AN ANALYSIS OF THE DETERMINANTS OF CORPORATE GOVERNANCE DISCLOSURE POLICIES IN MULTINATIONAL ENTERPRISES: A MULTI- MEDIUM STUDY

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Abstract

Purpose – This research aims to identify the factors underlying the corporate governance disclosure policies of the world's largest multinational companies (MNCs) based on the following: (1) national factors related to the MNCs' home countries (2) governance factors related to their governance systems and (3) operational factors arising from the operational characteristics of the MNCs.
Methodology – Our sample includes 159 MNCs from 24 countries representing three geographic regions. The corporate governance disclosure policy is examined in terms of level and quality of disclosed information in two different mediums (traditional i.e .paper vs. websites).
Results – Multiple linear regressions indicate that national factors, especially cultural ones, are important determinants of MNCs corporate governance disclosure policy in the traditional print mediums. National factors, however, seem to play no part in governance disclosures on the internet but can rather be explained by the international MNCs listing status.
Practical implications – This study could guide the harmonization efforts of international standard setters in identifying factors leading to different governance disclosure behaviors and the disclosure medium most influenced by these factors.

Keywords: MNCs, Disclosure, Policy, Corporate Governance, Cultural Characteristics, MNCs' Characteristics, Traditional Mediums, Websites

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1 Introduction

A small number of large MNCs dominate the global economy. Consequently, the global economy relies upon their stable functioning. When governance mechanisms break down, the impact is felt not only in the home country but around the world (UNCTAD, 2011). A good example of this is the bankruptcies, frauds, social and environmental implications of MNCs businesses and the subprime crisis that was at the origin of the world economic crisis.

The harmful practices of a small number of MNCs called into question the reputation of the majority of them and showed the importance of good corporate governance systems for the stability of economies and wellbeing of society. Good governance practices strengthen the trust between a company and its partners and contributes to creating more value for the company and its shareholders as well as contributing to the economic development of these countries. Governance disclosure represents the most effective tool that regulators can use to encourage companies to comply to best corporate governance practices (Winter Report, 2002)[1]. Furthermore, markets are more effective when investors have sufficient information to properly assess corporate governance and make better investment decisions (OECD, 2004)[2]. Recently, governance disclosure has become an important aspect of corporate transparency, particularly, for those involved in global business and aiming to improve their reputation in international markets (Radebaugh et al. 2006; Markarian et al. 2007; Kolk, 2008).

Previous studies on governance disclosure focused on domestic companies whose disclosure practices are largely influenced by the legal and financial contexts of their home countries (Bushman et al. 2004; Vander Bauwhede and Willekens, 2008; Ben Othman and Zeghal, 2008; Khan, 2009). A few studies have examined whether governance disclosure by multinationals, facing different legal, social and regulatory parameters, could be affected by factors other than those identified for national companies. Furthermore, it should be noted that these studies

[1] Report of the High Level Group of Company Law Experts on a Modern Regulatory Framework for Company Law in Europe, 4 November 2002. Available at: http://ec.europa.eu/internal_market/company/docs/modern/report_en.pdf
[2] Corporate government principles of the OECD, 2004

focused on a single disclosure medium, namely annual reports.

In this study, we try to overcome these limitations by focusing on a sample of MNCs and analyzing two main disclosure mediums namely the annual printed reports (.i.e. annual reports and proxy statements) and websites.

The main objective of our research is to identify the determinants of MNCs governance disclosure policy. Governance disclosure policy will be considered in terms of level and quality of disclosed information via the two types of disclosure mediums chosen. Determinants of governance disclosure policy will be divided into three groups of factors: (1) national factors related to the MNCs' home countries (2) governance factors related to MNCs' governance systems and (3) operational factors arising from the operational characteristics of MNCs. The purpose of our analysis is to determine which factors are likely to best explain MNCs governance disclosure policy in each of the studied mediums. Based on a sample of 159 MNCs from 24 countries, the results of this research show that while national factors remain preeminent determinants of MNCs in annual printed reports, their influence is lessened on the websites where governance disclosure policy is better explained by international MNCs listing status.

The rest of the paper is organized as follows: the second section presents the theoretical framework of governance disclosure. In the third section, our hypotheses are developed. Section 4 presents the sample and the methodology used to collect data and measure MNCs governance disclosure policy. Results are presented in section 5 and the conclusion is the subject of the last section.

2 Importance of Governance Disclosure for Companies and other Decision Makers

Recent developments in governance codes and regulations around the world requiring companies to disclose the main aspects of their governance structures and practices, underline the importance of this information to the various company stakeholders, especially following the series of accounting scandals of some companies in recent years (Webb et al. 2008,b).

Clear and comprehensive information on governance is useful for the investing decisions of both actual and potential investors (Parum, 2005) allowing them to assess the credibility and effectiveness of the governance system of a given society (OECD, 2004) which, in turn, allows them to deduce the quality of published accounting figures (Klein, 2002) and make more accurate predictions of future performance (Bhat et al. 2006).

The multinational status of the company makes this disclosure more useful for investors in view of the multitude of governance standards and principles to which MNCs are subject and the difficulty of assessing these companies' risks and actual and future performances (Luo, 2005 b; Radebaugh et al. 2006). Governance disclosure is also important for companies since raising capital at lower cost in international financial markets depends increasingly on efficiency and reliability guarantees that the governance system can provide[3]. This largely explains why companies increasingly provide to their shareholders and other interested parties a description of their situation in terms of governance. However, despite the global consensus on the content of these disclosures[4], reporting on governance varies widely around the world (Bushman et al. 2004; Vander Bauwhede and Willekens, 2008; Ben Othman and Zeghal, 2008).

2.1 Theoretical framework of the determinants of information disclosure on governance

According to the agency theory, greater corporate governance disclosure would reduce agency costs resulting either from separating ownership and control or from debt (Vander Bauwhede and Willekens, 2008). This incentive is particularly relevant for MNCs because the complexity of their global operation aggravates the informational gap and the difficulties of observing efforts made by managers to optimally use funds of geographically scattered shareholders or creditors (Luo, 2005 b). From a political perspective, managers can disseminate information about the level of their compliance with good governance principles. They thus avoid the risk of implementing more costly regulations for the company in the governance and governance disclosure fields[5]. The desire to mitigate the adverse effects of political visibility on the international scale is greater for large MNCs that attract more attention from the media, politicians and the general public (Watts and Zimmerman, 1978). From a signaling perspective, well-governed MNCs would be interested in increasing their governance disclosure level in order to signal their governance quality to investors and have a more advantageous cost of capital. Beyond the desire to reduce agency and political and capital costs, governance disclosure could serve as a tool to legitimize a company's activities. This is especially true for MNCs which need to appear legitimate in terms of the integrity of their governance system and

[3] ASX Corporate Governance Council (2003), Principles of Good Corporate Governance and Best Practice Recommendations, March 2003

[4] UNCTAD, 2009 Review of the implementation status of corporate governance disclosures: an inventory of disclosure requirements in 24 emerging markets, Twenty-sixth session, TD/B/C.II/ISAR/CRP.8

[5] The Sarbanes Oxley Act 2002 and the European directive 2006/46/CE enacted as a reaction to a number of major corporate and accounting scandals of several large American and European companies set new and more severe reforms in the field of corporate governance and the information governance dissemination.

to avoid incurring costs resulting from non-legitimacy, especially after the accounting scandals involving several of these companies (legitimacy theory).

At an international level, accounting models suggest that a number of factors are at play to explain variation of governance disclosure practices. These factors include the political and legal environment (Belkaoui, 1983; La Porta et al. 1998; Jaggi and Low, 2000), the national culture (Gray, 1988; Zarzeski, 1996), the economic development level (Belkaoui, 1983; Adhikari and Tondkar, 1992), and capital market factors such as size and activity level (Adhikari and Tondkar, 1992; Doupnik and Salter, 1995).

2.2 Previous Studies on determinants of governance information disclosure

Many studies have been conducted on the determinants of governance disclosure at a national level (Labelle, 2002; Bujaki and McConomy, 2002; Parum, 2005; Bhuiyan and Biswas, 2007; Parsa et al. 2007; Webb et al. 2008 b) and also internationally (Bushman et al. 2004; Vander Bauwhede and Willekens, 2008; Ben Othman and Zeghal, 2008; Khan, 2009). Generally, results of these studies showed that theories discussed above have a strong explanatory power with respect to disclosure behavior for the governance of the studied companies. Within a national framework, variations in governance disclosure levels are explained by factors representing agency costs (corporate size, debt level, ownership structure, etc.), political costs (performance, etc.), cost of capital (inter-listing, intention to raise funds, etc.) or by the characteristics of the corporate governance system (size and independence of the board, etc.). Internationally, these differences are mainly explained by national factors, such as the legal system and the development level of capital markets. However, the usefulness of these theories in explaining governance disclosures of MNCs, remains unexplored. Thus, multinationalisation offers an interesting framework to study the relevance, in the specific context of MNCs, of the factors usually identified in the literature as significant determinants of governance disclosure by national companies.

3 Factors Affecting the MNCs' Governance Disclosure Policy

We have developed a theoretical model of the determinants of MNCs' governance disclosure policy which involves the following factors: (1) national factors related to the environment of MNCs' home countries (2) governance factors related to the MNCs' governance systems and (3) operational factors arising from the MNCs' operational characteristics. The model presented in figure 1 below postulates the following

MNCs' governance disclosure policy = f ([1]{Legal environment + National culture + Economic development + Capital market development + Political development} + **[2]{**Board size + Board independence + Board duality + Board diversity + Audit committee independence + Existence of a governance committee} + **[3]{**Ownership concentration + Internationalization level + International listing + Firm size + Firm performance + Firm debt}).

