



HELLENIC  
CORPORATE  
GOVERNANCE  
COUNCIL

# HELLENIC CORPORATE GOVERNANCE CODE

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# HELLENIC CORPORATE GOVERNANCE CODE

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# PREAMBLE

## PREAMBLE

### CORPORATE GOVERNANCE

According to the Principles of Corporate Governance<sup>1</sup> of the Organisation for Economic Co-operation and Development (OECD), which are the international benchmark and an important source of inspiration for the present Code, corporate governance involves a set of relationships between a company's management, its shareholders, employees and other stakeholders; and aims to create, sustain and develop strong and competitive companies.

As a set of principles, the Corporate Governance Code introduces self-regulation provisions: it is not limited to the application of the provisions required by law, but is based on the voluntary acceptance and application of rules recorded in it as special practices. Based on these provisions, the management is exercised, monitored and controlled, the corporate functions are performed, the relationships with the shareholders and the stakeholders (shareholders, suppliers, customers, public administration, etc.) that are interconnected with the company are formed, the achievement of the objectives that have been set is facilitated and existing or potential risks have been identified and are being managed.

Through the codification of the principles of corporate governance, the aim is to implement them easily and at the same time to strengthen the credibility of the Greek capital market towards international and domestic investors, to enhance transparency and to improve the competitiveness of Greek companies. In addition, a good corporate governance framework, through the consolidation of trust in the business environment, can effectively and efficiently bridge the interests of businesses, citizens and society.

### HELLENIC CORPORATE GOVERNANCE COUNCIL

The Hellenic Corporate Governance Council (HCGC) was established in 2012 and is a joint initiative of Athens Stock Exchange (ATHEX) and the Hellenic Federation of Enterprises (SEV), in the legal form of the Civil Non-Profit Company. The current members of the HCGC are ATHEX, SEV, the Hellenic Bank Association (HBA), the Hellenic Fund and Asset Management Association (HFAMA) and the Hellenic Corporation of Assets and Participations (HCAP).

The supreme body of the HCGC is the General Meeting (GM). The HCGC is governed by a Board of Directors currently composed of 7 members elected by the General Meeting and has a five-year term. In addition to the Board of Directors, HCGC also

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<sup>1</sup> OECD Principles of Corporate Governance (2015) [https://www.oecd-ilibrary.org/governance/g20-oecd-principles-of-corporate-governance-2015\\_9789264236882-en](https://www.oecd-ilibrary.org/governance/g20-oecd-principles-of-corporate-governance-2015_9789264236882-en)

operates a Corporate Governance Council, in which experts from Greece and abroad participate in various fields (audit, investment, business, supervision, legal, advisory, banking and financial).

Since October 2018, a Working Committee has been set up with the participation of representatives of the Founding Members and the Ordinary Members with responsibilities for the implementation of the action plan, the organisation of individual actions (conferences, training seminars, events, promotions), the finding of sponsors and other resources, as well as the fulfillment and implementation of individual objectives of the HCGC.

The HCGC issues the Hellenic Corporate Governance Code. Its general action plan includes the formation of positions on the institutional framework, the submission of proposals, participation in consultations and working groups, the organisation of educational and informational events, the monitoring and evaluation of corporate governance practices and the implementation of corporate governance codes, the provision of tools to assist and rate the performance of Greek enterprises.

## HELLENIC CORPORATE GOVERNANCE CODE

This Code constitutes the Hellenic Corporate Governance Code for Companies with securities listed on the stock market, in accordance with Article 17 of Law 4706/2020 and Article 4 of the Decision of the Hellenic Capital Market Commission (Decision 2/905 / 3.3.2021 of the Board of Directors of the Hellenic Capital Market Commission). It replaces the Hellenic Corporate Governance Code for the listed companies issued in 2013 by the HCGC.

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### A. CORPORATE GOVERNANCE FRAMEWORK

In Greece, the corporate governance framework for Greek companies with securities listed on a regulated market consists, on the one hand, of the adoption of compulsory legal rules and, on the other hand, of the application of the principles of corporate governance and the adoption of best practices and recommendations through self-regulation. Specifically, it includes the Law 4706/2020 ("Corporate Governance Law or Law"), the decisions of the Hellenic Capital Market Commission issued by delegation of the Law, certain provisions of Law 4548/2018 on public limited companies and authorities, best practices and recommendations for self-regulation, which are incorporated in the present corporate governance code ("Corporate Governance Code or Code").

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B. NATURE, PURPOSE, FUNCTION, IMPLEMENTATION SCOPE AND STRUCTURE OF THE HELLENIC CORPORATE GOVERNANCE CODE.

- \* The Code as a self-regulatory text is adopted on the basis of the specific characteristics of corporations, their shareholding composition and the criteria they choose, as appropriate.
- \* The Code is applied on the basis of the "comply or explain" principle.
- \* The Code does not repeat, as its own provisions, the legislative provisions, nor does it interpret the legislation.
- \* The main objective of the Code is to create an accessible and understandable reference guide, which sets in a codified way in a single text, high (higher than mandatory) requirements and specifications of corporate governance.

In particular, the Code does not address the issues that constitute compulsory legislation (laws and regulatory decisions), which are already particularly extensive. On the contrary, the Code establishes principles beyond the mandatory framework of Corporate Governance legislation and addresses those matters which are either (a) not regulated by law, or (b) regulated, but the applicable framework allows for selection or derogation, or (c) they are regulated in their minimum content. In such cases, the Code either complements the mandatory provisions or introduces more stringent principles, drawing on experience from European and international best practices, always guided by the characteristics of the Greek business and the Greek stock market.

The Code is addressed to Greek companies with securities listed on a regulated market operating in Greece.

The Code is also addressed to Greek companies with securities negotiated in a Multilateral Trading Facility, such as the Alternative Market of the Athens Exchange, which have chosen to be subject to Law 4706/2020.

The Code consists of: Parts and Sections.

In each Section, the mandatory rule in force (and with a direct reference to it in a footnote) is initially listed **as is**, as it appears from the legislative or regulatory provisions, which is characterised as **"Mandatory Provision"** appears in **red letters** and **marked "L" (Law)**. This citation is made on the one hand for reasons of completeness but also for easy updating and for the convenience of the user, and on the other hand, to make clear the legal basis of each topic, in addition to which the special practices of the Code apply. Also listed in **orange letters** are the regulations of the Circular of the Hellenic Capital Market Commission on the Suitability Policy of the Board of Directors, as guidelines and **marked "G"**.

Then, the "**Special Practices**" which are governed by the "Comply or Explain" principle are listed below and are classified as "**Comply or Explain**", according to the corresponding principle. The Special Practices appear in **green letters** and **marked "C/E"**.

More specifically, the "Comply or Explain" principle requires companies applying the Code to either comply with all its provisions, or to explain reasons for their non-compliance with its special practices.

