

Table 3: Taxonomy of Explanations (Seidl et al., 2013)

Category of Explanations	Sub-categories of Explanations	Definitions
Deficient Justification	Pure Disclosure	Company only declares that it deviates from the code provision. No explanation is given.
	Description of Alternative Practice	Company presents an alternative solution to the governance problem that the code provision addresses but does not provide any justification for having chosen the stated solution.
	Empty Justification	Company provides an explanation that seems like a justification for each deviation but which does not possess any explanatory power.
Context-Specific justification	Size of Company or Board	Company justifies deviation regarding the small size of the company or its board due to which the application of the code provision appears inappropriate or impossible.
	Company Structure	Company justifies deviation regarding the code provision as inappropriate or impossible to implement given its specific company structure.
	International Context of Company	Company justifies deviation regarding

		specific aspects of international operation.
	Other Company Specific Reasons	Company justifies deviation regarding the particular situation of the company, other than its size, structure or international context.
	Industry Specifications	Company justifies deviation regarding the specificities of the industry.
	Transitional Justification	Company justifies deviation regarding to either the novelty of the code provision or the fact that company is a new entrant to the Stock Exchange.
Principled Justification	Effectiveness/Efficiency	Company justifies deviation by pointing out that an application of code provision will be not just for its own operations.
	General Implementation Problems	Company justifies deviation by pointing out some general problems in implementing the code provision.
	Conflicts with laws or Norms	Company justifies deviation by pointing out that the code provision conflicts with norms, values or laws.