(1) National Factors	(2) Governance Factors	(3) Operational Factors
Legal environment Legal origin ($H_{1.1}$)- Legal investor protection ($H_{1.2}$)-Law enforcement ($H_{1.3}$)	Board size (H_6)	Ownership concentration (H_{12})
National culture Individualism ($H_{2.1}$)-Uncertainty avoidance ($H_{2.2}$)- Power distance ($H_{2.3}$)- Masculinity ($H_{2.4}$)	Board independence (H_7)	International listing (H_{13})
	CEO and Chairman Duality (H_8)	Internationalization level (H_{14})
Economic development level (H_3)	Gender diversity of the board (H_9)	Firm size (H_{15})
Capital market development level(H_4)	Independence of the audit committee (H_{10})	Firm debt (H_{16})
Political and civil liberties level (H_5)	Existence of a governance committee (H_{11})	Firm performance (H_{17})

MNCs' governance disclosure Policy

Figure 1. Explanatory model of MNCs' governance disclosure policy

3.1 National factors and MNCs' governance disclosure policy

3.1.1 Legal environment

Generally, researchers who have explored the possible relationship between the legal environment and corporate disclosure have highlighted the impact of the following three legal factors: the legal origin, investor protection and law enforcement. In civil law countries, accounting practices and standards in corporate law and in the commercial code, are highly codified. In contrast, in common law countries, setting accounting policies by professional organizations results in practices that are more adaptive and innovative in character (Jaggi and Low, 2000).

Thus, common law creates a governance model oriented towards shareholders, where disclosure is greater to meet their specific needs (Ball et al. 2000). In addition, a relatively high legal protection level for investors and creditors generally produces a diffuse ownership and a high debt financing level (La Porta et al. 1998). These firm characteristics are supposed to trigger agency problems that in turn will generate strong demand for detailed financial disclosure (Jaggi and Low, 2000). Finally, efficient judicial systems allowing good law enforcement, especially accounting standards, could also have a positive impact on corporate transparency (La Porta et al.1998). The positive effect of common law legal origin, investor protection and law enforcement on a corporate governance disclosure level has been documented by Bushman et al. (2004), Vander Bauwhede and Willekens (2008) and Ben Othman and Zeghal (2008). We study this association for MNCs through the following assumptions:

H1.1: MNCs' governance disclosure policy is positively influenced by the common law legal origin.

H1.2: MNCs' governance disclosure policy is positively influenced by the investor protection level in their home countries.

H1.3: MNCs' governance disclosure policy is positively influenced by the law enforcement level in their countries.

3.1.2 Cultural values

Studying the impact of culture on information disclosure mainly refers to the cultural model of Gray (1988, p.11) suggesting that « The higher a country ranks in terms of uncertainty avoidance and power distance and the lower it ranks in terms of individualism and masculinity then the more likely it is to rank highly in terms of secrecy». A preference for collectivism rather than individualism is likely to be characteristic of this type of closed society since it reflects more concern for the interests of the group most closely involved in the company's management and financing rather than for the interests of external groups such as potential investors or the public in general. A strong hierarchical distance favors the secrecy preserving the inequality and therefore the power of a select few. A preference for secrecy is also a characteristic of a high uncertainty avoidance level resulting from the need to restrict disclosures in order to limit competition uncertainties and ensure safety. Finally, dominance of masculine values (achievement, material success, etc.) favors disclosure to publicize achievements and success. Empirical studies generally confirm these predictions (Salter and Niswander, 1995; Zarzeski, 1996; Hussein, 1996; Williams, 1999; Jaggi and Low, 2000; Hope, 2003). We examine the cultural potential impact on governance disclosure of MNCs through these hypotheses:

H2.1: MNCs' governance disclosure policy is positively influenced by the individualism level in their home countries.

H2.2 : MNCs' governance disclosure policy is negatively influenced by the power distance level in their home countries .

H2.3 : MNCs' governance disclosure policy is negatively influenced by the uncertainty avoidance level in their home countries .

H2.4 : MNCs' governance disclosure policy is positively influenced by the masculinity level in their home countries.

3.1.3 Economic development level

The more the economic activities and size of a company increase, the more the social function of accounting, as an instrument for measuring and communicating economic data, becomes important (Radebaugh et al. 2006). In addition, developed countries have more resources to devote to the accounting standardization and regulation process which will have a direct impact on the requirements and disclosure levels (Adhikari and Tondkar, 1992). Some research shows that governance disclosure is better in high-income countries than in countries with a mainly low and middle income environment (UNCTAD Survey, 2005[6]; Khan, 2009). It is therefore interesting to test this association for MNCs:

H3 : MNCs' governance disclosure policy is positively influenced by the economic development level of their home countries.

3.1.4 Capital markets development level

The larger the size of capital markets, the larger will be the number of participants in these markets and pressures for disclosure will be more important (Adhikari and Tondkar, 1992). Moreover, the existence of an active stock market causes increases the information disclosure required for purchasing and selling decisions from shareholders and potential investors (Radebaugh and al. 2006). The results of previous research generally confirms these predictions (Bushman et al. 2004). We test the impact of the capital markets development on MNCs' disclosure through the following hypothesis:

H4 : MNCs' governance disclosure policy is positively influenced by the capital markets development level in their home countries.

3.1.5 Political system

Political and civil systems can affect the disclosure practices of companies (Belkaoui, 1983). If political rights and civil liberties in a country are important, the disclosure pressures of stakeholders are intense and companies are encouraged to adopt transparent

[6] International Accounting and Reporting Issues, 2005 Review. UNCTAD/ITE/TEB/2005/7

disclosure policies to meet the public's information needs and maintain their image and external relationships (Williams, 2004). The following assumption explores the potential impact of the political system on MNCs' governance disclosure policy:

H5 : MNCs' governance disclosure policy is positively influenced by civil and political liberties in their home countries.

3.2 Governance factors and MNCs' governance disclosure policy

3.2.1 Board size

Large MNCs will usually have larger boards than domestic companies. Higher board size allows the board to create a pool of resources and experience and can help monitor managers' performance (Luo, 2005 a). Therefore, we conclude that when the MNCs board is large, control is more efficient, and managers act in the shareholders' interests. The favorable effect of the board size on manager control leads to a positive influence on the MNCs' governance disclosure:

H6 : MNCs' governance disclosure policy is positively influenced by their board size.

3.2.2 Board independence

As the size of the company increases, the need to control agency conflicts increases. The inclusion of independent directors who act as arbitrators in conflicts and ratify decisions concerning serious agency problems will help achieve this control (Luo, 2005 a).

These arguments suggest that management control and decision-making processes are better in MNCs when the board is composed of a majority of independent directors which would positively influence their governance disclosure.

H7: MNCs' governance disclosure policy is positively influenced by their board independence.

3.2.3 Combining the position of Chairman and CEO

The agency theory considers that combining the position of Chairman and CEO weakens the oversight and governance functions of the board including the firm's information disclosure policy towards outsiders. We test the possible link between the combination of these two functions and governance disclosure of MNCs through the following hypothesis:

H8 : MNCs' governance disclosure policy is negatively influenced by the combination of the positions of Chief Executive Officer and Chairman of the Board.

3.2.4 Gender diversity of the board

According to the agency theory, diversity of gender in the makeup of the board enables the board to perform its manager's oversight role more effectively (Adams and Pereira, 2009). The positive impact of gender diversity on managers' behavior could result, among other things, in a better monitoring of managers' reports (Gul et al. 2011) and therefore in better information disclosure (Fernandez-Feijoo et al. 2012). We will thus assume that :

H9 : MNCs' governance disclosure policy is positively influenced by the percentage of women within the board.

3.2.5 Board committees

The agency theory predicts that the creation of an audit committee composed of independent members reduces agency costs and improves the information flow between shareholders and managers (Forker, 1992). Companies with independent audit committees tend to be more active and effective in their governance disclosure (Parsa et al. 2007). Similarly, companies with a governance committee are more likely to comply with best governance practices and to release information to the public about this. Thus, we expect:

H10 : MNCs' governance disclosure policy is positively influenced by the ratio of independent members within their audit committees.

H11 : MNCs' governance disclosure policy is positively influenced by the existence of a governance committee.

3.3 Operational factors and MNCs' governance disclosure policy

3.3.1 MNCs' ownership concentration

According to the agency theory, information disclosure is a particularly important tool that can be used by managers to show that they act in owners' interests. However, in companies where ownership structure is concentrated in the hands of a few strong shareholders with direct access to information, the need for public financial information is less important (La Porta et al.1998). Previous results generally document a negative association between ownership concentration and governance disclosure (Labelle, 2002 ; Vander Bauwhede and Willekens, 2008). Similarly, we predict that:

H12 : MNCs' governance disclosure policy is negatively influenced by the share percentage held by blockholders.

3.3.2 MNCs' international listing

Foreign exchange trading, particularly in the English-speaking financial sector, with its more stringent disclosure requirements, pushes companies to improve their disclosures so as to access these markets (Meek et al. 1995). Then, in order to achieve the expected benefits of foreign trading, such as obtaining less costly capital, the company will be encouraged to increase its disclosure. In addition, dispersed ownership may increase with access to the many listed foreign exchanges which increases the need for information dissemination. Hrasky and Collett (2005) reveal that international listing of firms favors governance disclosure. Thus, we suggest that:

H13 : MNCs' governance disclosure policy governance is positively influenced by their inter-listing on foreign capital markets.

