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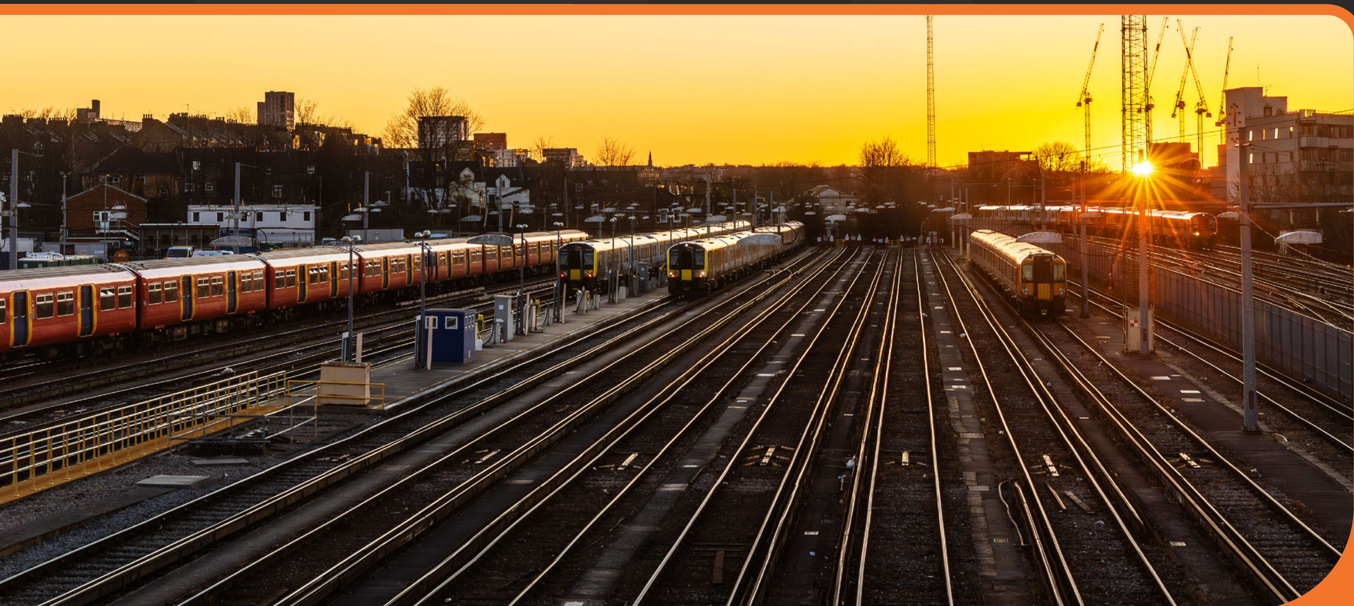

Practical cross-border insights into corporate governance law

Corporate Governance 2023

16th Edition

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Q&A Chapters

1 **Austria**
Schoenherr Attorneys at Law: Roman Perner & Gabriel Ebner

9 **Brazil**
Machado Meyer Sendacz & Opice Advogados: Arthur B. Penteado, Clarissa Freitas & Tatiana Machado Soares

17 **China**
Han Kun Law Offices: Ray Shi

28 **Finland**
Hannes Snellman Attorneys Ltd: Klaus Ilmonen

37 **France**
Lacourte Raquin Tatar: Guillaume Roche & Antoine Lassier

51 **Germany**
POELLATH: Dr. Eva Nase & Emanuel Trotta

58 **Greece**
Bernitsas Law: Evi Kitsou, Kelly Hatzigaki & Yolanda Kalogirou

66 **Hong Kong**
Slaughter and May: Clara Choi

73 **Hungary**
Szarvas and Partner Law Firm: Julia Szarvas

81 **India**
Cyril Amarchand Mangaldas: Cyril Shroff, Amita Gupta Katragadda & Preksha Malik

91 **Italy**
BonelliErede: Alberto Saravalle, Stefano Cacchi Pessani & Elisabetta Bellini

100 **Japan**
Nishimura & Asahi: Nobuya Matsunami & Kaoru Tatsumi

108 **Liechtenstein**
Schurti Partners Attorneys-at-Law Ltd.: Alexander Appel, Andreas Schurti & Hemma Kohlfürst

115 **Luxembourg**
GSK Stockmann: Dr. Philipp Moessner & Anna Lindner

122 **Netherlands**
NautaDutilh: Stefan Wissing, Maarten Buma, Geert Raaijmakers & Frans Overkleeft