"Explain" documentation: Such explanation should not be limited to a simple reference to the principle or practice the company does not comply with, but should be clearly and specifically justified. In particular, the non-compliance explanation should:

- \* be specific to the company's position, not generic or off-the-shelf,
- \* be meaningful, in that it sets the context and reason for non-compliance;
- \* be understandable and persuasive,
- \* assess the risk of non-conformity and describe the mitigating action to address any additional risk and to maintain conformity with the relevant principle,
- \* indicate whether the deviation from the Code's provisions is limited in time and when the company intends to return to conformity with the Code's provisions, and with reference to any alternative practice that the company has adopted as more appropriate, and for what reasons the company considers it more appropriate and useful in the context of high corporate governance standards. In this way, investors and stakeholders are able to assess even if the company does not apply any Code practice, if it does indeed understand the importance of corporate governance and achieves the required efficiency with the quality of the explanation.

The Code provides with this approach the possibility for companies to carefully assess their specific circumstances and to select the one that suits them with transparency and with the aim of effective and high-quality good governance. The purpose is not a dry, generic and perhaps misleading confirmation of the "comply" option.

Certain provisions of the Code may be difficult to implement by small companies. These companies can explain the non-compliance / deviation from the special practices of the Code with a reasoning based on this smaller size, further specifying its meaning by applying the above "Explain" documentation.

Finally, further guidelines are listed for which compliance or explanation is not required in case of non-compliance, but are merely "**Recommendations**" (**marked "R"**).

In Section E of the present, instructions for the preparation of a Corporate Governance Statement are given.

The HCGC will review the content of the Code on a regular basis and will adapt it according to the developments, both in the special practices and in the regulatory framework, responding also the changing needs of the Greek corporate world.

The Code shall enter into force upon the entry into force of Articles 1 to 24 of Law 4706/2020. In the Corporate Governance Statement to be published after its first application, the company may invoke the time of entry into force as an explanation of non-compliance or deviation and state for which special practices the company is in the process of compliance.



# PART A – BOARD OF DIRECTORS

1. FIRST SECTION - ROLE AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

**MANDATORY PROVISIONS**

- 1.1. *"The Board of Directors is competent to decide on every act concerning the management of the company, the administration of its assets and the general pursuit of its purpose."*<sup>2</sup>
- 1.2. *"During the establishment of the company, the appointment of a Chair, Vice-Chair, Chief Executive or executive director or persons with other capacity and responsibilities for the first Board of Directors may be done with the Articles of Association. The Board of Directors may at any time make a different allocation of the above capacities among its members."*<sup>3</sup>
- 1.3. *"The members of the Board of Directors and every third person, to whom powers have been delegated by it, in accordance with Article 87 of Law 4548/2018, shall, in the exercise of their duties and responsibilities, comply with the law, the Articles of Association and the lawful decisions of the general meeting. They must manage the corporate affairs in order to promote the corporate interest, supervise the execution of the decisions of the Board of Directors and the General Meeting and inform the other members of the Board of Directors of the corporate affairs."*<sup>4</sup>
- 1.4. *"The Board of Directors appoints and supervises the implementation of the corporate governance system of provisions 1 to 24 of Law 4706/2020, periodically monitors and evaluates its implementation and effectiveness every three (3) financial years, taking appropriate action to address deficiencies."*<sup>5</sup>
- 1.5. *"The Board of Directors ensures the adequate and efficient operation of the Company's internal control system..."*<sup>6</sup>

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<sup>2</sup> Law 4548/2018, article 86, par. 1

<sup>3</sup> Law 4548/2018, article 87, par. 3

<sup>4</sup> Law 4548/2018, article 96, par. 1

<sup>5</sup> Law 4706/2020, article 4, par. 1

<sup>6</sup> Law 4706/2020, article 4, par. 2

## SPECIAL PRACTICES

- 1.6. The Board of Directors is responsible for determining the values and the strategic orientation of the company, as well as the continuous monitoring of their compliance. At the same time, it remains responsible for the approval of the strategy and the business plan of the company, as well as for the continuous monitoring of their implementation. The Board of Directors shall also regularly review the opportunities and risks in relation to the defined strategy, as well as the relevant measures taken to address them. The Board of Directors, seeking to obtain all the necessary information from its executive members and / or directors, is informed about the market and any other developments that affect the company.
- 1.7. The Board of Directors ensures that the values and strategic planning of the company are in line with the corporate culture. The values and purpose of the company are translated and applied in practice and influence practices, policies and behaviors within the company at all levels. The Board of Directors and the senior management set the standard for the characteristics and behaviors that shape the corporate culture and are an example of its application. At the same time, they use tools and techniques aimed at integrating the desired culture into the company's systems and procedures.
- 1.8. The Board of Directors understands the company's risks and their nature and determines the extent of the exposure of the company to the risks that it intends to assume within its long-term strategic objectives.
- 1.9. The Board of Directors shall establish a policy to identify, avoid and deal with conflicts of interest between the interests of the company and those of its members or persons to whom the Board of Directors has delegated some of its responsibilities, in accordance with Article 87 of Law 4548/2018. This policy is based on clear procedures, which define the manner of timely and complete notification to the Board of Directors of their interests in transactions between related parties or any other possible conflict of interest with the company or its subsidiaries. Measures and procedures shall be evaluated and reviewed to ensure their effectiveness.
- 1.10. The Board of Directors provides the appropriate approval, monitors the implementation of the strategic guidelines and objectives and ensures the existence of the necessary financial and human resources, as well as the existence of an internal control system.

C / E

C / E

C / E

C / E

C / E

1.11. The Board of Directors shall determine and / or define the responsibilities of the Chief Executive and the Deputy Chief Executive, who shall exercise them, if appointed.

C / E

1.12. The company encourages non-executive members of the Board of Directors to take care of their information regarding the above issues.

C / E

1.13. The non-executive members of the Board of Directors meet at least annually, or exceptionally when judged appropriate without the presence of executive members in order to discuss the performance of the latter. At these meetings the non-executive members shall not act as a de facto body or a committee of the Board of Directors.

C / E

1.14. The Chief Executive and senior management shall ensure that any information necessary for the performance of the duties of the members of the Board of Directors is available to them at any time.

C / E

1.15. The Board of Directors shall establish its internal regulation, which shall at least describe the manner in which it meets and takes decisions and the procedures it follows, taking into account the relevant provisions of the Articles of Association and the mandatory provisions of the law.

C / E

1.16. The internal regulation of the Board of Directors is drawn up in compliance with the principles of the Code or otherwise explaining the deviations.

C / E

1.17. At the beginning of each calendar year, the Board of Directors shall adopt a calendar of meetings and an annual action plan, which shall be revised according to the developments and needs of the company, in order to ensure the correct, complete and timely fulfillment of its tasks, as well as the examination of all matters on which it takes decisions.

C / E

#### **RECOMMENDATIONS**

1.18. The Board of Directors utilises technological tools with the necessary security specifications for real-time information and to facilitate the connection and information of members.

R

1.19. Non-executive members may request, in accordance with a procedure included in the internal regulation of the Board of Directors, to contact the executives of the company's senior management through regular presentations by the heads of departments and services.

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- 1.20. The members of the Board of Directors receive the agenda of the next meeting and the supporting documents on time; namely before the expiry of the statutory deadlines of the Law, so that their study is possible, taking into account each time the complexity of the issues to be discussed.