3.3.3 MNCs' multinationalisation level

The more the company is multinationalised, the greater its influence will be and the more it will attract the attention of regulators, international organizations, international investors and various other groups that are interested in the company's behavior especially with respect to its business management. Thus, it becomes more important for highly multinationalised companies to disclose non-financial information especially regarding its ethics business and governance structures and policies. The disclosure of this information is necessary to promote corporate accountability and complete disclosure of financial information (Luo, 2005 a). Therefore, we expect that :

H14 : MNCs' governance disclosure policy is positively influenced by their multinationalisation level.

3.3.4 MNCs' size

Previous studies also show a positive association between governance disclosure and company size (Labelle, 2002; Gandia, 2008). This could reflect the needs of large enterprises to manage their political exposure costs or higher agency costs. Large firms seem to have sufficient resources to provide more relevant disclosure on their governance practices (Vander Bauwhede and Willekens, 2008).

3.3.5 MNCs' debt

Bujaki and Mconomy (2002) suggest that companies that are financed by more borrowing are generally more prodigal in information governance in order to reduce debt agency costs.

3.3.6 MNCs' performance

Several studies were able to document a positive impact of companies' performance on their governance disclosure practices (Collett and Hrasky, 2005). Companies generating significant revenue are indeed best placed to invest in governance practices that could be then disclosed (Labelle, 2002). Thus, we expect a positive relationship between the size, debt and performance and disclosure policy of MNCs' governance.

4 Methodology

4.1 The sample

To create our sample, we used a list of the 250 largest MNCs in the world as listed in the Global Fortune 500 of 2011. We first removed the MNCs of the financial, banking, insurance and securities sectors due to the specifities of their activities and the particularity of rules used to present their accounts. Then, we removed unlisted MNCs. In addition, we excluded MNCs whose annual reports of 2010 and/or websites were not available or available but in a language other than English or French.

We also excluded MNCs from cross-border mergers between two groups with different nationalities since it would be difficult to test the impact of some national variables on the information disclosure policy on the governance of these MNCs. Finally, we removed MNCs that belong to countries where some national data was lacking. Our final sample is thus composed of 159 listed MNCs spread over 24 countries that represent 3 different regions and operate in 13 different industrial sectors[7]. The sample is summarized in table 1.

4.2 Source of data

Information on governance was manually extracted from two kinds of medium: print medium on the one hand and MNCs' websites on the other. In terms of the print medium, our study focuses primarily on the annual reports of 2010 as the main source of information about MNCs. However, in the United States, the study assesses companies' disclosure from a composite base, which incorporates annual reports and proxy statements that represent the main information disclosure medium on governance. Information related to the explanatory variables (operational and governance variables) were manually collected from annual reports and / or proxy statements of MNCs. Cultural dimensions indicators were manually collected from Hofstede's database (1980), countries' legal origin was based on La Porta et al. (1998), investors' protection level was according to Djankov et al. (2006), the variables used to calculate law enforcement quality and degree of civil liberties are collected from World Governance Indicators of Kauffmann et al. (2010)[8], the economic development level and capital markets' development level are from the World Bank database, World development indicators 2010[9].

[7] See Appendix 1 for a detailed list of the sampled countries composition
[8] www.govindicators.org.
[9] http://data.worldbank.org/indicator

Table 1. Summary statement of the sampling procedure and the sample's characteristics

	Observations No.
Initial number of MNCs	250
Initial number of countries	30
Less MNCs from financial sector	62
Less unlisted MNCs	21
Less MNCs with no annual reports of 2010 and / or websites	3
Less merged MNCs between two groups with different nationalities*	1
Less absorbed MNCs during the data collection period**	2
Less MNCs from countries lacking some national data.	2
Final sample	159
Countries number	24
Continents number (America, Europe, Asia)	3

** The Anglo-Dutch Unilever group*
*** American Chrysler Group and Medco health solutions groups*

4.3 Measure of the governance disclosure policy

To measure the information disclosure policy on MNCs' governance in each of the analyzed disclosure medium we went through the following steps :

Development of the code frame of the information on governance

Based on a review of the various national and international regulations and recommendations specifying the content of disclosure on governance to be published by companies as well as some research on governance disclosure, particularly in the international context[10], 115 different items have been identified and classified into five main categories presented in table 2 below. This categorization is based on the benchmark of good practices in corporate governance disclosure developed by the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting ISAR of the UNCTAD for the distribution of the 53 items contained in its transparency and publication guide on corporate governance.

[10] See Appendix 2 for a detailed description of the sources used to select governance items

Table 2. Information categories on Governance

	Information categories on Governance	Number of items
1	Information on the structure and process of the management and board of directors.	60
2	Information on ownership structure and shareholder rights.	17
3	Information about the audit.	8
4	Information about the governance of the social, environmental and ethical responsibility of the company.	22
5	Financial transparency and information disclosure.	8
	Total	115

Scale choice for measuring information on governance

To encode the different informational identified items, we have used two measurement scales. The first scale measures the level of information disseminated by MNCs (existence or not), while the second assesses the quality of the information disseminated (form and detail level).

Measurement scale of the information disclosure level on governance

This scale consists in assigning 1 to each communicated item and 0 otherwise.

Measurement scale of the information disclosure quality on governance

The second scale consists in assigning a score to each item according to its informative content. Specifically, 0 is given if there is no information; 1 if the information is generally described; 2 if the information is precise (i.e. if it is quantified but not detailed or is detailed but not quantified); 3 if the information is detailed and quantified. This weighted coding procedure that allows for categorizing the information quality on governance in terms of form and detailing level (literal and general, quantitative or detailed, quantitative and detailed) was inspired by the one used by Wiseman (1982) and Cormier et al. (2009) that weights shortlisted informational items from 0 to 3. But unlike these researchers who attribute the maximum score of 3 points to quantitative items, we attribute the mark 3 only to items disclosed in an quantified but also detailed form (Botosan, 1997; Eng and Teo, 1999; Eng and Mak, 2003).

Content analysis of the disclosure and medium encoding of the disclosed information

Each section of the annual reports, proxy statements and the websites of the selected MNCs has been read carefully and all items on governance, grouped in an analytical framework[11], were encoded according to the two pre-established coding procedures. It should be noted that all the sampled MNCs' websites were recorded during October 2011 in order to maintain the online coding while ensuring data consistency (Cormier et al. 2009). In order to provide greater reliability to the disclosure measurement process, the two authors conducted individual coding of the documents related to the first ten MNCs and compared their results. Having reached a consensus on the results of their encoding, a co-author, who is familiar with the content analysis method, conducted the coding of the remaining annual written medium and websites.

Calculation of the MNCs' governance information disclosure indices

At the end of the encoding process, two indices have been calculated for each disclosure medium. Total indexes were created with one measuring the governance disclosure level corresponding to the total of points obtained with 115 points as a maximum index and the other a total index measuring the disclosure quality with 345 points as a maximum index.

$$LGD_k\,(QGD_k) = \sum_{i=1}^{N} X_{ik}$$

With LGDk (QGDk): Total index level (quality) of the disclosure of the firm k; N: total number of items expected to be disclosed by a firm k. N is equal to 115. Xik : Score of item i

4.4 Descriptive analysis of the governance disclosure variable

Table 3 provides descriptive statistics of the MNCs governance disclosure level (LGD) and quality (QGD) in each studied medium. Compared to the annual print mediums and websites, annual reports present the lowest disclosure levels and qualities on governance with indices below the mean (Panel A from table 3). This is due to a large number of MNCs (almost 40% of the sample), especially American ones (32% of the sample), that do not devote a special section to governance in their annual reports. These MNCs publish this information elsewhere, in particular in proxy statements. When we consider disclosures on governance of American MNCs in both annual reports and proxy statements, level and quality indices of governance disclosures of MNCs have significantly improved.

[11] The measurement grid (checklist) is provided in Appendix 3

Table 3. Descriptive statistics for the disclosure indices by medium

	N	Mean	Standard deviation	Minimum	Q1	Median	Q3	Maximum
Panel A : Annual reports								
LGD	159	41.30	27.462	4	14	36	67	92
QGD	159	97.78	70.355	5	30	78	167	244
Panel B : Annual Printed mediums								
LGD	159	58.974	20.026	4	48	64	74	92
QGD	159	141.534	52.843	5	106	156	178	244
Panel C : Websites								
LGD	159	54.43	15.906	2	44	54	65	88
QGD	159	130.7	44.302	4	102	125	159	241

Legend : Panel A provides descriptive statistics of disclosure indices in annual reports. Panel B provides descriptive reports of disclosure indices on annual reports taking into consideration disclosures of American MNCs in proxy statements. Panel C provides descriptive statistics on disclosure indices via websites.

Variables definitions: *LGD* = Governance disclosure level index; *QGD* = Governance disclosure quality index; **N :** Number of observations.