129 **Norway**
Advokatfirmaet BAHR AS: Svein Gerhard Simonnæs & Asle Aarbakke

134 **Spain**
Uría Menéndez: Eduardo Geli & Soraya Hernández

146 **Sweden**
Mannheimer Swartling Advokatbyrå: Patrik Marcelius, Cecilia Björkwall & Josefine Rex

153 **Switzerland**
Advestra: Rashid Bahar & Annette Weber

161 **United Kingdom**
Hogan Lovells: Patrick Sarch & Danette Antao

171 **USA**
Wachtell, Lipton, Rosen & Katz: Sabastian V. Niles

184 **Zambia**
Gill and Seph Advocates: Gilbert Kaemba Mwamba & Muleba Joseph Chitupila

189 **Zimbabwe**
ChimukaMafunga Commercial Attorneys: Norman Chimuka & Tonderai Sena

Greece

Evi Kitsou

Kelly Hatzigaki

Yolanda Kalogirou

Bernitsas Law

1 Setting the Scene – Sources and Overview

1.1 What are the main corporate entities to be discussed?

The main corporate entity is a company limited by shares, otherwise referred to as *société anonyme* (**Company**), as the only corporate entity which is subject to the provisions of Law 4706/2020 as amended and in force from time to time (**Corporate Governance Law**), either mandatorily (where the Company's shares or other financial instruments, such as bonds, are listed on a Greek regulated market, currently the Athens Exchange) or, voluntarily (where the Company's shares are admitted to trading on a Greek Multilateral Trading Facility, currently the Alternative Market). This analysis does not focus on regulated entities (such as credit institutions, investment firms, insurance/reinsurance companies) which are subject to a heavier set of rules regarding their corporate governance framework and general ESG requirements.

1.2 What are the main legislative, regulatory and other sources regulating corporate governance practices?

The main source of corporate governance legislation is the Corporate Governance Law, and the respective delegated decisions issued by the Hellenic Capital Market Commission (**HCMC**) which is the national competent authority for capital market participants. Law 4972/2022 aims to impose certain corporate governance rules on State-owned companies, regardless of any shareholding thresholds. Valuable guidance is also provided through soft law, more particularly by virtue of the various guidelines and other means, such as Q&As, published by the HCMC. Additionally, certain corporate governance-related matters are addressed by Law 4548/2018 (**Company Law**) applicable to *sociétés anonymes*. Finally, these companies are bound to adopt one of the Corporate Governance Codes formally recognised by the HCMC, which they shall implement on a "comply or explain" basis.

1.3 What are the current topical issues, developments, trends and challenges in corporate governance?

Recent developments involve the Corporate Governance Law which came into full force on 19 July 2021 and triggered the need for significant changes in the corporate structure of its primary target listed companies. Notably, listed companies are now bound to: (i) operate at least three internal committees (Nominations, Remuneration and Audit Committee) which in principle shall consist of non-executive and independent by majority directors; (ii) adopt a corporate governance code issued by an accredited organisation which has been officially recognised by the HCMC, thus limiting the opportunity to implement their own set of rules; and (iii) ensure diversity in their board composition, essentially by implementing a minimum gender representation rate of at least 25%. Moreover, on 20 July 2021, the Athens Exchange announced the publication of a new ESG index, the metrics of which take into account, *inter alia*, the governance status of qualifying listed companies.

With respect to trends and future challenges, and in line with the general market's appetite, the HCMC announced that a primary strategic focus for 2023 is the supervision of sustainability in the Greek capital markets. Sustainability fundamentally entails a "good" corporate governance criterion, however the way in which the companies will boost their governance arrangements in order to create a sustainable profile and attract investor attention remains to be tested and the same applies for the regulatory treatment of any such future corporate governance initiatives.

1.4 What are the current perspectives in this jurisdiction regarding the risks of short termism and the importance of promoting sustainable value creation over the long term?

Greece has transposed various European legislative instruments aiming at battling short termism into national law. Notably, the Corporate Governance Law transposed Directive (EU) 2017/828 (the so-called "SRD II") which establishes specific requirements in order to encourage shareholder engagement, in particular in the long term (such requirements refer to identification of shareholders, transmission of information, facilitation

of exercise of shareholders rights, transparency of institutional investors, asset managers and proxy advisors, remuneration of directors and related party transactions). Furthermore, the expectation around sustainable value creation is that it will become a key metric to assess the overall ESG profile of companies and thus their eligibility as "green investments" by banks, fund managers and investors in general. It is anticipated that companies which are currently out of the scope of ESG reporting requirements (for instance, non-listed, small or medium sized enterprises) will be progressively providing explanations on a voluntary basis on how their business plan serves the creation of sustainable value in the long term in order to attract investors with sustainable preferences.