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## 2. SECOND SECTION - SIZE AND COMPOSITION OF THE BOARD OF DIRECTORS

### 2.1. Size of the Board of Directors

#### MANDATORY PROVISION

- 2.1.1. *"The number of members of the Board of Directors shall be determined by the Articles of Association or by the General Meeting, within the limits provided for in the Articles of Association. Without prejudice to Article 115 of Law 4548/2018, the Board of Directors shall consist of at least three (3) members and not more than fifteen (15). Where the articles of association provide for a minimum and maximum number of members of the Board of Directors, the exact number of members shall be determined by the general meeting."*<sup>7</sup>

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#### RECOMMENDATION

- 2.1.2. The size and composition of the Board of Directors reflects the size, scope and complexity of the activities and the shareholding structure of the company.

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### 2.2. Composition of the Board of Directors

#### MANDATORY PROVISIONS

- 2.2.1. *"The Company has a policy of suitability for the members of the Board of Directors, which is approved by its Board of Directors and includes at least the provision of diversity criteria for the selection of the members of the Board of Directors."*<sup>8</sup>
- 2.2.2. *"The societe anonyme companies .... shall also include in their management report that they prepare, a Corporate Governance Statement. This statement ... contains ... information: (f) a description of the policy on diversity applied to the administrative, management and supervisory bodies of the company as regards aspects such as, for example, age, gender or education and professional history of the*

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<sup>7</sup> Law 4548/2018, article 77, par. 3

<sup>8</sup> Law 4706/2020, article 3, par. 1c.

members, the objectives of that diversity policy, the way in which the results were applied during the reporting period. If no such policy is applied, the statement shall contain a specific justification for the reason for non-application."<sup>9</sup>

2.2.3. *"The composition of the Board of Directors reflects the knowledge, skills and experience required for the exercise of its powers, in accordance with the business model and strategy of the Company."*<sup>10</sup>

2.2.4. *"Independent non-executive members shall be elected by the general meeting or appointed by the Board of Directors in accordance with par. 4 of Article 9 of Law 4706/2020, and should account for at least one third (1/3) of the total number of its members and, however, not less than two (2). If a fraction occurs, it shall be rounded to the nearest integer."*<sup>11</sup>

2.2.5. *"The executive members of the Board of Directors, in particular: (a) are responsible for the implementation of the strategy determined by the Board of Directors and (b) consult regularly with the non-executive members of the Board of Directors on the appropriateness of the implemented strategy."*<sup>12</sup>

2.2.6. *"In existing situations of crises or risks, and when it is necessary under the conditions to take measures which are reasonably expected to significantly affect the Company, such as when decisions are to be taken on the development of the business and the risks that are undertaken, which are expected to influence the financial situation of the Company, the executive members shall inform the Board of Directors without delay in writing, either jointly or separately, by submitting a report with their estimates and proposals."*<sup>13</sup>

2.2.7. *"The non-executive members of the Board of Directors, including the independent non-executive members, have, in particular, the following obligations:*

*a) Monitor and examine the Company's strategy and its implementation, as well as the achievement of its objectives.*

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<sup>9</sup> Law 4548/2018, article 152, par. 1f.

<sup>10</sup> Law 4706/2020, article 3, par. 2

<sup>11</sup> Law 4706/2020, article 5, par. 2

<sup>12</sup> Law 4706/2020, article 6, par. 1

<sup>13</sup> Law 4706/2020, article 6, par. 2

b) *Ensure effective supervision of the executive members, including monitoring and control of their performance.*

c) *They shall examine and express opinions on the proposals submitted by the executive members on the basis of existing information.*"<sup>14</sup>

2.2.8. *"A non-executive member of the Board of Directors... is dependent if (ca) has been a member of the Board of Directors of the company or a related company for more than nine (9) financial years in aggregate at the time of his election."*<sup>15</sup>

2.2.9. *"A non-executive member of the Board of Directors shall be considered independent if, at the time of his appointment and during his term of office, he does not directly or indirectly own a percentage of voting rights greater than zero point five percent (0.5%) of the share capital of the Company and is exempted from economic, business, family or other dependency relationships which may influence his decisions and his independent and objective judgment."*<sup>16</sup>

2.2.10. *"The selection criteria of the members of the Board of Directors shall include at least sufficient representation by gender in a percentage not less than twenty-five percent (25%) of all the members of the Board of Directors. In the case of a fraction, this percentage shall be rounded to the previous integer."*<sup>17</sup>

2.2.11. *Guidelines of the Hellenic Capital Market Commission on Suitability Policy*<sup>18</sup>.

## **RECOMMENDATION**

2.2.12. Independent non-executive members shall not be less than one half (½) of the total number of members of the Board of Directors.

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<sup>14</sup> Law 4706/2020, article 7

<sup>15</sup> Law 4706/2020, article 9, par. 2ca

<sup>16</sup> Law 4706/2020, article 9, par. 1

<sup>17</sup> Law 4706/2020, article 3, par. 1b

<sup>18</sup> Circular 60/18.9.2020 of the Hellenic Capital Market Commission on the suitability policy of the members of the Board of Directors. [http://www.hcmc.gr/el\\_GR/web/portal/elib/circulars](http://www.hcmc.gr/el_GR/web/portal/elib/circulars)

## SPECIAL PRACTICES

- 2.2.13. The company adopts a policy of diversity that is part of the suitability policy. C / E
- 2.2.14. As regards gender representation, diversity policy includes specific quantitative representation objectives by gender. C / E
- 2.2.15. The company ensures that the diversity criteria concern, in addition to the members of the Board of Directors, senior and/or senior management with specific representation objectives by gender, as well as timetables for achieving them. C / E
- 2.2.16. The selection criteria of the members of the Board of Directors ensure that the Board of Directors, collectively, can understand and manage issues related to the environment, social responsibility and governance (ESG<sup>19</sup>), within the framework of its strategy. C / E
- 2.2.17. The selection criteria ensure that the members of the Board of Directors can devote sufficient time to the performance of their duties and place restrictions on the number of positions held by members of the Board of Directors of a company in other, unrelated companies. C / E
- 2.2.18. The non-executive members of the Board of Directors do not participate in Boards of Directors of more than five (5) listed companies, and in the case of the Chair more than three (3). C / E

## MANDATORY PROVISIONS

- 2.2.19. *"The Chair of the Board of Directors is a non-executive member. In the event that the Board of Directors, by way of derogation.....<sup>20</sup>, appoints one of the executive members of the Board of Directors as Chair; it shall obligatorily appoint a Vice-Chair from among the non-executive members."*<sup>21</sup> L
- 2.2.20. *Guidelines of the Hellenic Capital Market Commission on Suitability Policy*<sup>22</sup>. G

<sup>19</sup> Environmental – Social – Governance factors

<sup>20</sup> Law 4706/2020, article 8, par. 1

<sup>21</sup> Law 4706/2020, article 8, par. 2

<sup>22</sup> Circular 60/18.9.2020 of the Hellenic Capital Market Commission on the suitability policy of the members of the Board of Directors. [http://www.hcmc.gr/el\\_GR/web/portal/elib/circulars](http://www.hcmc.gr/el_GR/web/portal/elib/circulars)



## SPECIAL PRACTICES

2.2.21. The Chair shall be elected by the independent non-executive members. In the event that the Chair is elected by the non-executive members, one of the independent non-executive members shall be appointed, either as vice-chair or as a senior independent member (Senior Independent Director).