According to Panel B of table 3, the average disclosure level for the annual print mediums is established at 58.974 which is slightly above the mean. Half of the sampled MNCs disclose less than 64 items in the annual print mediums (median = 64). 25% of MNCs disclose less than 48 items (quartile 1) and 25% diffuse more than 74 items (quartile 3). The average quality of governance disclosure is 141.534 which remains below the mean. On average, standard deviations of information disclosure on governance compared to the mean are 20.026 and 52.843 items proving the presence of a significant variation of the qualities and levels of governance disclosure between the MNCs of the sample. Results shown in panel C of table 3 show that the information disclosure level on governance via websites of our sampled MNCs is practically at the mean (54.43) while the disclosure quality is set to 130.7 and remains below the mean. On average, the values of standard deviations of information disclosure compared to the mean indicates that the variation is quite strong for these medium. The comparison of the governance information disclosure policy of MNCs' between the three mediums show a kind of similarity among practices. Whether we speak about the annual print mediums or the websites of MNCs, disclosure level and quality are close to the mean although they seem slightly higher in the print medium. This result likely shows that MNCs consider their websites as complementary channels to disclose their information on governance. The descriptive analysis per quartile of the variables LGD and QGD reported in table 4 (Panels A and B) confirms the presence of a significant variability in the governance disclosure policy of MNCs', whether in the print mediums or via their websites and justifies our explanatory study about this variability.

Table 4. Descriptive statistics by quartile of disclosure indices

	N	Minimum	Maximum	Mean	Median	Standard deviation
Panel A : Annual printed mediums						
LGD						
1sr quartile	42	4	48	30.404	29.666	11.240
2nd quartile	38	49	64	58.473	58.857	4.578
3rd quartile	42	65	74	68.476	68.100	2.670
4th quartile	37	75	92	81.135	80.600	4.905
Total	159	4	92	58.974	64.272	20.026
F –Value (Sig)	159	408.528 (0.000)				
QGD						
1st quartile	40	5	106	62.825	59.5	23.416
2nd quartile	43	117	156	139.674	144	11.975
3rd quartile	38	157	178	168.473	168.5	6.306
4th quartile	38	180	244	199.552	196.5	15.493
Total	159	5	244	141.534	156	52.843
F –Value (Sig)	159	552.000 (0.000)				

Panel B : Websites						
LGD						
1st quartile	42	2	44	34.86	36.60	8.610
2nd quartile	38	45	54	49.84	49.92	2.400
3rd quartile	43	55	65	59.67	59.67	3.249
4th quartile	36	66	88	75.86	76.00	6.912
Total	159	2	88	54.43	54.17	15.906
F –Value (Sig)	159	333.095(0.000)				
QGD						
1st quartile	41	4	102	77.78	79	19.741
2nd quartile	41	103	125	116.20	118	6.165
3rd quartile	38	126	159	140.95	142	9.512
4th quartile	39	160	241	191.59	190	21.531
Total	159	4	241	130.70	125	44.302
F –Value (Sig)	159	369.159 (0.000)				
Legend : *LGD* = Governance disclosure level ; *QGD* = Governance disclosure quality.						

4.5 Measurement and descriptive analysis of the explanatory variables

4.5.1 Measurement of the explanatory variables

Measurements of explanatory and control variables are consistent with national and international empirical research and are summarized in table 5.

Table 5. Measurements of the explanatory and control variables

Variable	Expected Sign	Measurement
National factors		
ORIGIN	Positive	Dummy variable that takes 1 if the country has a legal system that originates in ‘common law’ practices and 0 otherwise.
INVEST	Positive	Investor protection is measured by the ‘anti-director rights’ index developed by La Porta et al (1998) and revised par Djankov et al. (2006). This index is obtained through adding 1 if : 1- The country allows shareholders to send their vote by proxy ; 2- Shareholders are not required to deposit their shares before voting in a general assembly ; 3- The Cumulative voting or the proportional representation of minors in the board is authorized ; 4- There is a legal device allowing an aggrieved minority to initiate legal actions against managers or board members.; 5- The percentage of the required capital to obtain an AGO organization is less than 10% and 6- There is an obligation to consult shareholders before deleting their preferential subscription rights.
LAW	Positive	Application quality of laws measured by means of the following variables: regulatory quality, ‘rule of law’ and corruption control (Kauffmann et al. 2010).
INDIV	Positive	Individualism index indicating a preference for a loosely knit social framework in society wherein individuals are supposed to take care of themselves and their immediate families only. (Hofstede, 1980).
DIS	Negative	Hierarchical distance index measuring the degree of acceptance of the unequal power distribution within institutions and organizations by members of the society (Hofstede, 1980).
IA	Negative	Uncertainty avoidance index measuring the propensity of a society feeling threatened by uncertain or unknown situations (Hofstede, 1980)..
MAS	Positive	Masculinity index measuring how far the dominant values of a society are preferred with respect to achievement, assertiveness and material success (Hofstede, 1980)..
ECODEV	Positive	Economic development level measured by the gross domestic product per person in $US of 2010. *World development indicators 2010*
KMDEV	Positive	Capital market development level measured by the average of the following variables 1- Average stock market capitalization in $US adjusted to the country’s GDP in $US over the years 2007-2010 ; 2- Total value of traded shares (in GDP percentage) over the years 2007-2010. *World development indicators 2010*
POLI	Positive	Level of civil liberties in a country measured by the ‘*Voice and Accountability’* indicator. (Kauffmann et al. 2010).

Governance factors		
BSIZE	Positive	Board size measured by the number of the directors.
BINDEP	Positive	Board independence measured by the ratio: Number of independent members/ Board size.
BDUAL	Negative	Dichotomous variable that takes the value of 1 if the positions of Chief Executive Officer and Chairman are combined and 0 otherwise.
BDIVER	Positive	Degree of board diversity measured by the percentage of women on the board of directors.
ACINDEP	Positive	Audit committee independence measured by the ratio of independent members over the total number of members of the audit committee.
GCOM	Positive	Binary variable that takes 1 if the board has a governance committee and 0 otherwise.
Operational factors		
BLOC	Negative	Ownership concentration measured by the percentage of shares held by blockholders having 5% or more of the capital.
INTERLIST	Positive	Binary variable that takes the value of 1 if the company is listed in a foreign stock market and zero otherwise.
MULTIN	Positive	Degree of multinationalisation measured by the average of the following three ratios : foreign sales/ total sales in $US;workforce abroad/ total work force and assets abroad/total assets in $US. This measure is based on the transnationality index (TNI) calculated by the UNCTAD to evaluate the multinationalisation degree of non-financial MNCs.
SIZE	Positive	Company size measured by the total assets logarithm in $US.
DEBT	Positive	Company debt measured by the ratio Total debt/ total assets.
PERF	Positive	Company performance measured by the return on equity.

4.5.2 Descriptive analysis of explanatory variables

In table 6, the average index of investor protection (INVEST) in countries of our sample is 3.264. China has the lowest protection level with 1 as the index compared to the United Kingdom, Spain, Brazil and India that have the highest index of 5. The index reflecting the quality of applying laws (LAW) varies between a minimum of -0.75 (in Russia) and a maximum of 2.05 (in Denmark). A country's degree of individualism in our sample (INDIV) varies between a minimum index of 17 in Taiwan and a maximum index of 91 in the United States. The average index of acceptance for hierarchical inequities (DIS) is 48.07. The degree of uncertainty avoidance (IA) varies between a minimal value of 23 in Denmark and a maximum value of 94 in Belgium. Finally, the degree of masculinity dominance in the sampled countries (MAS) varies between a minimum of 5 in Sweden and a maximum of 95 in Japan suggesting that Sweden is the country with the highest level of feminist values whereas masculinity values are highest in Japan. On average, the degree of economic development (ECODEV) of countries is $39 087.35 . The average degree of capital markets development (KMDEV) is 138.276. The average score on the level of civil liberties (POLI) in countries from our sample is 0.929. There is a maximum value of 1.62 for Switzerland and a minimum value of -1.65 in China. Table 7 shows that 40.3% of MNCs from our sample are from common law countries (ORIGIN) while 59.7% of MNCs are based in civil law countries.

On average, the MNCs' boards in our sample are composed of 13 members (BSIZE). The smallest boards have only 6 members while larger ones include up to 27 members. On average, 60% of board members of our sampled MNCs are not part of the management team and are independent (BINDEP). Concerning the variable BDUAL, in 34% of our sampled MNCs the position of both CEO and Chairman of the Board is held by one person . On average, 12.5% of board members of the sampled MNCs are women (BDIVER). Approximately 48% of our MNCs have a governance committee set up by the board of directors (GCOM). Majority shareholders (BLOC) hold an average of 27.588% of MNCs capital. The average multinationalisation percentage (MULTIN) of our MNCs is 42.8%. Furthermore, 48% of the MNCs are inter-listed on one or more foreign stock markets (INTERLIST). The total assets logarithm that indicates a company's size (SIZE) varied between a minimum of 9.241 and a maximum of 13.529. On average, MNCs in our sample have an ROE of 16.215% (PERF). The minimum level of return on equity is -62% while the maximum is established at 119%. The average debt ratio of the sampled MNCs (DEBT) is 59.21% that indicates that MNCs in our sample are highly leveraged.