2 Shareholders

2.1 What rights and powers do shareholders have in the strategic direction, operation or management of the corporate entity/entities in which they are invested?

In principle, the participation of shareholders in the strategic direction, operation and management of a Company is effected through the general shareholders' meeting of the Company (GM). The GM is the Company's supreme corporate body, having the sole power and competency to resolve upon, *inter alia*, amendments to the articles of association of the Company (AoA), share capital increases (subject to certain exemptions), the election of the Board of Directors (**BoD**) (subject to certain exemptions) and auditors, the approval of the annual financial statements (stand alone and consolidated, as the case may be), as well as on the merger, conversion, revival, extension of duration or dissolution of the Company.

Company Law also provides for the shareholders' indirect participation in the Company's management, through the entitlement of one or more shareholders to directly appoint members of the BoD (but not more than 2/5 of the foreseen total number thereof) and revoke them, provided that this right and the terms thereof are included in the AoA.

2.2 What responsibilities, if any, do shareholders have with regard to the corporate governance of the corporate entity/entities in which they are invested?

Shareholders do not have any direct responsibilities or other duties towards their Company with respect to corporate governance. However, by exercising their votes at the GM or their direct appointment rights, as the case may be, they have the power to affect the composition of the Company's BoD, which is the corporate body responsible for, among other matters, determining and implementing the internal corporate governance framework of the Company. Consequently, the shareholders may influence *indirectly* the corporate governance strategy through their choice of directors but do not otherwise engage in governance planning.

2.3 What kinds of shareholder meetings are commonly held and what rights do shareholders have with regard to such meetings?

GMs are distinguished between ordinary and extraordinary. The ordinary GM is held compulsorily at least once every financial year no later than the 10th calendar day of the ninth month following the end of the financial year (unless such deadline is further extended by law), to decide on the approval of the annual financial statements, the overall management of the Company and the distribution of profits or note, the election of auditors, the distribution of profits, the remuneration to the BoD members and the remuneration report for the preceding financial year. An extraordinary GM is held either whenever the BoD deems it appropriate or necessary and and/or if it is convened upon the request of shareholders holding, either alone or together with other shareholders, at least 5% of the Company's paid-up share capital, and such GM may resolve on any issue falling under the GM's competency, except for those expressly reserved to the ordinary GM.

The GM is in a quorum when shareholders representing at least 20% of the Company's paid-up share capital (capital) are present or represented, while its decisions are taken by absolute majority (i.e. 50%+1) of the votes cast by such shareholders. Exceptionally, in order for decisions concerning, *inter alia*, the change of the corporate object, the increase of the capital (subject to certain exemptions), the merger, conversion or dissolution of the Company, as well as in any other case defined by law that the GM decides with an increased quorum and majority, the meeting is in a quorum, when shareholders representing 50% of the capital are present or represented. In the above referred cases, the GM resolutions are taken by a majority of 2/3 of the votes represented in the meeting. In case the said quorum is not reached, then the respective threshold in the repeat GM is reduced to 1/3 (for non-listed Companies) or 1/5 (for listed companies or, regardless, where the GM resolves upon share capital increase). Notwithstanding the above, the AoA may provide for all or specific issues higher quorum percentages than those provided for by Company Law. The GM may be held remotely by audio-visual or other electronic means, without the physical presence of the shareholders at the place of its holding.

The shareholders' rights in relation to the GM include the following:

- The shareholders are entitled to have access to, *inter alia*, the Company's annual financial statements and any relevant BoD's and auditors' reports, prior to the GM's session as Company Law provides for.
- Shareholders, representing at least 5% of the capital, have the right to request the convocation of an extraordinary GM and/or the addition of items to the GM agenda.
- Shareholders of listed Companies representing at least 5% of the capital, have the right to submit draft decisions on matters included in the GM agenda.
- Shareholders, representing at least 5% of the capital, have the right to request from the chairperson of the GM meeting to postpone the decision-making for all or certain matters included in the GM agenda.
- Any shareholder may request the BoD to provide the GM with specific information on the Company's affairs, insofar as this is relevant with the agenda items.
- Shareholders representing at least 5% of the capital may request the BoD to announce to the ordinary GM the amounts that, during the last two years, have been paid to each BoD member.
- Shareholders representing at least 10% of the capital may request the BoD to provide the GM with information on the progress of corporate affairs and the financial condition of the Company.