C / E

2.2.22. The independent non-executive Vice-Chair or Senior Independent Director shall, as appropriate, have the following responsibilities: to support the Chair, to act as a liaison between the Chair and the members of the Board of Directors, to coordinate the independent non-executive members and lead the evaluation of the Chair.

C / E

2.2.23. Where the Chair is an executive, then the independent non-executive vice-chair or the senior independent member (Senior Independent Director) shall not replace the Chair in his executive duties.

C / E

### 2.3. Succession of the Board of Directors

#### SPECIAL PRACTICES

2.3.1. The company has a framework for filling positions and succession of the members of the Board of Directors, in order to identify the needs for filling positions or replacements and to ensure each time the smooth continuation of the management and the achievement of the company's purpose.

C / E

2.3.2. The company ensures the smooth succession of the members of the Board of Directors with their gradual replacement in order to avoid the lack of management.

C / E

2.3.3. The succession framework shall in particular take into account the findings of the evaluation of the Board of Directors in order to achieve the necessary changes in composition or skills and to maximise the effectiveness and collective suitability of the Board of Directors.

C / E

2.3.4. The company also has a succession plan for the Chief Executive. The preparation of an integrated succession plan for the Chief Executive shall be entrusted to the nomination committee, which in this case shall be responsible for:

C / E

- \* identifying the required quality characteristics that the Chief Executive should have,
- \* ongoing monitoring and identification of potential internal nominees,
- \* where appropriate, search for potential external nominees,
- \* and a dialogue with the Chief Executive on the evaluation of nominees for his / her position and other senior management positions.

#### MANDATORY PROVISIONS

2.3.5. *"The Company has a remuneration committee<sup>23</sup> and a nomination committee."<sup>24</sup>*

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2.3.6. *"The Code allows for the combination of the nomination and remuneration functions within one board committee."<sup>25</sup>*

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#### SPECIAL PRACTICES

2.3.7. The Board of Directors shall set up a nomination committee, which shall play a leading role in the nomination process, in the design of the succession plan and for the members of the Board of Directors and senior management.

C / E

2.3.8. The company's nomination committee shall not replace any existing nomination committee in a subsidiary of the company, but may consult it on a case-by-case basis.

C / E

2.3.9. Where the nomination committee is separate from the remuneration committee, the chair of the nomination committee may not be the chair of the remuneration committee.

C / E

2.3.10. The nomination committee reviews periodically and consistently the needs for renewal of the Board of Directors.

C / E

2.3.11. The nomination process by the nomination committee is clearly defined and applied in a transparent manner and in a way that ensures its effectiveness.

C / E

<sup>23</sup> Law 4706/2020, article 11

<sup>24</sup> Law 4706/2020, article 12

<sup>25</sup> Law 4706/2020, article 10, par. 2

2.3.12. The term of office of the members of the nomination committee shall coincide with the term of office of the Board of Directors, with the possibility of its renewal. In any case, their term of office in the Committee shall not exceed nine (9) years in total.

## 2.4. Remuneration of members of the Board of Directors

### MANDATORY PROVISIONS

2.4.1. *"Companies with shares listed on a regulated market are obliged to establish a remuneration policy for the members of the Board of Directors and, if any, for the general manager or his deputy. The reference in this Article and in Articles 111 and 112 of Law 4548/2018 to the Board of Directors includes both the general manager and any deputy. A statutory provision may stipulate that the provisions of this Article and of Articles 111 and 112 shall apply: (a) to executives as defined in International Accounting Standard 24 (9), and (b) to companies with shares not listed on a regulated market."*<sup>26</sup>

2.4.2. *"Observing Articles 109 to 112 of Law 4548/2018, the remuneration committee:*  
*a) shall make proposals to the Board of Directors on the remuneration policy submitted for approval to the general meeting, in accordance with par. 2 of Article 110 of Law 4548/2018,*  
*(b) shall make proposals to the Board of Directors concerning the remuneration of persons falling within the scope of the remuneration policy, in accordance with Article 110 of Law 4548/2018, and on the remuneration of the directors of the Company, in particular the head of the internal audit department,*  
*c) shall examine the information contained in the final draft of the annual remuneration report, providing its opinion to the Board of Directors, before submitting the report to the general meeting, in accordance with Article 112 of Law 4548/2018."*<sup>27</sup>

### SPECIAL PRACTICES

2.4.3. The remuneration of the executive members of the Board of Directors and the senior management of the company are related to the size of the company, the complexity of its action, the extent of their responsibilities, the degree of their responsibility, the corporate strategy, the company's objectives and their realisation, with the

<sup>26</sup> Law 4548/2018, article 110, par. 1

<sup>27</sup> Law 4706/2020, article 11

ultimate goal of creating long-term value in the company. The process of developing a remuneration policy is characterised by objectivity and transparency. The additional remuneration of the members of the Board of Directors should be linked to the achievement of certain objectives and be dependent or justified by the financial results of the company on the basis of its annual financial statements.

C / E

2.4.4. The additional remuneration of members of the Board of Directors participating in committees for reasons of transparency and information are clearly visible in the remuneration report, but also in their approval by the general meeting.

2.4.5. The members of the Board of Directors exercise independent judgment and discretion when approving remuneration or recommending to the General Meeting the approval of the remuneration policy, taking into account both individual performance and the performance of the company.

C / E

#### MANDATORY PROVISION

2.4.6. *"The Company has a remuneration committee consisting of at least three (3) non-executive by majority (at least two (2)) independent members, with an independent chairman."*<sup>28</sup>

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#### SPECIAL PRACTICES

2.4.7. The Chair of the Board of Directors may be a member of the remuneration committee, but may not chair it if he is not independent. In the event that the Chair of the Board of Directors is a member of the remuneration committee, he cannot participate in the determination of his remuneration. A member of the committee to be appointed as its Chair should have served on the committee as a member for at least one year, unless the committee has not been established or operated in the previous year.

C / E

2.4.8. The remuneration committee has the responsibility to determine the remuneration system for the members of the Board of Directors and the senior executives and to make a relevant recommendation on them to the Board of Directors, which decides on them or to make recommendations to the General Meeting, where required.

C / E

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<sup>28</sup> Law 4706/2020, article 10, par. 1 and 3 and Article 11

2.4.9. The level and structure of remuneration are aimed at and reward the attraction and stay in the company of those members of the Board of Directors who add value to the company with their skills, knowledge and experience.

C / E

#### **RECOMMENDATION**

2.4.10. The Board of Directors examines and links the remuneration of the executive members with indicators on ESG issues and sustainable development that could give long-term value to the company. In this case, the Board of Directors shall ensure that these indicators are relevant and reliable and promote the correct and efficient management of ESG issues and sustainable development.