Table 6. Descriptive statistics of explanatory variables

	N	Minimum	Maximum	Mean	Standard deviation
Panel A : National factors					
INVEST	159	1	5	3.264	0.889
LAW	159	-0.75	2.05	1.192	0.650
INDIV	159	17	91	67.14	23.5
DIS	159	18	81	48.07	12.637
IA	159	23	94	62.28	21.320
MAS	159	5	95	61.87	19.734
ECODEV	158	1 410	85 389	39 087.35	14 654.523
KMDEV	158	22.81	243.73	138.276	67.072
POLI	159	-1.65	1.62	0.929	0.7655
Panel B : Governance factors					
BSIZE	159	6	27	12.685	3.489
BINDEP	153	0	1	60%	0.273
BDIVER	156	0	45%	12.48%	0.110
ACINDEP	153	0.17	100%	84%	0.234
Panel C: Operational factors					
BLOC	151	1.30	98.08	27.588	24.229
MULTIN	149	0[12]	1	42.8	25.6
SIZE	159	9.241	13.529	11.209	0.794
PERF	159	-62.0	119	16.215	15.951
DEBT	158	0.05	1.00	59.2	18.2

Variable definitions : INVEST= the score of investors protection level; LAW = average of the three variables: regulatory quality , rule of law and corruption control; INDIV= Individualism score of the country; DIS= Hierarchical distance score; IA= Uncertainty avoidance score ; MAS=Masculinity score ; ECODEV=gross national product per person; KMDEV= average of two variables: average market capitalization of the country adjusted to GDP over the last four years 2007-2010; 2- Total value of traded shares (in percent of GDP) over the past four years from 2007 to 2010; POLI=Civil liberties score '*Voice and Accountability'*; BSIZE= number of directors on Board ; BINDEP= percentage of independent directors on the Board; BDIVER : Percentage of women on the board of directors; ACINDEP = percentage of independent members of the Audit Committee; BLOC= percentage of shares held by blockholders with 5% or more of the capital; MULTIN= average of three ratios: foreign sales / total sales –workforce abroad/ total employment and foreign assets / total assets ; SIZE=total assets logarithm; PERF= return on equity ; DEBT=total debt/ total assets.

Table 7. Descriptive statistics of binary explanatory variables

	N	Variable=1		Variable =0	
		Frequency	Percentage	Frequency	Percentage
Panel A : National factors					
ORIGIN	159	64	40.3%	95	59.7%
Panel B : Governance factors					
BDUAL	159	54	34%	105	66%
GCOM	159	76	47.8%	83	52.2%
Panel C: Operational factors					
INTERLIST	159	76	47.8%	83	52.2%

Variable definitions : ORIGIN : 1 if the country has a common law legal system and 0 otherwise; BDUAL: 1 if both Chief Executive Officer and Chairman of the Board positions are held by one person and 0 otherwise ; GCOM: 1 if among the specialized committees of the board there is a governance committee and 0 otherwise; INTERLIST: 1 if the firm is listed on one or more foreign stock markets and 0 otherwise.

[12] Five American MNCs whose business scope covers only the fifty states of the United States. These MNCs are classified by Global Fortune magazine as part of the MNCs group.

4.6 Analytical method

We examine the impact of the selected factors on governance disclosure policy of MNCs through the following multivariate regression model:

$$LGD_k\ (QGD_k) = \beta_0 + \beta_{1.1}\ ORIGIN_j + \beta_{1.2} INVEST_j + \beta_{1.3}\ LAW_j + \beta_{2.1}\ INDIV_j + \beta_{2.2}\ IA_j + \beta_{2.3}\ DIS_j + \beta_{2.4}\ MAS_j + \beta_3\ ECODEV_j + \beta_4\ KMDEV_j + \beta_5\ POLI_j + \beta_6\ BSIZE_k + \beta_7\ BINDEP_k + \beta_8\ BDUAL_k + \beta_9\ BDIVER + \beta_{10}\ ACINDEP_k + \beta_{11}\ GCOM_k + \beta_{12} BLOC_k + \beta_{13}\ INTERLIST_k + \beta_{14}\ MULTIN_k + \beta_{15} SIZE_k + \beta_{16}\ DEBT_k + \beta_{17}\ PERF_k + \varepsilon_{it} \quad (3)$$

The index k refers to the company and the index j refers to the country. LGD= Index of the governance disclosure level; QGD = Index of the governance disclosure quality; ORIGIN = 1 if the country has common law legal background and 0 Otherwise; INVEST= protection level score of investors; LAW = average of three variables: regulatory quality, rule of law and corruption control.; INDIV= individualism score of countries; DIS= hierarchical distance score; IA= Uncertainty Avoidance Score; MAS=Masculinity score; ECODEV= Gross national product per person; KMDEV= average of the two variables: average market capitalization of the country adjusted to the GDP over the last four years 2007-2010; 2- Total value of traded shares (in percent of GDP) over the past four years from 2007 to 2010; POLI=‘Voice and Accountability’ Civil liberties score; BSIZE=number of board members ; BINDEP= percentage of the independent directors of the Board ; BDUAL=1 if the positions of Chief Executive Officer and Chairman are combined and 0 otherwise; BDIVER=percentage of women among board members; ACINDEP= percentage of independent directors on the audit committee; GCOM= 1 if there is a governance committee and 0 otherwise; BLOC= percentage of shares held by blockholders with 5% or more of the capital; MULTIN= average of three ratios: foreign sales / total sales – foreign effective / total employment and foreign assets / total assets; INTERLIST =1 if the company is listed on one or more foreign stock markets and 0 otherwise; SIZE=Total assets logarithm; DEBT=total debt/ total assets;PERF= accounting income before interest / equity; εit= residual term.

The correlation matrix between explanatory variables presented in Table 8 shows that more than 0.5 correlations exist among explanatory variables, especially national ones, which leads to a multicollinearity problem. Therefore, we have tested the general multicollinearity level by calculating the VIF (variance inflation factor). We noticed that the VIF of many of our variables exceeds the threshold of 10 which indicates a generalized and widespread multicollinearity in our model (Neter et al. 1989 cited in Williams, 2004).

In order to solve this problem, we have conducted our multivariate tests through alternately implementing partially correlated variables in four different multivariate models presented in Table 9. We have tested these models, on the one hand, on level indices LGD and quality indices QGD of information disclosure on governance calculated through the annual print mediums and on the other hand, on those obtained via websites. Since the results obtained for both sets of tests are substantially similar we have decided to only present results related to disclosure level LGD and to report, any differences, if applicable.

Table 8. Correlation matrix between explanatory variables

	ORIGI	INVEST	LAW	INDIV	DIS	CI	MAS	DEVE	KMDEV	POLI	BSIZE	INDEP	BDUAL	DIVER	ACINDEP	GCOM	BLOC	INTER	MULTI	TAIIL	PERF	DEBT
ORIGI	1																					
INVEST	0.045	1																				
LAW	0.234**	0.185*	1																			
INDIV	**0.742****	-0.065	**0.624****	1																		
DIS	-0.469**	-0.035	**-0.621****	**-0.676****	1																	
CI	**-0.656****	0.425**	0.020	-0.474**	0.457**	1																
MAS	-0.007	0.262**	0.076	-0.115	0.008	0.008**	1															
ECODEV	0.290**	0.084	**0.890****	**0.674****	**-0.664****	-0.005	0.166*	1														
KMDEV	**0.800****	-0.166*	0.268**	**0.608****	-0.449**	**-0.631****	0.011	0.406**	1													
POLI	0.225**	0.386**	**0.918****	**0.603****	**-0.527****	0.187*	0.088	**0.839****	0.167*	1												
BSIZE	-0.143	0.090	0.192*	0.064	-0.014	0.152	0.081	0.045	-0.277**	0.189*	1											
INDEP	**0.685****	-0.209**	0.299**	**0.689****	**-0.514****	**-0.607****	-0.355**	0.348**	**0.695****	0.259**	-0.187*	1										
DUAL	0.413**	-0.019	0.135	0.354**	-0.057	-0.137	0.036	0.202*	0.426**	0.149	0.061	0.324**	1									
DIVER	0.452**	-0.143	0.292**	**0.546****	-0.372**	-0.397**	-0.258**	0.342**	0.427**	0.228**	-0.064	0.591**	0.296**	1								
ACINDEP	**0.556****	-0.180*	-0.026	0.323**	-0.214**	-0.529**	0.182*	0.093	**0.626****	-0.047	-0.325**	**0.602****	0.220**	0.266**	1							
GCOME	**0.575****	-0.172*	0.202*	0.534**	-0.207**	-0.350**	0.127	-0.127	**0.618****	0.209**	-0.091	**0.608****	0.324**	0.364**	0.322*	1						
BLOC	-0.306**	-0.255**	**-0.576****	-0.410**	0.339**	-0.133	-0.316**	-0.519**	-0.291**	-0.578**	-0.055	-0.259**	-0.216**	-0.144	-0.061	-0.238**	1					
INTERCO	-0.298**	-0.001	-0.091	-0.199*	0.072	0.092	-0.119	-0.136	-0.244**	0.079	0.141	-0.079	-0.155	-0.126	-0.049	-0.185*	0.155	1				
MULTIN	-0.252**	0.001	0.300**	0.050	-0.134	0.051	-0.238**	0.183*	-0.144	0.312**	0.213**	0.069	-0.094	-0.103	-0.124	0.006	-0.036	0.388**	1			
TAIILE	-0.205**	0.072	-0.023	0.066	0.066	0.157*	0.030	-0.033	-0.187*	0.026	-0.122	-0.115	0.046	-0.038	-0.150	-0.120	0.069	0.370**	0.331**	1		
PERF	0.205**	-0.028	0.041	0.177*	-0.191*	0.164*	-0.104	0.105	0.272**	0.050	0.139	0.284**	0.058	0.163*	0.190*	0.261**	0.047	-0.014	0.090	-0.132	1	
DEBT	-0.234**	-0.105	0.147	-0.076	0.088	-0.204*	0.094	0.080	-0.199*	0.094	0.342**	-0.217**	-0.083	-0.117	-0.164*	-0.066	0.048	-0.016	0.008	-0.199*	0.018	1

Legend : **Significant correlations at 1% . * Significant correlations at 5%. Correlations above 0.5 are indicated **in bold**.