The AoA may reduce, but not more than half, the percentages of the capital, required for the exercise of the aforementioned rights.

2.4 Do shareholders owe any duties to the corporate entity/entities or to other shareholders in the corporate entity/entities and can shareholders be liable for acts or omissions of the corporate entity/entities? Are there any stewardship principles or laws regulating the conduct of shareholders with respect to the corporate entities in which they are invested?

In principle, the Company's shareholders neither owe any duties to the Company or its other shareholders nor are they liable for acts or omissions of the Company as per corporate law. Since the Company has autonomous legal standing independent of its shareholders and is liable for its debts with its own assets, the shareholders' liability is limited to the amount contributed to the share capital of the Company with no personal or joint liability for the Company's debts.

In exceptional circumstances, the above legal standing may recede (lifting of the corporate veil), following a court judgment, if a sole controlling shareholder deliberately allows the Company's thin capitalisation, to the creditors' detriment, or for the Company to avoid compliance with its obligations. Also, according to case law, there is a duty of loyalty, which all shareholders must observe among themselves and towards the Company, consisting in their obligation to refrain from actions that harm the Company and the other shareholders. In other words, the shareholders should unite to achieve a mutually acceptable goal and not to exclusively pursue the promotion of their personal interests, at the expense of the interests of the other shareholders and the Company in general.

2.5 Can shareholders seek enforcement action against the corporate entity/entities and/or members of the management body?

Each director is liable to the Company for any damage the latter suffers due to an act or omission that constitutes a breach of the director's duties. If said director proves that, in the performance of her/his duties, she/he exercised the diligence of a prudent businessman operating in similar circumstances (business judgment rule), she/he may be exempted from such liability.

In case the damage has resulted from a joint act of several members of the BoD or if it cannot be ascertained whose action caused the damage, they are all jointly and severally liable. However, the court may decide on the apportionment of responsibility between those responsible, depending on the gravity of the act, the degree of fault and the allocation of duties among the directors. Liability does not exist for acts or omissions of a BoD member based on a lawful GM decision or concerning a reasonable business decision, which at the time it was taken by the BoD, it was based (a) on good faith, (b) on sufficient information, and (c) with the sole criterion of serving the Company's corporate interest. The same applies if such decision was taken in reliance on a recommendation or opinion of an independent body or committee of the Company in accordance with applicable law. The burden of proof regarding the abovementioned rests with the BoD members.

Notwithstanding the above, the Company may, pursuant to a BoD decision, waive its claims for compensation or settle them after two years, only if the GM consents and no objection is raised by the minority shareholders representing at least 10% of the capital represented at the GM session. After a lawsuit is filed, the above waiver or settlement can take place at any time, provided that the GM consents and no objection is raised by shareholders representing at least 20% of the capital represented at the GM session.

The BoD is obliged to pursue such claims against culpable BoD members and must provide explanations to the shareholders if it elects not to do so. Minority shareholders holding at least 20% of the capital are also entitled to request the BoD to proceed with the above, if certain criteria are met.

2.6 Are there any limitations on, or disclosures required, in relation to the interests in securities held by shareholders in the corporate entity/entities?

Subject to the successful fit and proper assessment by the competent supervisory authority which is a prerequisite for the acquisition of qualifying shareholdings (i.e. at least 10%) in the outstanding share capital or voting rights of certain regulated companies of the financial sector (banks, investment firms, insurance/reinsurance companies, etc.) and mindful of the 1/3 voting rights threshold, above which the obligation for a mandatory takeover bid is triggered, there are generally no limitations in respect of such interests. Disclosures are required in cases where certain shareholding thresholds are crossed and more particularly where the voting rights of a shareholder reach, cross or fall below 5%, 10% 15%, 20% 25%, 1/3, 50% and 2/3. The same disclosure rule applies where a shareholder is entitled to acquire, dispose of, or exercise voting rights reaching, crossing or falling below the aforesaid thresholds and held by a third party by virtue of a shareholders' agreement or another express, implied, oral or written agreement for the exercise of such rights by the shareholder, or a pledge or other right *in rem* or where the shareholder holds or disposes of, directly or indirectly, financial instruments which entitle the shareholder to exercise voting rights equal to, above or below the aforesaid thresholds as the case may be.