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#### **SPECIAL PRACTICES**

2.4.11. The term of office of the members of the remuneration committee shall coincide with the term of office of the Board of Directors, with the possibility of its renewal. In any case, their term of office in the Committee shall not exceed nine (9) years in total.

C / E

2.4.12. When an external remuneration consultant has been hired, he / she shall report to the remuneration committee, which is also responsible for guidance and monitoring. The external consultant is referred in the annual report of the company together with a statement of any possible relationship between him and the company or with members of the Board individually.

C / E

2.4.13. The maturity of the preemptive rights is defined for a period not less than three (3) years from the date of their granting to the executive members of the Board of Directors.

C / E

2.4.14. The contracts of the executive members of the Board of Directors provide that the Board of Directors may require the refund of all or part of the bonus awarded, due to breach of contractual terms or incorrect financial statements of previous years or generally based on incorrect financial data, used for the calculation of this bonus.

C / E

### 3. THIRD SECTION - FUNCTIONING OF THE BOARD OF DIRECTORS

#### 3.1. Chair of the Board of Directors

##### MANDATORY PROVISIONS

3.1.1. *"The Board of Directors shall elect the Chairman from among its members, if the Articles of Association or the General Meeting has not already appointed him. The Articles of Association, the General Meeting or the Board of Directors shall also elect the deputy chairman. In the absence of a chairman or deputy, the shareholder with the largest number of voting shares may temporarily exercise the duties of chairman."*<sup>29</sup>

3.1.2. *"The Chairman shall exercise the powers provided for by law and the Articles of Associations."*<sup>30</sup>

##### SPECIAL PRACTICES

3.1.3. The role of the Chair is to organise and coordinate the work of the Board of Directors. The Board of Directors is chaired by the Chair who is responsible for the overall effective and efficient operation and organisation of its meetings. At the same time, the Chair promotes a culture of open-mindedness and constructive dialogue in the conduct of its work, facilitates and promotes the establishment of good and constructive relationships between the members of the Board of Directors and the effective contribution to the work of the Board of Directors of all non-executive members, ensuring that Board members receive accurate and timely information.

3.1.4. The Chair shall ensure that the Board of Directors as a whole has a satisfactory understanding of the views of the shareholders. The Chair of the Board of Directors should ensure effective communication with all shareholders as well as the fair and equitable treatment of their interests and the development of constructive dialogue with them in order to understand their positions.

3.1.5. The chair shall work closely with the Chief Executive and the Corporate Secretary to prepare the Board of Directors and to fully inform its members.

<sup>29</sup> Law 4548/2018, article 89, par. 1

<sup>30</sup> Law 4548/2018, article 89, par. 3

## 3.2. Corporate Secretary

### SPECIAL PRACTICES

- 3.2.1. The Board of Directors is supported by a competent, qualified and experienced Corporate Secretary to comply with internal procedures and policies, relevant laws and regulations and to operate effectively and efficiently. C / E
- 3.2.2. The Corporate Secretary shall be responsible, in consultation with the Chair, for ensuring immediate, clear and complete information of the Board of Directors, the inclusion of new members, the organisation of General Meetings, the facilitation of communication of shareholders with the Board of Directors and the facilitation of communication of the Board of Directors with senior management. C / E

## 3.3. Evaluation of the Board of Directors / Chief Executive

### GUIDELINES

- 3.3.1 *"Companies monitor on an ongoing basis the suitability of the members of the Board of Directors, in particular to identify, in the light of any relevant new event, cases in which it is necessary to re-evaluate their suitability...."*<sup>31</sup> G
- 3.3.2 *"The Board of Directors shall ensure for the company the appropriate succession plan, for the smooth continuation of the management of the company's affairs and decision-making after the departures of its members, in particular executive and committee members."*<sup>32</sup> G

### SPECIAL PRACTICES

- 3.3.3 The Board of Directors annually evaluates its effectiveness, the fulfillment of its tasks and its committees. C / E
- 3.3.4 The Board of Directors collectively, as well as the Chair, the Chief Executive and the other members of the Board of Directors are evaluated annually for the effective fulfillment of their duties. At least every three years this evaluation shall be facilitated by an external consultant. C / E

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<sup>31</sup> Circular 60/18.9.2020 of the Hellenic Capital Market Commission on the suitability policy of the members of the Board of Directors. [http://www.hcmc.gr/el\\_GR/web/portal/elib/circulars](http://www.hcmc.gr/el_GR/web/portal/elib/circulars)

<sup>32</sup> Circular 60/18.9.2020 of the Hellenic Capital Market Commission on the suitability policy of the members of the Board of Directors. [http://www.hcmc.gr/el\\_GR/web/portal/elib/circulars](http://www.hcmc.gr/el_GR/web/portal/elib/circulars)

3.3.5 The evaluation process shall be chaired by the Chair in cooperation with the nomination committee. The Board of Directors also evaluates the performance of its Chair, a process which is chaired by the nomination committee.

C / E

#### **MANDATORY PROVISION**

3.3.6 *"The Company has a suitability policy of the members of the Board of Directors, which is approved by its Board of Directors ..." "The suitability policy, as well as any substantial amendment thereof, is submitted for approval to the General Meeting and posted on the Company's website..."<sup>33</sup>*

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#### **SPECIAL PRACTICES**

3.3.7 The nomination committee shall propose to the Board of Directors the suitability policy and monitor its implementation.

C / E

3.3.8 The nomination committee shall determine the evaluation parameters based on best practices and shall propose the following:

C / E

- \* evaluation of the Board of Directors,
- \* individual evaluations of the Chief Executive and the Chair,
- \* succession plan of the Chief Executive and the members of the Board of Directors,
- \* targeted composition of the Board of Directors in relation to the company's strategy and suitability policy.

3.3.9 The overall evaluation shall take into account the composition, diversity and effective cooperation of the members of the Board of Directors for the fulfillment of their duties.

C / E

3.3.10 The individual evaluation shall take into account the status of the member (executive, non-executive, independent), participation in committees, the undertaking of specific responsibilities / projects, the time devoted, the behavior and the use of knowledge and experience.

C / E

3.3.11 The frequency of attendance of each member of the Board of Directors per year in the meetings of the Board of Directors and the committees, in which each member participates, is made public in the Corporate Governance Statement.

C / E

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<sup>33</sup> Law 4706/2020, article 3, par. 1 and par. 3



3.3.12 The Board of Directors, under the guidance of the nomination committee, shall ensure the annual evaluation of the performance of the Chief Executive. The results of the evaluation should be communicated to the Chief Executive and taken into account in determining his or her variable remuneration.

C / E

3.3.13 The company forms and implements a program of a) introductory information after the selection and at the beginning of the term of office of the new members of the Board of Directors and b) continuous information and training of the members on issues concerning the company.

C / E

3.3.14 The chair of the committees of the Board of Directors are responsible for the organisation of the evaluation of their committees.