Table 9. Explanatory variables distribution in the regression models

Model 1	Governance variables + Operational variables
Model 2	Legal variables + Governance variables except BINDEP and ACINDEP + Operational variables
Model 3	Cultural variables + Governance variables except BINDEP and ACINDEP + Operational variables
Model 4	Economic, financial and political variables [13] + Governance variables except BINDEP, ACINDEP and GCOM + Operational variables

[13] Although they are highly correlated, ECODEV and POLI variables were included in the same model (model 4) because the results obtained when separating them in two different models were identical to those obtained when they were included in the same model.

5 Checking the Assumptions of the Study

5.1 Determinants of governance disclosure policy of MNCs in the annual print mediums

Table 10 shows that the four models are significant at p< 0.001 and respectively account for nearly 42%, 50% , 66% and 32% of the dependent variables' variance. The p value of the Breusch-Pagan test presents a statistic of non-significant χ^2 indicating the absence of the heteroscedasticity problem of residues. The averages of VIF that do not strongly exceed 1, show that there is no multicolinearity problem. We can also notice that implementing cultural dimensions contributes most in improving the explanation of variation occuring in the LGD variable (Model 3: ΔR2 = 0.328***). The results of multivariate tests (Model 2) show that in accordance with our expectations, ORIGIN and LAW variables have a positive and significant impact on the LGD variable. The INVEST variable also has a significant impact on the LGD variable but in the opposite direction (β = -0.289 ***) which probably indicates the need of MNCs from countries with weak investor protection to disclose more information with respect to their governance in order to overcome concerns of international investors concerning weak laws in these countries (Webb et al, 2008 a). It would also enable them to report on the quality of their governance practices (Patel and Dallas, 2002). As expected, model 3 reveals that LGD increases in the most individualistic cultures INDIV (more competitive and less confidential) and decreases in cultures with high risk aversion IA (where companies fear that disclosing their governance could lead to competitive disadvantages). The coefficient of the cultural variable DIS also appears to be significant but not with the expected sign. This result is, however, consistent with Zarzeski's results (1996) and also with Jaggi and Low (2000), Hope (2003) and Archambault and Archambault (2003) who note that MNCs more dependent on international resources, are likely to deviate from their discretionary original culture and provide better disclosure in order to show the quality of their public operations. The inverse relationship found between the cultural dimension MAS and LGD may be due to the ambiguity of the relationship between this dimension and disclosure advanced by several researchers (Jaggi and Low, 2000 and Archambault and Archambault, 2003) and raised by Gray (1988) himself. Multivariate analysis (Model 4) confirms the positive impact of the variable KMDEV on the LGD of MNCs (β = 0.342 ***) but not the impact of the degree of economic development ECODEV and of the level of civil liberties and freedom of expression, POLI (Model 4).

As expected, the variables BSIZE, BINDEP and BDIVER (models 1, 2, 3 and 4) and MULTIN (model 2, 3, and 4) have a significant and positive impact on the variable LGD.

The lack of consistency in the results of the variables BDUAL and BLOC in addition to the low levels of their significance do not allow for drawing any conclusions about their actual impact. Furthermore, the variables ACINDEP, GCOM and INTERLIST, SIZE, PERF, DEBT appear to be non-significant in all models.

5.2 Determinants of the governance disclosure policy of MNCs via websites

According to table 11, the adjusted R2 of the four models (15%, 18%, 21% and 25%) are lower than those obtained through the annual print mediums. It also turns out that implementing national factors does not significantly increase the explanatory power of the models. Only the implementation of economic, financial and political variables (particularly the KMDEV variable) allows us to significantly enhance R2 (Model 4: Δ R2 = 0.075 ***). Results of the regression (model 2, 3 and 4) show that the legal variables (ORIGIN, INVEST and LAW), the variables ECODEV and POLI, in addition to two of the four cultural dimensions, INDIV and DIS, are not relevant to an explanation of the disclosure policy of MNCs' governance. Furthermore, the results highlight a significant relationship (at 10% and 5 %) but in the direction opposite to the one predicted between the cultural values of uncertainty avoidance IA and masculinity MAS and LGD. This can possibly be explained by the multinational nature of our companies that may drive them to depart from the usual secretive direction of their countries of origin in order to compete in international capital markets. In this context, Zarzeski (1996, p.20) mentions that : « When a firm does business in a global market, it is operating in a different 'culture' and therefore may need to have different practices. High levels of financial disclosures may be necessary for international survival because disclosure of quality operations should result in lower resource costs. When enterprises from more secretive countries perceive economic gain from increasing their financial disclosures, cultural borrowing may occur. The culture being borrowed will be a 'global market culture' rather than a specific country culture».

Table 10. Multiple regressions under ordinary least squares of the relationship between the governance disclosure policy of MNCs in annual print mediums and its determinants

Dependent variable : LGD

Independent variables		Expected sign	Model 1 β (p value)	Model 2 β (p value)	Model 3 β (p value)	Model 4 β (p value)
National factors	Constant		-8.668 (0.711)	13.809 (0.518)	-9.200 (0.623)	15.585 (0.531)
	ORIGIN	+		0.551***(0.000)		
	INVEST	+		-0.289***(0.000)		
	LAW	+		0.134* (0.063)		
	INDIV	+			0.674***(0.000)	
	DIS	-			0.323***(0.000)	
	IA	-			-0.352***(0.000)	
	MAS	+			-0.195***(0.003)	
	ECODEV	+				-0.125 (0.408)
	KMDEV	+				0.342*** (0.003)
	POLI	+				0.110 (0.478)
Governance factors	BSIZE	+	0.375*** (0.000)	0.316***(0.000)	0.303***(0.000)	0.347*** (0.000)
	BINDEP	+	0.592*** (0.000)	-	-	-
	BDUAL	-	-0.115 (0.140)	-0.135* (0.056)	-0.158***(0.008)	-0.077 (0.355)
	BDIVER	+	0.186** (0.037)	0.241***(0.001)	0.108* (0.088)	0.407***(0.000)
	ACINDEP	+	-0.023 (0.815)	-	-	-
	GCOM	+	0.008 (0.931)	0.001 (0.994)	-0.050 (0.444)	-
Operational factors	BLOC	-	0.144** (0.049)	0.180** (0.020)	0.049 (0.440)	0.143 (0.113)
	INTERLIST	+	-0.062 (0.442)	0.054 (0.451)	0.054 (0.362)	-0.016 (0.846)
	MULTIN	+	0.111 (0.196)	0.257***(0.002)	0.115* (0.070)	0.245*** (0,005)
	SIZE	+	0.016 (0.851)	0.034 (0.638)	0.022 (0.723)	-0.046 (0.583)
	DEBT	+	0.109 (0.141)	0.088 (0.204)	0.075 (0.170)	0.083 (0.294)
	PERF	+/-	-0.049 (0.498)	-0.043 (0.395)	-0.001 (0.988)	-0.040 (0.606)
Explanatory power and Diagnostics of the regression	Number of observations		149	149	149	149
	R 2 adjusted		0.419	0.499	0.657	0.315
	Fisher F		8.642***	11.49***	19.750***	6.242***
	Prob>F		0.000	0.000	0.000	0.000
	Δ R 2		-	0.182***	0.328***	0.048**
	Sig Δ F		-	0.000	0.000	0 .026
	Breusch–Pagan test of heteroscedasticity χ^2		0.05	1.43	0.97	7.40
	Prob> χ^2		0.816	0.231	0.325	0.111
	Mean VIF		1,62	1,59	1,73	2,01

Legend: *, ** and *** indicates a bilateral critical probability at 10% (p-value<0.10), 5% (p-value<0.05) and 1% (p-value<0.01) respectively.

The variable KMDEV (model 4) also appears to exert an impact opposite to the one predicted on the LGD of MNCs. This reveals that MNCs that cannot meet their financing needs on their smaller and less liquid domestic capital markets would find it preferable to invest more in their governance disclosure policy, notably through their websites, to reassure foreign investors about the reliability of their governance structures. The results of the regression (models 1, 2 and 3) confirm the negative impact of the BDUAL variable and the positive impact of gender diversity (BDIVER) and international trading (INTERLIST) on the governance disclosure level of MNCs. Governance variables BSIZE, BINDEP, ACINDEP and GCOM and operational variables MULTIN, BLOC are not significant.