2.7 Are there any disclosures required with respect to the intentions, plans or proposals of shareholders with respect to the corporate entity/entities in which they are invested?

Intentions, plans or proposals of shareholders are not *per se* subject to any regulatory treatment. It is possible, though, that under certain circumstances they may be regarded as inside information within the meaning of Article 7 of Regulation (EU) No 596/2014 (**Market Abuse Regulation**) and should then be disclosed by the Company as soon as possible, except where there is a lawful reason to delay such disclosure, as stipulated by the Market Abuse Regulation.

2.8 What is the role of shareholder activism in this jurisdiction and is shareholder activism regulated?

Shareholder activism is mainly relevant to listed Companies, in light of the free float requirements and the minimum percentage of capital and voting rights that a shareholder should hold to exercise customary minority protection rights, as discussed under question 2.3 above.

In 2019 and for the first time in Greece, shareholder activism was indirectly regulated by way of provisions pertaining to shareholders' associations. Such shareholders' associations may exercise the minority shareholders' rights in their own name, but on behalf of their members, if their members hold together the required number of shares to exercise such rights.

Shareholders' associations can be formed by shareholders of one or more companies and have the form of an association governed by the provisions of the Greek Civil Code. One

month prior to the exercise of the above rights, the association must have completed its formation into a group and notified its statute to the Company concerned, whose shareholders are members of such association. The above associations may also provide the possibility of consultation with the interested shareholders in view of specific GMs.

Shareholders' associations are inextricably linked with shareholders' activism as a *de facto* control mechanism, combined with a need for visibility and transparency. Additionally, the active participation in the Company's management, via shareholders' associations, serves as an "antidote" to the phenomenon of shareholders' apathy, which is catered for by the cost and time-consuming information and participation procedures in force.

3 Management Body and Management

3.1 Who manages the corporate entity/entities and how?

Companies are managed by their BoD, i.e. the corporate body which is responsible for the internal management and the external representation of the Company. The BoD may convene as frequently as appropriate to pass resolutions in relation to usual course of business matters as well as to set out the broader planning of the Company's strategy – usually with an absolute quorum and majority of its members which may in no case be less than three – and is supported in taking such decisions by at least three committees, as provided by the Corporate Governance Law: the Audit Committee; the Nominations; and the Remuneration Committee. Naturally, each Company may opt to operate additional committees, such as an Executive or an ESG committee, on a voluntary basis.

3.2 How are members of the management body appointed and removed?

Members of the BoD are in principle elected or appointed by the GM and may be freely removed by the same. The choice of directors shall comply with the suitability policy that each listed Company shall adopt under the Corporate Governance Law, meaning that certain factors as regards to experience, competence, skills and diversity shall be abided by so as to ensure both the individual suitability of each director and the collective suitability of all directors when assessed as a whole. To this purpose, a list of suitable candidates is prepared by the Nominations Committee and submitted to the BoD which then presents it to the GM. The composition of the BoD of a listed Company shall include, as stipulated by the Corporate Governance Law, executive, non-executive and independent non-executive directors, of whom 1/3, and in any case not less than two, shall be independent non-executive directors. With respect to the latter, the Corporate Governance Law provides for additional eligibility criteria that must be fulfilled in relation to the independence criteria; indicatively, an independent director must not have served as a director of the Company or an affiliate Company for an aggregate term of nine years or more, maintained a business relationship with the Company during the last three years preceding his/her election, be directly appointed in the BoD by a shareholder or have conducted a mandatory audit to the Company during the last three years preceding his/her election.

3.3 What are the main legislative, regulatory and other sources impacting on compensation and remuneration of members of the management body?

Under the Company Law, directors may receive compensation as provided by the AoA and, where the Company is listed, in accordance with its remuneration policy. Other than the above, specific payments shall only be made following an approval by the GM. The remuneration policy is valid for four years from approval and shall specify, *inter alia*, how it contributes to the business strategy, long-term interests and sustainability of the Company as well as the applicable factors for calculating fixed and variable remuneration (including share options) of the directors. The remuneration committee submits proposals to the BoD regarding the remuneration policy and directors' fees. Compensation based on the year's profits may only be provided if so permitted by the AoA and is determined by virtue of a GM resolution whereas the relevant amounts derive from the Company's net profits following the deduction of the minimum capital reserve and the distribution of the minimum dividend to the shareholders. Compensation to directors for their services to the Company on the basis of an employment, services or other agreement is subject to the related party transactions approval procedure. Moreover, the GM may allow for a down-payment of the directors' fees for a time period until the next ordinary GM and subject to the latter's approval. In certain cases, shareholders representing at least 10% of the capital may request that a director's compensation be reduced by the competent court if, considering the circumstances, such payment would reasonably be considered disproportionate.