C / E

3.3.15 The results of the evaluation of the Board of Directors shall be communicated and discussed by the Board of Directors and shall be taken into account in its work on the composition, the plan for the inclusion of new members, the development of programs and other relevant issues of the Board of Directors. Following the evaluation, the Board of Directors shall take measures to address the identified weaknesses.

C / E

3.3.16 The Board of Directors shall include in the Corporate Governance Statement a brief description of its individual and collective evaluation process, of the committees, as well as a summary of any findings and corrective actions.

C / E

#### **RECOMMENDATION**

3.3.17 The evaluation process shall be carried out in the form of questionnaires and interviews.

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# PART B - INTEREST OF THE COMPANY

**MANDATORY PROVISIONS**

- 4.1 *"The members of the Board of Directors and every third person, to whom powers have been delegated by it, in accordance with Article 87 of Law 4548/2018, shall, in the exercise of their duties and responsibilities, comply with the law, the Articles of Association and the lawful decisions of the general meeting. They must manage the corporate affairs in order to promote the best interest of the company, supervise the execution of the decisions of the Board of Directors and the general meeting and inform the other members of the Board of Directors on the affairs of the company."*<sup>34</sup>
- 4.2 *"At the meetings of the Board of Directors which have as their subject the preparation of the financial statements of the Company, or the agenda of which includes issues for the approval of which the decision making by the general meeting requires increased quorum and majority, in accordance with Law 4548/2018, the Board of Directors is in quorum, when at least two (2) independent non-executive members are present thereat. In case of unjustified absence of an independent member in at least two (2) consecutive meetings of the Board of Directors, this member shall be considered as resigned. This resignation is established by a decision of the Board of Directors, which replaces the member, in accordance with the procedure of par. 4 of Article 9."*<sup>35</sup>

**SPECIAL PRACTICES**

- 4.3 At the meetings, the agenda of which includes issues for the approval of which the decision making by the general meeting requires increased quorum and majority, in accordance with Law 4548/2018, all members of the Board of Directors shall participate in person or will be represented.
- 4.4 In any case, the members of the Board of Directors shall ensure that they do not abstain from meetings of the Board of Directors without any substantial reason.
- 4.5 Other professional commitments of the members of the Board of Directors (including significant non-executive commitments to companies and non-profit organisations) are notified before their appointment to the Board of

<sup>34</sup> Law 4548/2018, article 96, par. 1

<sup>35</sup> Law 4706/2020, article 5, par. 3

Directors and hereinafter in the Corporate Governance Statement. Changes regarding the above commitments are reported to the Board of Directors as soon as they occur.

## 5 FIFTH SECTION - SUSTAINABILITY

### MANDATORY PROVISION

5.1 *"Among other things, the Company's internal regulation shall include the sustainable development policy pursued by the Company, where required."*<sup>36</sup>

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### SPECIAL PRACTICES

5.2 The promotion of the corporate interest and competitiveness of the company is linked to its viability.

C / E

5.3 Sustainability is determined by the impact of the company's activities on the environment and the wider community and is measured on the basis of non-financial factors related to the environment, social responsibility and governance (Environmental, Social, Governance "ESG") which are economically significant (essential) for the company and the collective interests of key stakeholders, such as employees, customers, suppliers, local communities and other important stakeholders.

C / E

5.4 The Board of Directors shall ensure that mechanisms are in place for the knowledge and understanding of the interests of the stakeholders and shall monitor their effectiveness.

C / E

5.5 The relationship of the company with stakeholders is described in Section 9.

C / E

5.6 The company adopts and implements a policy on ESG and sustainable development (Sustainability Policy).

C / E

5.7 The Board of Directors, in the context of the sustainability policy and, if it has not adopted such, in the framework of its strategy, determines in the annual report the non-financial issues concerning the long-term sustainability of the company and are essential for the company, the shareholders and the stakeholders, as well as how the company handles them.

C / E

5.8 The Board of Directors describes in the annual report how the interests of the stakeholders in the discussions and decision-making in the Board of Directors have been taken into account.

C / E

<sup>36</sup> Law 4706/2020, article 14, par. 3ib and Law 4548/2018, article 151

5.9 The Board of Directors binds and monitors the executive administration on matters relating to new technologies and environmental issues.

C / E

5.10 Publications on the management and performance of companies on sustainable development (ESG) issues are available to shareholders and stakeholders. The company may choose to carry out these publications through:

C / E

- (a) independent report / sustainable development report,
- (b) its financial reports, by incorporating reports into the essential ESG issues; or
- (c) an integrated report, which identifies how a company creates value through its strategy, corporate governance and performance.

## RECOMMENDATIONS

5.11 The detailed ESG 2019 Reporting Guide of the Athens Stock Exchange<sup>37</sup> presents voluntary guidelines and practical guidance on the indicators that companies should use to make this information public. The proposed indicators are divided into:

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- (a) Core metrics, the disclosure of which is recommended to all companies,
- (b) Advanced metrics, focusing on performance on more complex ESG topics,
- (c) Sector-specific metrics, created specifically for the sectors represented on the Athens Stock Exchange. The sector-specific metrics provide a comprehensive picture of the company and the risks it faces, since the essential issues of sustainable development / ESG differ depending on the industry.

5.12 The company uses indicators of internationally recognised initiatives, such as the GRI, the SASB organisation, the CDP or the UNGC and the ESG 2019 Reporting Guide of the Athens Stock Exchange.

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5.13 The Board of Directors evaluates the company's ability to be maintained as a going concern in both annual and interim financial statements-reports. In addition, in both the annual and the interim financial statements-reports, the Board of Directors mentions the existence of significant uncertainties, which are related to events or circumstances that may raise serious doubts as to the company's ability to be maintained as a going concern for a period of time at

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<sup>37</sup> <https://www.athexgroup.gr/documents/10180/5665122/GR-ESG+REPORTING+GUIDE/e4f7fa48-d16a-4156-b9da-fbc27282a227>

least twelve (12) months from the date of approval of the annual and interim financial statements-reports.

- 5.14 The Board of Directors explains in the annual financial report - taking into account the current situation and the main risks of the company - how the prospects of the company have been evaluated, the period for which this evaluation has been made and the reasons why it considers that its choice of a specific time period is the appropriate one. In the same report, the Board of Directors may:
- a) indicate whether it has reasonable expectations that the company will be able to continue its activity and meet its obligations during the above period, as well as
  - b) indicate any reservations or assumptions it has used in the context of the prior evaluation.