Table 11. Multiple regressions under ordinary least squares of the relationship between the governance disclosure policy of MNCs via websites and its determinants

Dependent variable : LGD

Independent variables		Expected sign	Model 1 β (p value)	Model 2 β (p value)	Model 3 β (p value)	Model 4 β (p value)
National factors	Constant		12.578 (0.570)	26.756 (0.206)	25.069 (0.252)	41.984** (0.038)
	ORIGIN	+		-0.035 (0.779)		
	INVEST	+		-0.029 0.736)		
	LAW	+		-0.101 (0.366)		
	INDIV	+			0.081 (0.561)	
	DIS	-			-0.094 (0.455)	
	IA	-			0.226* (0.051)	
	MAS	+			-0.225** (0.021)	
	ECODEV	+				-0.116 (0.463)
	KMDEV	+				-0.341***(0.005)
	POLI	+				0.152 (0.347)
Governance factors	BSIZE	+	0.070 (0.485)	0.132 (0.139)	0.105 (0.222)	0.032 (0.712)
	BINDEP	+	0.146 (0.331)	-	-	-
	BDUAL	-	-0.212** (0.026)	-0.191**(0.036)	-0.182** (0.042)	-0.106 (0.227)
	BDIVER	+	0.226** (0.036)	.349***(0.000)	0.255***(0.009)	0.371*** (0.000)
	ACINDEP	+	-0.073 (0.531)	-	- -	- -
	GCOM	+	-0.112 (0.289)	-0.100 (0.333)	-0.087 (0.382)	- -
Operational factors	BLOC	-	0.011 (0.896)	-0.058 (0.550)	-0.011 (0.905)	-0.035 (0.707)
	INTERLIST	+	0.236** (0.017)	0.195**(0.034)	0.214** (0.019)	0.195** (0.024)
	MULTIN	+	0.069 (0.506)	0.179* (0.087)	0.056 (0.559)	0.104 (0.252)
	SIZE	+	0.145 (0.154)	0.066 (0.481)	0.084 (0.362)	0.058 (0.513)
	DEBT	+	0.042 (0.636)	0.061 (0.493)	0.042 (0.613)	-0.003 (0.970)
	PERF	+/-	0.042 (0.633)	0.047 (0.574)	0.056 (0.499)	0.099 (0.221)
Explanatory power and Diagnostics of the regression	Number of observations		149	149	149	149
	R 2 adjusted		0.1466	0.176	0.213	0.249
	Fisher F		2.810***	3.254***	3.644***	4.778***
	Prob>F		0.002	0.000	0.000	0.000
	Δ dof R 2		-	0.008	0.047*	0.075***
	Sig Δof F		-	0.733	0.095	0.005
	Breusch–Pagan test of heteroscedasticity χ^2		0.38	0.,57	0.,83	2.02
	Prob> χ^2		0.538	0.450	0.363	0.155
	Mean VIF		1.62	1.59	1.73	2.01

Legend: *, ** and *** indicates a bilateral critical probability at 10% (p-value<0.10),5% (p-value<0.05) and 1% (p-value<0.01) respectively.

6 Analysis of Results and Conclusions

The main purpose of this study is to identify the determinants of the information disclosure policy with respect to MNCs' governance. Governance disclosure policy was approached in terms of the volume and the quality of disclosed information via two types of disclosure medium (traditional print mediums and websites). The determinants of the disclosure policy on governance were grouped into three groups of factors: (1) national factors related to the environment of the countries of origin of MNCs, (2) governance factors related to MNCs' governance systems and (3) operational factors arising from the operational characteristics of MNCs. The descriptive analysis revealed that the level and quality of the disclosure on governance differ significantly between MNCs, particularly in the annual print mediums. The results of the multivariate tests show that MNCs from the most individualistic societies and societies with the lowest uncertainty avoidance level disclose more and better information on their governance. The same tendency was observed in MNCs from countries that are characterized by their common law legal origin, by a respect for proper law enforcement and by having more extensively developed capital markets. Beyond the national factors, size, independence, gender diversity in the board of directors and the degree of multinationalisation of MNCs appear to have a significant positive impact on their disclosure policy on governance. Unlike their disclosure through the print mediums, the governance disclosure policy of MNCs via their websites does not seem to reflect the impact of national factors. Moreover, we have observed that MNCs from societies characterized by high risk aversion and a low masculinity level tend to deviate from the secretive direction of their countries to provide better disclosure on governance through their websites. The same trend was revealed in MNCs belonging to countries with small and less developed stock markets. This result can be explained by the largely voluntary nature of the disclosure on governance through websites that generally follow more strategic reasons, such as the need to raise funds on the international markets at low cost. The significant and positive impact that we have found from the foreign inter-listing of MNCs on their governance disclosure policy via websites strongly confirms these suggestions.

The results of this research suggest that even among the MNCs, the diversity of cultural, legal and financial contexts will continue to cause differences in international disclosure practices on governance through the annual print mediums and therefore constitute an obstacle to the harmonization efforts of these disclosures. Instead, it seems that the perception of managers of MNCs that the internet is an effective mechanism for information dissemination to a wider global audience which encourages them to adopt good information disclosure policy on governance via this medium in order to meet the needs of international stakeholders rather than national ones or even present the information differently without reference to the legal, cultural, economic and financial impacts of their countries. Therefore, greater harmonization of the information disclosure policy on governance could possibly be made via the internet rather than annual reports or other print mediums.

Our study contributes through its originality in searching for the determinants of information disclosure on governance at the international level by studying the relevance of theoretical frameworks usually asked to explain the disclosure on corporate governance in general rather than in the specific context of MNCs. Adopting a comparative approach (between two mediums that differ in terms of format, frequency, type and extended audience), showed that the determinants of the disclosure policy on governance differ from one medium to another. This allows for extending previous international studies that are focused on a single medium of disclosure, namely annual reports. From our perspective, the use of a disclosure index on governance that is manually self-construct from the considered disclosure mediums allows us to supplement international studies that almost exclusively use disclosure indexes on governance developed by rating agencies (Bushman et al., 2004;. Vander Bauwhede and Willekens, 2008). Finally, this research only studies the determinants of governance disclosure of MNCs'. Future research could examine financial consequences of information disclosure on MNCs' governance.

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Appendix 1. List of MNCs of the sample

United States	Japan	Vivendi	Rosneft Oil
Wal-Mart Stores	Toyota Motor	Saint-Gobain	TNK-BP
Mckesson	Honda Motors	Bouygues	International
Cardinal Health	Nissan Motor	Sanofi-Aventis	
CVS Caremark	Denso	Vinci	China
Kroger	Nippon Telegraph & Telephone	United Kingdom	Sinopec Group
Amerisourcebergen	KDDI	BP	China mobile
Costco wholesale	Hitachi	Tesco	communications
Home depot	Panasonic	Vodafone	China
Walgreen	Sony	Rio tinto group	Telecommunications
Target	Toshiba	Scottish & Southern Energy	China railway group
Best Buy	Fujitsu	GlaxoSmithKline	China railway
Lowe's	Canon		construction
Sears Holdings	NEC	Switzerland	Noble group
Safeway	JX Holdings	Glencore international	Baosteel Group
Supervalu	Idemitsu Kosan	Nestlé	China
Sysco	Tokyo Electric Powe	Novartis	Communications
Exxon Mobil	Mitsubishi	Roche Group	Construction
Chevron	Mitsui		SAIC Motor
Conocophillips	Nippon Steel	Italy	
Valero Energy	Mitsubishi Electric	Eni	South Korea
Marathon oil	JFE Holdings	Enel	Samsung Electronics
Pfizer	Seven & I Holdings	Telecom Italia	LG Electronics
Johnson & Johnson	AEON		Hyundai Motor
Merck	Marubeni	Spain	POSCO
IBM	Itochu	Telefónica	Hyundai Heavy
Microsoft	Sumitomo	Repsol YPF	Industries
United Parcel Service	Mitsubishi Chemical Holdings	Iberdrola	
General Motors			India
Ford Motor	Germany	Netherlands	Indian oil
Hewlett-Packard	Volkswagen	Royal Dutch Shell	Reliance industries
Apple	Daimler	EADS	
Dell	BMW	LyondellBasell Industries	Taiwan
Intel	E.ON	Royal Ahold	Quanta Computer
Cisco Systems	Siemens		
AT&T	Thyssenkrupp	Belgium	Thailand
Verizon communications	Metro	Anheuser-Busch InBev	PTT
Walt Disney	BASF		
Comcast	Bayer	Norway	
United Health Group	Deutsche Telekom	Statoil	Turkey
WELL Point	Deutsche poste		Koç Holding
Express Scripts	RWE	Sweden	
General Electric	Lufthansa Group	Volvo	Australia
Boeing			BHP Billiton
United Technologies	France	Finland	Wesfarmers
Lockheed Martin	Total	Nokia	Woolworths
Caterpillar	GDF Suez		
Procter & Gamble	Carrefour	Denmark	Mexico
Archer Daniels Midland	Électricité de France	A.P. Møller-Mærsk Group	América Móvil
PepsiCo	Veolia Environnement		
Kraft Foods	Peugeot	Russia	Brazil
Bunge	Renault	Gazprom	Petrobras
Dow Chemical	France Télécom	Lukoil	Vale

Appendix 2. List of sources used to select the items included in the index of the information disclosure on governance

I- National regulations
- United States : *Sarbanes-Oxley* (2002) Law, *Securities and Exchange Commission* (SEC) regulations ; Listing rules of the US stock exchanges (Nyse, Nasdaq et Amex).
- United Kingdom : Disclosure and transparency rules of the *Financial Services Authority* (FSA) ; Requirements on the disclosure on governance of the *Cadbury* '*the Financial Aspects of Corporate Governance*' report and of the first combined code of (1998) and of the revised codes (2000, 2003, 2006 et 2008).
- France : AMF disclosure requirements ; Law on new economic regulations NRE (2001) ; Law on financial security LSF (2003) ; Recommendations on the Bouton report (2002) and recommendations on Corporate Governance (2011)
- Germany : Cromme Code, 2002, as revised in 2010
- Belgium: Cardon Report (1998) and Governance Code (2009).
- Italy : Preda Code (1999) and *Handbook on Corporate Governance Reports* (2004).
- Netherlands : Peters Code (1997) ; National Governance Code (2003).
- Spain : Olivencia Code (1998) ; Aldama Code (2003).
- Denmark : Report of the Nørby committee (2001) and Governance Code (2011).
- Norway : Norwegian Governance Code (2005).
- Japan : *Principles of Corporate Governance for Listed Companies, Tokyo Stock Exchange* (2009).
- China : *The Code of Corporate Governance for Listed Companies in China* (2001)
- Hong Kong : *Code of Best Practice* (1999).
- Thailand : National governance code (2002).
-Australia : *ASX Listing Rule 4.10.* ; *Principles of Good Corporate Governance and Best Practice Recommendations* (2003).

