

Good Board Work

KAUPPAKAMARI

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SISÄLLYS

Preface	7
1 Legislation and other regulation concerning limited liability companies	9
1.1 Limited Liability Companies Act – A general act that applies to all limited liability companies	10
1.2 Other legislation concerning limited liability companies	24
1.3 Company’s internal rules and agreements	25
2 Corporate governance	31
2.1 International background	31
2.2 Corporate Governance in Finland	34
2.3 Guidelines for unlisted companies	37
3 Formation of the board of directors	41
3.1 Eligibility of a board member	41
3.2 Size of the board of directors	42
3.3 Composition of the board	43
3.4 Term of office of a board member	48
3.5 Orienting board members with their tasks	49
3.6 Resignation of a board member	50
4 Chair of the board	52
4.1 The role of the chair	52
4.2 The appointment and remuneration of the chair	52
4.3 The duties of the chair	53
4.4 Cooperation with the managing director	54
4.5 Chair and shareholders	55
4.6 Chairing meetings	56
5 Managing director	58
5.1 Appointment and dismissal of the managing director	58
5.2 Managing director as a board member	61
5.3 Managing director’s service contract and remuneration	62
6 The board’s duties	66
6.1 General competence	66
6.2 Relationship between the board and the owners	67

6.3	Board of directors and the general meeting	71
6.4	Board of directors and the managing director	78
6.5	Oversight and risk management	80
6.6	Board of directors and strategic questions	83
6.7	Alternatives for an active board of directors	85
7	Board operations	87
7.1	Relationship with the operational management	87
7.2	Meetings of the board of directors	88
7.3	Secretary of the board	89
7.4	Board committees and task forces	91
7.5	Charter of the board of directors	92
7.6	Meeting practices	94
7.7	Minutes of the meeting	97
7.8	The making, implementation and monitoring of decisions	101
7.9	Role of board members outside meetings	106
8	Responsibility of the board of directors and board members	110
8.1	Duty of care and loyalty	110
8.2	Business Judgment Rule	111
8.3	Civil liability	112
8.4	Joint liability and right of recourse	112
8.5	Reversed burden of proof and presumption of negligence	113
8.6	Discharge at the general meeting	114
8.7	Criminal liability	115
8.8	Allocation of liability	116
8.9	Limitations to liability in practice	117
9	Remuneration	119
10	Assessment of the board of directors and development of board work	122
11	Governance in other entities	125
11.1	Municipally owned companies	125
11.2	Housing companies	131
11.3	Cooperatives	136
11.4	Foundations	141
11.5	Associations	147
	APPENDICES	155
	AUTHORS	258

PREFACE

Dear Reader,

The importance of board work cannot be overstated. The board of directors is the most influential governing body in limited liability companies, as well as in associations, foundations and other organisations. It has the authority to direct, steer and monitor the company's activities, but above all to create the conditions for the company's long-term success, value creation and growth. This means that the board not only takes responsibility, but its actions determine whether the organisation is able to renew its activities, utilise opportunities and build a sustainable growth path.

Board work is constantly evolving. Legislation is reformed, digitalisation introduces new tools to support decision-making, and corporate governance practices evolve. As a result, board members cannot solely rely on their experience or common sense. They must keep up with the times so that they can act correctly from the perspective of both the company and their own legal protection.

You are currently reading the 10th edition of the Good Board Work book, which has been thoroughly revised. It compiles key responsibilities, proven practices and current development trends. The book is intended as a reference work and a support for practical work, both for those about to start their first term as a board member and for seasoned board members. It is a clear, easy-to-read and, above all, practical tool for those responsible for decision-making in their community.

Although the book is primarily concerned with the board of an SME organised as a limited liability company, most of the instructions presented also apply to board work in general. However, readers should bear in mind that specific laws apply to organisations such as foundations, associations and hous-

ing companies, and therefore also the work of their board of directors, while listed limited liability companies must, as a rule, meet the requirements set out in the Corporate Governance Code that applies to them.

We recommend that, when reading this book, you pick and choose the content relevant to you: the intent is not to adopt and implement all the information found in this book. So read at your own pace, focus on the topics you find the most interesting at this time, and come back to the book now and then, consulting it as needed. It is also a good idea to keep this book with you – the book and its appendices serve as a good reference when all the details of board work are too much for individual members to know or remember.

In this context, we would like to acknowledge the significant contribution of the author of previous Finnish editions, Juhani Erma, to the Good Board Work book. We owe him our sincere thanks for his long-term efforts to promote board work in Finland.

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