3.4 What are the limitations on, and what disclosure is required in relation to, interests in securities held by members of the management body in the corporate entity/entities?

Subject to the disclosure requirements discussed under question 2.6 above, under the Market Abuse Regulation, directors of listed Companies, as well as persons closely associated with them, shall notify the Company concerned and the HCMC of every transaction conducted on their own account once a total amount of €5,000 has been reached within a calendar year and relating to equity or debt securities of such Company, or to derivatives or other financial instruments linked thereto. A prohibition to conduct transactions applies during a "closed period", i.e. 30 calendar days before the announcement of an interim financial report or a year-end report which the Company is obliged to make public either by virtue of the law or the rules of the trading venue. However, the Company may allow a director to transact during the closed period where (i) there are exceptional circumstances, such as severe financial difficulty, which require the immediate sale of shares, or (ii) this is justified due to the characteristics of the trading involved for transactions made under, or related to, an employee share or saving scheme, qualification or entitlement of shares, or transactions where the beneficial interest in the relevant security does not change.

3.5 What is the process for meetings of members of the management body?

The BoD must meet at the Company's headquarters unless a different place is defined in the AoA. In any case, the BoD validly meets outside its headquarters in another place, in

Greece or abroad or by teleconference, as long as all its members are present or represented at this meeting and no one objects accordingly. The BoD meets whenever the law, the AoA or the Company's needs require it. It is convened by the chairperson or his/her deputy, with an invitation communicated to the members, at least two working days before the meeting and at least five working days if the meeting is to be held outside the Company's headquarters. The agenda must also be clearly stated in the invitation, otherwise decisions are only permitted if all directors are present or represented and no objection is raised.

The convocation of a BoD meeting may be requested by at least two directors addressing their request to the chairperson or his/her deputy, who are obliged to convene such in time, so that it meets within a period of seven days from the submission of the application. The application must, under penalty of inadmissibility, clearly state the issues that will concern the BoD. If the BoD is not so convened, the members who requested the convocation are allowed to convene themselves the BoD, notifying the relevant invitation to the other BoD members.

The AoA of non-listed Companies may provide for other formalities or shorter invitation deadlines, derogating from the above provisions.

3.6 What are the principal general legal duties and liabilities of members of the management body?

The BoD members must observe the law, the AoA and the lawful GM resolutions. In this context, the BoD members have a duty of loyalty and care towards the Company. In particular, each director must:

i. not pursue personal interests that conflict with the interests of the Company, including participating as unlimited partners or sole shareholders or sole partners in companies with similar to the Company's corporate object, unless specific authorisation is given by the GM;
ii. disclose promptly and adequately to the other BoD members their own interests, arising from the Company's transactions, which fall within their duties, as well as any conflict of their interests with those of the Company or related parties, which arises during the exercise of their duties; and
iii. maintain strict confidentiality regarding the Company's corporate affairs and secrets.

Regarding the BoD members' liabilities and in addition to the abovementioned under question 2.5:

- According to Greek civil law, while the corporate entity itself is responsible for the acts or omissions of its corporate bodies during the performance of the tasks assigned to them, in case of tortious liability of the corporate entity, the BoD members could also be held liable for actions or omissions attributed to them. Additionally, the BoD members may be found liable with their personal property for the Company's debts to the Greek State (e.g. tax or social security debts, etc.), under specific conditions.
- BoD members are liable for direct losses incurred by shareholders or third parties resulting from the Company's management. BoD members are also liable towards the Company's creditors under the Greek insolvency legislation, including for failure to timely declare bankruptcy or for cessation of payments of the Company, if effected for the purpose of defrauding the Company's creditors.
- A BoD member may be held criminally liable (and exposed to imprisonment and monetary fines) in case of, *inter alia*, false or misleading statements to the public in connection with the Company's share capital and relating to information having material impact on the Company's affairs (such as financial statements, annual and management reports, distribution of profits etc.), as well as in case of various infringements of Company Law (e.g. obstructing the Company's audit or not providing the Company's auditors with the necessary information).