II. Regulations in the European Union
- Action Plan for company law the "Modernizing Company Law and Enhancing Corporate Governance in the European Union» (Mai 2003).
- Paragraph 10 of Directive 2006/46 / EC of the European Parliament and of the Council of 14 June 2006 making it mandatory for companies whose securities are admitted to trading on a regulated market and which with a registered office in the Community, the publication of annual governance statement in their annual reports.

III. Recommendations of international organizations in the transparency and the disclosure on corporate governance

- United Nations Conference on Trade and Development UNCTAD (2006), Guidance on Good Practices in Corporate Governance Disclosure, ISAR, UNCTAD/ITE/TEB/2006/3.
- Disclosure principles on corporate governance in the OECD (1999, 2004).
- OECD Guidelines for MNCs (2000).
- International principles of corporate governance of the *International Corporate Governance Network (ICGN,* 1999-2005).

Appendix 3. Coding scheme of information on governance

Enterprise N° :

Items	Medium			
	Printed Mediums		Websites	
	LGD	QGD	LGD	QGD
I. Information on the structure and the process of the Board of Directors BD				
1. Size and composition of the BD.				
2. Accumulation or separation of the CEO and the Chairman functions.				
3. Identity, role, responsibilities and independence of the Chairman of the BD.				
4. Qualifications, biography and nationality of the directors.				
5. Identity and number of independent directors.				
6. Independence or not of the majority of directors.				
7. Reasons for which the company considers a non-executive director as independent.				
8. Reasons for which the company considers that some transactions or relationships with non-executive directors do not affect their independence.				
9. Whether hold or not meetings without the presence of non independent directors or members of the management.				
10. Existence or not of a formal procedure to prevent and resolve the conflicts of the directors.				
11. The role and functions of the BD and the existence or not of a BD chart. If yes, is it indicated from where to get a copy?				
12. Changes in the structure and composition of the BD during the year and necessary explanations.				
13. List of senior managers of the company other than those serving on the Board, bibliographies and qualifications.				
14. Role of management and the existence or not of a charter describing the management functions.				
15. List of committees of the Board.				
16. Audit committee: composition and member independence.				
17. Existence or not of a financial expert in the Audit committee. If Yes, is the financial expert independent or not ? If No, are there any explanations ?				
18. Training and experience of each member of the Audit Committee.				
19. Number of meetings of the Audit Committee during the past year and the record of the attendance of directors at meetings of the Audit Committee.				
20. Functions and responsibilities of the Audit Committee. Existence or not of a chart or a status of this committee.				
21. Nomination Committee: composition and independence of the members (number and identity of the independent members).				
22. Number of meetings of the Nomination Committee during the past year and record of the attendance of directors at meetings of the Nomination Committee.				
23. Functions and responsibilities of the Nomination Committee. Existence or not of a chart or a status of this committee.				
24. Remuneration Committee: composition and independence of the members (number and identity of the independent members).				
25. Number of meetings of the Remuneration Committee during the past year and record of the attendance of directors at meetings of the Remuneration Committee.				
26. Functions and responsibilities of the Remuneration Committee. Existence or not of a chart or a status of this committee.				
27. Other optional or mandatory committees: composition and functions.				
Job descriptions for directors and top management				
28. Number and type of positions held by each director and the tasks associated with it.				
29. Policy limiting the number of positions that the same director may hold outside the company.				
30. Information about other BD in which sit the members of the Board.				
31. Information about the mandate combination by managers.				
32. Written description of Board Chair positions and chairmen of committees of the BD.				
33. Written description of the post of Chief Executive Officer and the limitations of its powers.				
Information about the selection and removal process of directors and senior managers				
34. Procedures for selecting board members and senior executives.				
35. Duration of contracts of directors and officers and renewal procedures of their mandates.				

36. Notification requirements of the termination of services and the removal of directors.				
37. Use or not the services of a consultant appointment. If so, information regarding his identity, the outline of its mandate and fees paid to the consultant.				
Information on orientation and continuous training policies for directors and senior executives				
38. Does the company indicates that directors trainings is ensured ?				
39. Training effectively received by directors during the considered exercise.				
40. Learning and training types followed by directors during their duties.				
41. Is it possible for directors to appeal to organizations able to provide professional advice and indication of whether it has been appealed to such agencies during the current year?				
Ownership Information of the directors and the senior executives				
42. Policy concerning the ownership of company shares by directors and officers.				
43. Number of shares held by the directors.				
44. Number of shares held by managers.				
Information concerning the remuneration policy of directors and managers				
45. Procedure followed to fix the remuneration of directors.				
46. Directors' remuneration Structure.				
47. Procedure followed to determine compensation of executive officers.				
48. Individual remuneration of senior executives.				
49. Compensation payable to any director and officer in the case of the contract cancellation or control change.				
50. Use or not the services of a consultant majored in the remuneration of officers and directors. If so, its identity, outlines its mandate and fees paid during the year.				
Information on the annual evaluation policy of directors' performance				
51. Board and committees performance evaluation process.				
52. Number of board meetings during the past year.				
53. Record of attendance of each director.				
54. Main activities of the Board and its committees during the year.				
55. Evaluation Mechanism of the results obtained by the CEO.				
Information on succession planning				
56. Existence or not of a succession plan for executives in key positions.				
57. Existence or not of a succession plan for members of BD.				
Information on risk management systems and internal control				
58. Activities and role of the Board in risk management.				
59. Features of the risk management system and internal control systems.				
60. Risk management systems and internal control related to the consolidated accounts.				
Under disclosure index on category 1				
2. Information on the ownership structure and rights of shareholder				
61. Number, category and nominal amount of shares issued by the company.				
62. Number and classification of the shareholders according to their types (institutional, state, family, etc.).				
63. Participation, Rights and structures of protection of minority shareholders.				
64. Shareholders holding more than 5%, 10% and 20% of the capital (name and number).				
65. Information on top three, five and ten shareholders (identity and share in the capital).				
66. Structure of control and how shareholders can exercise their control rights.				
67. Shareholders with a disproportionate degree of control over their investments.				
68. Rights associated with different classes of shares that the company may have issued.				
69. Change in shareholding during the last three years.				
70. Policy of the company's dividends.				
71. The anti-takeover measures.				
72. Process held annual general meetings and extraordinary general meetings.				
73. Procedures concerning the participation of shareholders in general meetings.				
74. Voting procedures employed.				
75. The process by which shareholders can submit items for inclusion in the agenda.				
76. Results of general meetings.				
77. Communication procedures with shareholders.				
Sub index of category 2				
3. Information about the Audit				
78. Internal audit function: the existence or not, responsibilities and tasks.				
79. The process of interaction with the internal auditors of accounts.				
80. Selection procedure and rotation of external auditors.				

81. Length of relationship with the current auditor.				
82. The process of interaction with the audit firm.				
83. Fees paid during the last financial year to the external auditor for audit services.				
84. Fees paid during the last fiscal year for the products and services provided by the external auditor, other than audit services and the nature of services for these fees.				
85. The Board declares he believes that the auditors are independent and their competency and integrity have not been compromised in any way?				
Sub index of category 3				
4. Information on the governance of the social, environmental responsibilities and ethics of the company				
86. Code of Ethics for employees, officers and directors and from where can we get the text?				
87. Complaints and denunciation mechanisms for the negligence of the ethics code and mechanisms to protect those who report abuse.				
88. Existence of an ethics committee or responsible of ethical issues and different responsibilities assigned to it.				
89. Is it a reference to ethical codes and policies to subsidiaries?				
90. Use or not of consulting, auditing and certification of procedures of good conduct.				
91. Existence or not of a diversity policy. If so, is this policy available to the public?				
92. Percentage of women employed in the entire company, in the Board and in the positions of senior managers.				
93. Governance policies and mechanisms set to contribute to a better exercise of the environmental and social responsibilities.				
94. The company's commitment in the global agreements on sustainable development.				
95. Performance of the company's environmental responsibility.				
96. Performance of the company's social responsibility.				
97. Prizes awarded for respecting the environmental and social responsibility.				
98. Publication or not of a report on sustainable development. If so, is it indicated from where can we get the text and if there was an external audit or not for the report?				
99. Mechanism for the protection of other stakeholders (customers, suppliers, investors, media, NGOs).				
100. Is there any refers to the policies and performance of CSR subsidiaries?				
101. Measures adopted to fight against corruption and extortion.				
102. Existence of Directors elected by employed shareholders.				
103. Governance Code applicable to the company and indicating where relevant codes can be publicly available.				
104. The degree of compliance with governance code's recommendations and the indication of which parts of the code were not respected and define exemptions reasons?				
105. Information on corporate governance practices beyond those provided for by national law.				
106. Prizes obtained for the adoption of best practices in the corporate governance.				
107. Checking or not information on governance and different means used to validate the information.				
Sub index of category 4.				
5. Financial transparency and information disclosure				
108. Financial and operating results as a whole and by sector or geographical area.				
109. Critical Accounting Estimates.				
110. Accounting standards used for the accounts preparation and publication.				
111. Important Transactions with related parties.				
112. The decision making process for approving transactions with related parties				
113. Significant interests held by directors and officers in the company's operations.				
114. The corporate governance objectives.				
115. Board Responsibilities concerning the preparation of financial information.				

Legend : Printed mediums : Annual reports and/or *Proxies statements* ; LGD : Governance Disclosure Level ; QGD : Governance Disclosure quality.