# PART C - SYSTEM OF INTERNAL CONTROLS

**MANDATORY PROVISIONS**

- 6.1 *"System of internal controls" means the set of internal audit mechanisms and procedures, including risk management, internal audit and regulatory compliance, which continuously cover every activity of the Company and contributes to its safe and effective operation.*<sup>138</sup>
- 6.2 *"The Board of Directors shall ensure that the functions established by the System of Internal Controls are independent of the business areas they control, and that they have the appropriate financial and human resources, as well as the powers to operate them effectively, in accordance with the requirements of their role. The reporting lines and the distribution of responsibilities are clear, enforceable and duly documented.*<sup>139</sup>
- 6.3 *"The Company adopts and implements a Corporate Governance System in accordance with Articles 1 to 24 of this Law, taking into account the size, nature, scope and complexity of its activities. The corporate governance system referred to in Articles 1 to 24 of this Law shall include at least the following:*
- a) An adequate and effective internal control system, including risk management and regulatory compliance systems.*<sup>140</sup>
- 6.4 *"The Company has an internal audit department, which is independent from other business units within the Company, in order to monitor and improve the Company's functions and policies regarding its system of internal controls.*<sup>141</sup>
- 6.5 *"The internal audit department has and implements an internal regulation, which is approved by the Board of Directors, following a proposal by the audit committee. The number of internal auditors of the internal audit department should be proportional to the size of the company, the number of its employees, the geographical locations where it operates, the number of operational and business units and audited entities in general. For the implementation of Articles 1 to 24, the internal audit department in particular:*

<sup>38</sup> Law 4706/2020, article 2, par. 7

<sup>39</sup> Law 4706/2020, article 4, par. 3

<sup>40</sup> Law 4706/2020, article 13, par. 1a

<sup>41</sup> Law 4706/2020, article 15, par. 1



a) Monitors, controls and evaluates:

aa) the implementation of the internal regulation and the system of internal controls, in particular as regards the adequacy and integrity of the financial and non-financial information provided, risk management, regulatory compliance and the corporate governance code adopted by the Company...<sup>42</sup>

6.6 Decision of the Board of Directors of the Hellenic Capital Market Commission for the Evaluation of the Internal Control System (ICS).<sup>43</sup>

6.7 Guidelines of the Hellenic Capital Market Commission on the Suitability Policy.<sup>44</sup>

### SPECIAL PRACTICES

6.8 The company shall design an adequate and effective internal control system (ICS) for financial and non-financial information. The ICS reference model shall include, but is not limited to, the following:

- \* control environment,
- \* risk management,
- \* control mechanisms and safety valves,
- \* information and communication system and
- \* monitoring of the ICS.

6.9 The company's control environment includes all the structures, policies and procedures that provide the basis for the development of an effective ICS, as it provides the framework and structure for achieving the fundamental objectives of the ICS.

### RECOMMENDATIONS

6.10 The company has indicative, and not restrictive, the following key characteristics of the ICS:

- \* Code of Conduct and procedures for monitoring its implementation.
- \* Approved organisational chart in full development, for all levels of hierarchy, and with distinction of functions in main and secondary, in

<sup>42</sup> Law 4706/2020, article 16, par. 1aa

<sup>43</sup> Decision of the Board of Directors of the Hellenic Capital Market Commission 1/891/30.9.2020 "Specialisations of par. 3(i) and par. 4 of Article 14, Evaluation of the Internal Control System (ICS) and Application of the provisions on Corporate Governance (CG) of Law 4706/2020"  
<http://www.hcmc.gr/vdrv/elib/af0a9d459-883b-4492-a6f7-ebced418f4c5-246227520-0>

<sup>44</sup> Circular 60/18.9.2020 of the Hellenic Capital Market Commission on the suitability policy of the members of the Board of Directors. [http://www.hcmc.gr/el\\_GR/web/portal/elib/circulars](http://www.hcmc.gr/el_GR/web/portal/elib/circulars)

which the area of responsibility per sector/department is clearly defined.

- \* Composition and function of the Audit Committee.
- \* Organisational structure and operation of Internal Control.
- \* Description of strategic planning, process of its development and implementation.
- \* Long-term and short-term action planning per important activity, with a corresponding report and identification of the deviations on a periodic basis, as well as their justification.
- \* Complete and up-to-date Articles of Association which clearly identify and reflect the object of exploitation, work and the main objectives of the economic operator.
- \* Description of tasks of directorates, departments and job descriptions.
- \* Recording of policies and procedures of important operations of the company and identification of safety valves or significant omissions.
- \* Procedures for compliance with the applicable legal and regulatory framework (Regulatory Compliance).
- \* Procedures for risk assessment and management.
- \* Procedures for the integrity and reliability of financial information.
- \* Procedures for recruitment, training, delegation, targeting and evaluation of the performance of executives.
- \* Procedures for the security, adequacy and reliability of information systems.
- \* Procedures for safeguarding personnel and assets.
- \* Description of reporting lines and communication channels within and outside the organisation.
- \* Mechanism for monitoring and evaluating the efficiency and effectiveness of procedures.
- \* Procedure for periodic evaluation of the adequacy and efficacy of the ICS by an independent auditor, communication of results and preparation of a plan in dealing with identified weaknesses.
- \* Policies for the environmental management system and other environmental, social and governance issues (ESG factors).

6.11 In the context of the implementation of the above, companies have recorded policies and procedures for the operation of organisational units. The procedures shall include a clear reference to the safety valves established to address the risks they face and to the person responsible for each procedure and shall also be assessed in the context of an assessment of the corporate governance system.

# PART D- SHAREHOLDERS, STAKEHOLDERS

## PART D- SHAREHOLDERS, STAKEHOLDERS

### 7 SEVENTH SECTION - GENERAL MEETING

#### MANDATORY PROVISIONS

- 7.1 *"The general meeting of shareholders is the supreme body of the company and is entitled to decide on each corporate affair, in accordance with this law. Its decisions are also binding to absent or dissenting shareholders."*<sup>45</sup> L
- 7.2 *"The result of the vote shall be announced by the chairman of the general meeting as soon as it is established."*<sup>46</sup> L
- 7.3 *"Companies whose securities are admitted to trading on a regulated market ("listed companies") shall publish on their website, care of the Board of Directors, the results of the vote no later than within five (5) days from the date of the general meeting, specifying for every decision the number of shares for which there were valid votes, the percentage of the capital share represented by those votes, the total number of valid votes, as well as the number of votes for and against each resolution and the number of abstentions."*<sup>47</sup> L

#### SPECIAL PRACTICES

- 7.4 The company supports and ensures both the participation of shareholders in the meetings and the effective exercise of their rights as far as possible. C/E
- 7.5 For the maximum and fully informed participation of shareholders in the General Meeting, the company sets out mechanisms for the timely publication of the invitation to the General Meeting, which includes information at least regarding the date, place, proposed agenda and accurate description of procedures for the participation and voting of shareholders. C/E
- 7.6 To the extent that shareholders' questions on items on the agenda are not answered during the meeting, the company shall provide a procedure for submitting the relevant answers. C/E

<sup>45</sup> Law 4548/2018, article 116

<sup>46</sup> Law 4548/2018, article 133, par. 1

<sup>47</sup> Law 4548/2018, article 133, par. 2

**MANDATORY PROVISIONS**

8.1 *"The company's corporate governance system includes adequate and effective communication mechanisms with shareholders to facilitate the exercise of their rights and active dialogue with them (shareholder engagement)."*<sup>48</sup>

8.2 *"At the request of any shareholder, submitted to the company at least five (5) full days before the general meeting, the Board of Directors is obliged to provide the general meeting with the requested specific information on the company's affairs, insofar as they are relevant to the items on the agenda. The obligation to provide information does not exist when the relevant information is already available on the website of the company, in particular in the form of questions and answers. Furthermore, at the request of shareholders representing one twentieth (1/20) of the paid-up capital, the Board of Directors is obliged to notify the general meeting, if it is an ordinary one, on the amounts paid by the company to every member of the Board of Directors or the managers of the company for any reason whatsoever within the last two years, as well as on any benefit paid to these persons for any reason whatsoever or every existing agreement concluded between the company and these persons. In all the above cases, the Board of Directors may refuse to provide the requested information for a substantial reason, which must be recorded in the minutes. Such reason may be, as appropriate, the representation of the applicant shareholders on the Board of Directors, in accordance with Articles 79 or 80. In the cases referred to in this paragraph, the Board of Directors may respond unanimously to requests from shareholders with the same content."*<sup>49</sup>

**SPECIAL PRACTICES**

8.3 The participation of shareholders is ensured by providing adequate and equal access to information. In order to update the information to the shareholders and in general to communicate with them on a regular basis, the company uses its website, taking the appropriate measures for equal access of shareholders to the disclosure of facts.

