

# The Causes and Consequences of the Implementation of Corporate Governance Mechanisms in Central and Eastern Europe

## **SUMMARY**

This paper explores the application of corporate governance mechanisms in Central and Eastern Europe, focusing on non-financial companies listed on the regulated market of the Bucharest Stock Exchange. It represents a significant initial step towards understanding the evolution of this phenomenon over time and how companies in the region adhere to the "comply or explain" framework. Utilizing relevant and current research methods, four years of voluntary compliance with the provisions of the Corporate Governance Code were analyzed, in a specific context marked by changing approaches and new provisions in governance.

The main findings of the research indicate a positive evolution in the compliance of listed companies with the new corporate governance code provisions. There is also a statistically significant relationship between the size of the companies and the degree of compliance with the governance code provisions. Additionally, the results show no relationship between corporate governance scores and financial performance, while confirming previous literature findings regarding the relationship between the formation of audit committees and financial performance.

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