability	available to all	independent
the Board of	executive	and explanation			shareholders;	director;
Directors	management;	to public; Can			In accordance	
	Can compose	be independent			with generally	Audited
	of government	external		Financial	accepted	annually
	authorities;	advisers;		reporting	accounting	complied with
	main features	annually		standards	standards and	intl. or national
	reviewed by	reviewed by			actual	standards;
	Audit	board and on			situation;	
Internal	Committee;	shortcomings;			Board takes	CEO and
control	Define	reviewed by		Leadership	independent	Chairman in
	principles of	auditors with			leadership;	charge;
	internal control	proposals for			Workplace	
	and risk MGT;	improvement;			healthcare,	
	Monitored by		1		safety, labor	
	audit				efficiency	Follow ethical
	committee;	Decili			mentioned in	guidelines to
Internal audit	instructions	Board receives		Employee	ethical	communicate
	approved by	routine report;			standards;	with Board;
	audit				appropriately	,
	committee;				qualified and	
	disclose	Avoid interest	1		well-trained;	
External audit	deficiencies in	conflicts in		Candidates in	Give	Competence,
	financial	non-audit		nomination	information to	capacity and
L	I		L			enpuerty und

	nominate a	independence,
	candidate for a	education,
	board on web;	business
		experience;
	avoid conflicts	Board members
3rd parties and	of interest b.t	holding some
conflicts of	candidates and	appointments
interests	board	note conflicts
	members;	of interest;
The corporation as a whole entity	Define guidelines for CSR; set corporate values;	Can have ethics committee; Senior ethics officer;
The Code	Promote long term sustainability of the enterprise; clear and effective division of roles and duties;	Have a separate corporate governance statement; "Comply or explain" approach

#### **5.0 Conclusions**

In efforts to prevent failures and control the corporate governance issues after crisis, the 2006 UN Code and the 2008 SWF Governance Principles were formed. Both Codes describes many aspects of disclosure.

As analyzed, the UN Code gives more information on committees and supervisory boards.

On the other side, SWF Code has a detailed description of recommendations to risk management in investment field. On the other hand, in group 2, the Norwegian Code 2010 pays attention to take-overs and relevant duties of corporate employee.

In general, both Codes of 2 groups promote long term sustainable value for the corporation and emphasizes roles of audit committee and internal control.

In consideration of corporate governance issues analyzed in the previous sessions, we proposed the main and sub quality factors in this paper a set of general limited North European corporate governance standards in a limited global model with selected 2 above groups of Codes. It has some implications for further research and proper recommendations to relevant government and organizations.

The above incorporated standards need to be re-evaluated before any organization in emerging markets including Viet Nam wants to use them for their own operation. It means that these standards are flexible, not strict. And they have to pay attention to quality factors relating to employee, management, and the company.

#### Acknowledgement

This is a special time to thank you all respected people who directly or indirectly help me to complete this paper. My family, teachers, colleagues, parents and brother Dinh T.N.Hien. Board of Directors at Banking University, HCMC and coworkers at Binh Duong University. My Professors at International U of Japan, Niigata, Japan – Amos Tuck school of Business, USA and Arhus business school, Denmark, Editors and friends

#### References

- [1]. Abdullah, Haslinda., and Valentine, Benedict., (2009), Fundamental and Ethics Theories of Corporate Governance, Middle Eastern and Finance Economics, Issue 4
- [2]. Alexander, David., (2010), Corporate Governance and Earnings Management : Going Beyond Agency Theory and Secondary Data, Intl. Journal of Corporate Governance, Vol.2, No.1
- [3]. Cheung, Stephen Y.L., Chan, Bob Y., (2004), Corporate Governance in Asia, Asia-Pacific Development Journal, Vol.11, No.2
- [4]. Joo, Thomas W., (2010), Theories and Models of Corporate Governance, UC Davis Legal Studies Research Paper, No.213
- [5]. OECD Corporate Governance Guidelines, OECD, 1999
- [6]. Lashgari, Malek., (2004), Corporate Governance: Theory and Practice, The Journal of American Academy of Business

- [7]. Shin, Jogn Seop., Kim, Soo Wook., and Kim, Hyun Jung., (2012), Governance Change and Its Impact on Board Decision Making, Intl. Journal of Corporate Governance, Vol.3, No.1
- [8]. Lim, Lenici., (2010), Corporate Governance
   A Survey of Australian and South East
   Asian Systems, Corporate Governance
   eJournal, Bond University
- [9]. Wei-An, Li., (2008), Corporate Governance in China – Research and Evaluation, John Wiley & Sons, Inc.
- [10]. www.thecorporatelibrary.com
- [11]. www.fic.wharton.upenn.edu
- [12]. www.chanrobles.com/secmemorandumcircu larno022002.html