8.4 In order to ensure a constructive dialogue between the company and the shareholders, the company has procedures and tools (such as a

<sup>48</sup> Law 4706/2020, article 13, par. 1c

<sup>49</sup> Law 4548/2018, article 141, par. 6

communication platform) in order for the company to meet the information obligations in accordance with the legislation.

- 8.5 The competent department is that of investor relations. The procedures are also posted on the company's website.

C/E

#### RECOMMENDATION

- 8.6 The company also introduces specific and transparent procedures for the submission of individual requests and concerns by shareholders. Such requests should be addressed by the company through public replies, which will be communicated to all shareholders within a specified minimum time frame.

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### 9 NINTH SECTION - STAKEHOLDERS

#### SPECIAL PRACTICES

- 9.1 The Board of Directors shall identify the stakeholders that are important to the company, depending on its characteristics and strategy, and to understand their collective interests and how they interact with its strategy.

C/E

- 9.2 The Board of Directors, where necessary for the achievement of the corporate objectives and in accordance with the company's strategy, shall ensure the timely and open dialogue with stakeholders and shall use different channels of communication for each group of stakeholders, with a view to flexibility and facilitation of understanding of the interests of both parties.

C/E

#### RECOMMENDATION

- 9.3 Indicative mechanisms of communication and connection with stakeholders are:
- \* Carrying out actions / initiatives in the context of the company's Corporate Social Responsibility / Sustainable Development Policy.
  - \* Establishment of advisory groups to meet on a regular basis or as appropriate.
  - \* Targeted questionnaires to communicate the views of stakeholders.
  - \* Use of technological tools and social media.
  - \* Special cooperation with stakeholder groups on specific issues that concern the company.

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## PART E - GUIDELINES FOR PREPARING THE CORPORATE GOVERNANCE STATEMENT

This section aims to provide guidance on the presentation and content of the Corporate Governance Statement required by Law 4548/2018.

In line with this Code, for each financial year a company should: include in its annual report a separate section with the Corporate Governance Statement, which should contain, in conjunction with the provisions of Law 4548/2018, a statement that it has voluntarily decided to comply with this Code.

Such explanation should not be limited to a simple reference to the practice the company does not comply with, but should be clearly and specifically justified. In particular, such explanation should:

- \* be specific to the company's position, not generic or off-the-shelf,
- \* be meaningful, in that it sets the context and reason for non-compliance;
- \* be understandable and persuasive,
- \* assess the risk of non-conformity and describe the mitigating action to address any additional risk and to maintain conformity with the relevant principle,
- \* indicate whether the deviation from the Code's provisions is limited in time and when the company intends to return to conformity with the Code's provisions, and with reference to any alternative practice that the company has adopted as more appropriate, and for what reasons the company considers it more appropriate and useful in the context of high corporate governance standards. In this way, investors and stakeholders are able to assess even if the company does not apply any Code practice, if it does indeed understand the importance of corporate governance and achieves the required efficiency with the quality of the explanation.

The statement shall contain the minimum content of Article 152 of Law 4548/2018 as well as the minimum content of Article 18 of Law 4706/2020.

### MANDATORY PROVISION

*"The Board of Directors is obliged in the Corporate Governance Statement, in accordance with Article 152 of Law 4548/2018, to include a reference to the suitability policy, to the acts of the committees of article 10 hereof, to the detailed biographies of the members of the Board of Directors and the senior management of the Company, ..."*<sup>50</sup>

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<sup>50</sup> Law 4706/2020, article 18, par. 3



In addition, it includes the response of the company to special practices and recommendations, in accordance with the provisions of the Code. Indicatively, it includes at least the following:

- i. the number of meetings of the Board of Directors and individual attendance by board members in the meetings;
- ii. the number of meetings of board committees and individual attendance by committee members in the meetings;
- iii. a short description of the composition and the conditions of operation, the work and the responsibilities of the committees of the Board of Directors, as well as a description of the issues discussed at their meetings;
- iv. a description of how the performance evaluation of the Board of Directors and its committees has been conducted.

The Corporate Governance Statement includes information on board members including:

- i. the identification of the chair, the vice-chair (if appointed), the Chief Executive as well as the chair and members of board committees;
- ii. the identification of the non-executive board members that the board views as independent and, where necessary, the rationale behind this view;
- iii. short biographies of each board member and the Corporate Secretary,
- iv. the term of appointment of each board member (and the date the term ends);
- v. other professional commitments of each board member (including significant non-executive engagements in companies and non-profit institutions).

The Corporate Governance Statement includes information on risk management and internal control:

- i. a description of the main features of the company's internal control system;
- ii. reference to the results / findings of the Evaluation Report, the risks and consequences of any findings, the response of the management of the companies, as well as the implementation of the plans with the relevant schedules,
- iii. a statement that the board has reviewed the corporate strategy, the main risks to the business and the system of internal controls;

- iv. in the event that the statutory auditors or the audit firm provides non-audit services to the company, an explanation of how auditor objectivity and independence is safeguarded.

The Corporate Governance Statement includes information on the remuneration of the members of the Board of Directors. To this end, the Corporate Governance Statement will incorporate the remuneration report of members of the Board of Directors.

Specific reference:

- i. to the diversity policy applied by the company in relation to the composition of its board and the percentage of each gender in the composition of the board and senior executive team;
- ii. specific reference to policies ensuring that the Board of Directors has sufficient information for deciding on related parties transactions, including transactions of subsidiaries with related parties.

The Corporate Governance Statement shall include, but not be limited to, information on the sustainable development policy (ESG) followed by the company:

- i. a description of the key elements of the policy adopted and implemented on ESG issues, with a view to promoting its corporate interest and competitiveness;
- ii. a reference to the essential non-financial issues relating to its long-term sustainability and how these are addressed;
- iii. reference to the standards used by the company for the disclosure of such non-financial information.

Finally, the Board of Directors should briefly describe the evaluation process of its own performance and that of its committees, as well as a summary of any findings and corrective actions.

The Corporate Governance Statement as a whole should be audited by a certified auditor in accordance with the procedures agreed with the company.