3.7 What are the main specific corporate governance responsibilities/functions of members of the management body and what are perceived to be the key, current challenges for the management body?

Directors are responsible for the setting up, implementation and periodic assessment of the corporate governance framework of a listed Company. Within this context, they shall ensure compliance with general suitability and diversity requirements in the composition of the BoD – as provided by the Corporate Governance Law and the Company's Suitability Policy – approve the Internal Rules of Regulation and care for its publication and elect the corporate governance code to be adopted by the Company. Key challenges for the BoD are to ensure long-term sustainability of the business, comply with the new sustainability requirements particularly with regards to mandatory non-financial reporting, build in the ESG profile of their companies in order to attract investors, reform the corporate culture to implement new corporate governance policies in accordance with market's demands, enhance cyber security systems and minimise the Company's costs with respect to the "green" transition.

3.8 Are indemnities, or insurance, permitted in relation to members of the management body and others?

Yes. Insurance may cover liability of the directors towards third parties whereas indemnities may be agreed following the related parties' transactions approval procedure, i.e. the approval granted by the BoD for transactions between, *inter alia*, the directors and the Company. It is noted, however, that the latter is not common practice.

3.9 What is the role of the management body with respect to setting and changing the strategy of the corporate entity/entities?

The BoD is competent to decide on any act concerning the Company's administration, the management of its property and in general the pursuit of its corporate object. The BoD is also responsible for the Company's management, including its judicial and extrajudicial representation. Through the BoD resolutions, the Company demonstrates its will and its action.

In particular, regarding listed Companies and as provided for in the Code of Corporate Governance, the BoD is responsible for setting the values and the Company's strategic orientation. At the same time, it remains responsible for the approval of the Company's strategy and business plan, as well as for the continuous monitoring of their implementation. The BoD ensures that the values and the strategic Company design is aligned with corporate culture, while using tools and techniques aimed at incorporating the desired culture into Company systems and procedures. Finally, the BoD determines the extent of the Company's exposure to risks that it intends to undertake in the context of its long-term strategic goals.

4 Other Stakeholders

4.1 May the board/management body consider the interests of stakeholders other than shareholders in making decisions? Are there any mandated disclosures or required actions in this regard?

Under the Company Law, the BoD owes a fiduciary duty to the Company rather than the shareholders (or other stakeholders), meaning that it shall monitor and manage any conflicts of interest arising between the directors and the Company. However, there is no distinct legal requirement for the former to take into account the interests of stakeholders in their decision-making process nor there are any mandated disclosures or required actions in this regard. In practice though, stakeholders' interests are inherently – to a certain extent – aligned with the interests of the Company itself, particularly when it comes to sustainability. This is because stakeholders often push companies to adopt sustainable actions and policies which in turn contribute to the Company's best interest as they serve to maximise its market value. In addition, in circumstances where a Company has become or is likely to become insolvent, there is a shift to the directors' duties towards preserving the interests of the Company's creditors.

4.2 What, if any, is the role of employees in corporate governance?

Employees are not required by law to participate or share views or otherwise contribute to the formation of the strategic direction or the implementation of the corporate governance framework of a Company. In the same vein, there is no mandatory requirement for representation of employees in the BoD. In State-owned companies however, it is possible that the law or the AoA provide for the inclusion of employees' representatives in the BoD, in which case specific provisions governing their election apply. Moreover, where the employees of a Company are organised in work councils, sectoral legislation may provide for certain regulations or policies to be subject to a consultation with work councils prior to their adoption (for instance, the Internal Work Regulation, the Health and Safety Regulation, Policy against violence and harassment). Work councils propose the members of the Health and Safety Committee from their members, where applicable.

4.3 What, if any, is the role of other stakeholders in corporate governance?

Company Law does not provide for the involvement of stakeholders in the setting up of the corporate governance framework of a Company. This is the exclusive authority of the BoD. Stakeholders may influence the corporate governance of a Company *indirectly*, by pushing for a Company's sustainable transposition (for instance by monitoring progress and encouraging for changes or new ESG initiatives). This will in turn urge the directors to adopt measures towards sustainability in order to comply with their statutory fiduciary duty to act in the Company's best interest as explained above in question 4.1.

4.4 What, if any, is the law, regulation and practice concerning corporate social responsibility and similar ESG-related matters?

ESG-related matters are addressed in legislation in an incremental manner. More particularly, Company Law provides for certain ESG disclosures in the form of non-financial reporting to be published by large entities of public interest (the scope of reporting entities is expected to expand following the transposition of Directive (EU) 2022/2464 into Greek Law, which is commonly referred to as the "Corporate Sustainability Reporting Directive") and also for the annual publication of a corporate governance statement by large-listed companies. Please also refer to question 1.2 for further analysis on the legal framework applicable to corporate governance in Greece. Regarding environmental and social matters, the entry into force of Regulation (EU) 2019/2088 (**SFDR**) and Regulation (EU) 2020/852 (**Taxonomy Regulation**) has imposed certain ESG disclosure obligations on financial market participants and advisers with respect to (i) the integration of sustainability factors in their internal policies, as well as (ii) the sustainable characteristics of the financial products they offer in the course of their business. Notably, Greece has also adopted the so-called "National Climate Law" (Law 4926/2022) which aims to regulate the nation's navigation through the climate change landscape and promote the decarbonisation of the economy.

5 Transparency and Reporting

5.1 Who is responsible for disclosure and transparency and what is the role of audits and auditors in these matters?

The BoD is responsible for ensuring lawful disclosures and transparency of ESG data. To this purpose, the BoD may be supported by various committees (for instance, the remuneration committee, the audit committee and, if applicable, the ESG committee or equivalent) as well as the internal audit department and the compliance department. Certain disclosures, such as the corporate governance statement to be published annually by large-listed Companies, are subject to an external audit and the accredited external auditor shall deliver an opinion on its content. Notably, independent external auditors shall also (i) confirm the non-financial statements that are published by large entities of public interest, (ii) certify the compliance of the Internal Rules of Operation of listed Companies with the respective requirements of the Corporate Governance Law, and (iii) periodically assess the internal audit function of listed Companies.

5.2 What corporate governance-related disclosures are required and are there some disclosures that should be published on websites?

Large-listed Companies are bound to publish a corporate governance statement annually with information on the Corporate Governance Code adopted by the Company and any deviations therefrom, the corporate governance practices followed, the composition of its management body and the characteristics of the internal audit function. Such a statement may be found on the Company's website either as part of the annual management report or as a separate document. Furthermore, non-financial statements published annually by large entities of public interest which contain, *inter alia*, information on governance, are uploaded on the Company's website. Corporate governance website disclosures by listed Companies include uploading their codified AoA, a summary of their Internal Rules of Operation, the suitability policy applicable to the members of the BoD as well as the updated directors' *curriculum vitae*. Certain regulated entities, such as fund managers and financial advisers, are also required to publish on their website ESG-related disclosures under the SFDR, which entail corporate governance information.

5.3 What are the expectations in this jurisdiction regarding ESG- and sustainability-related reporting and transparency?

ESG and sustainability-related reporting and transparency are expected to increase significantly in terms of the number of reporting entities and the volume and quality of information published. This will not only be a direct result of the new sustainability disclosure requirements imposed by various laws and regulations – particularly in the financial services sector – that enter into force gradually, but also a strategy choice of many companies who wish to satisfy market's ESG appetite and ultimately attract more investors. Business sectors, such as renewable energy and infrastructure, are already publishing ESG data and sustainability reports on a voluntary basis in order to market themselves as "green". Notably, the HCMC has published its annual report for 2022 which includes its five-year strategic plan for 2022–2027 comprising five pillars, the fourth of them being "sustainability and new ways to conduct supervision". It is thereby provided that sustainability-related matters (including sustainability disclosure obligations) of supervised entities (mainly investment firms, fund managers and listed Companies) will be a key regulatory focus thus setting the future scene for all financial market participants. ESG reporting will eventually be adopted by small- or medium-sized enterprises that wish to enhance their competitive advantage and increase their chances to receive financing by fund managers or prepare for a potential listing on the Athens Exchange or any other regulated market.

Evi Kitsou is a specialist in advising on corporate and commercial transactions, company structuring and regulatory compliance across a wide range of industries with expertise in the insurance, consumer goods, automobile and other highly regulated sectors.
Evi has been with the Firm since 2000 and maintains long-standing ongoing relationships with many of her clients, who turn to her for assistance with issues arising in the conduct of their day-to-day business and the structuring and negotiation of a great variety of corporate and commercial contracts.
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