

A decorative graphic in the top-left corner consisting of several overlapping circles in various colors: blue, green, red, orange, and yellow. The circles are arranged in a roughly triangular pattern, with the largest circles on the left and smaller ones towards the top-right.

Compliance with Corporate Governance Framework: The Journey

15.02.2022

Katerina Giannakakou-Razelou

New law issued in July 2020

ΕΦΗΜΕΡΙΔΑ ΤΗΣ ΚΥΒΕΡΝΗΣΕΩΣ ΤΗΣ ΕΛΛΗΝΙΚΗΣ ΔΗΜΟΚΡΑΤΙΑΣ

17 Ιουλίου 2020

ΤΕΥΧΟΣ ΠΡΩΤΟ

Αρ. Φύλλου 136

ΝΟΜΟΣ ΥΠ' ΑΡΙΘΜ. 4706

Εταιρική διακυβέρνηση ανωνύμων εταιρειών, σύγχρονη αγορά κεφαλαίου, ενσωμάτωση στην ελληνική νομοθεσία της Οδηγίας (ΕΕ) 2017/828 του Ευρωπαϊκού Κοινοβουλίου και του Συμβουλίου, μέτρα προς εφαρμογή του Κανονισμού (ΕΕ) 2017/1131 και άλλες διατάξεις.

Η ΠΡΟΕΔΡΟΣ
ΤΗΣ ΕΛΛΗΝΙΚΗΣ ΔΗΜΟΚΡΑΤΙΑΣ

Εκδίδομε τον ακόλουθο νόμο που ψήφισε η Βουλή:

ΠΙΝΑΚΑΣ ΠΕΡΙΕΧΟΜΕΝΩΝ

ΜΕΡΟΣ Α'
ΔΙΑΤΑΞΕΙΣ ΓΙΑ ΤΗΝ ΕΤΑΙΡΙΚΗ
ΔΙΑΚΥΒΕΡΝΗΣΗ ΑΝΩΝΥΜΩΝ ΕΤΑΙΡΕΙΩΝ

ΚΕΦΑΛΑΙΟ Α'
ΓΕΝΙΚΕΣ ΔΙΑΤΑΞΕΙΣ

Άρθρο 1 Πεδίο εφαρμογής

ΚΕΦΑΛΑΙΟ Δ'
ΟΡΓΑΝΩΤΙΚΕΣ ΔΙΑΤΑΞΕΙΣ

Άρθρο 13 Οργανωτικές ρυθμίσεις
Άρθρο 14 Κανονισμός λειτουργίας
Άρθρο 15 Οργάνωση και λειτουργία της μονάδας εσωτερικού ελέγχου
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ΚΕΦΑΛΑΙΟ Ε'
ΔΙΑΤΑΞΕΙΣ ΓΙΑ ΤΗΝ ΕΝΗΜΕΡΩΣΗ
ΤΩΝ ΕΠΕΝΔΥΤΩΝ

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New Law at a glance

Board of Directors

- Composition
- BoD Responsibilities
- Members' Responsibilities
- Fit & Proper Policy

BoD Committees

- Audit Committee
- Nomination Committee
- Remuneration Committee

Investors' Information

- Shareholders Engagement from the BoD
- Share capital increase
- Investors' Relations Team
- Corporate Announcements Team
- Assets' disposal

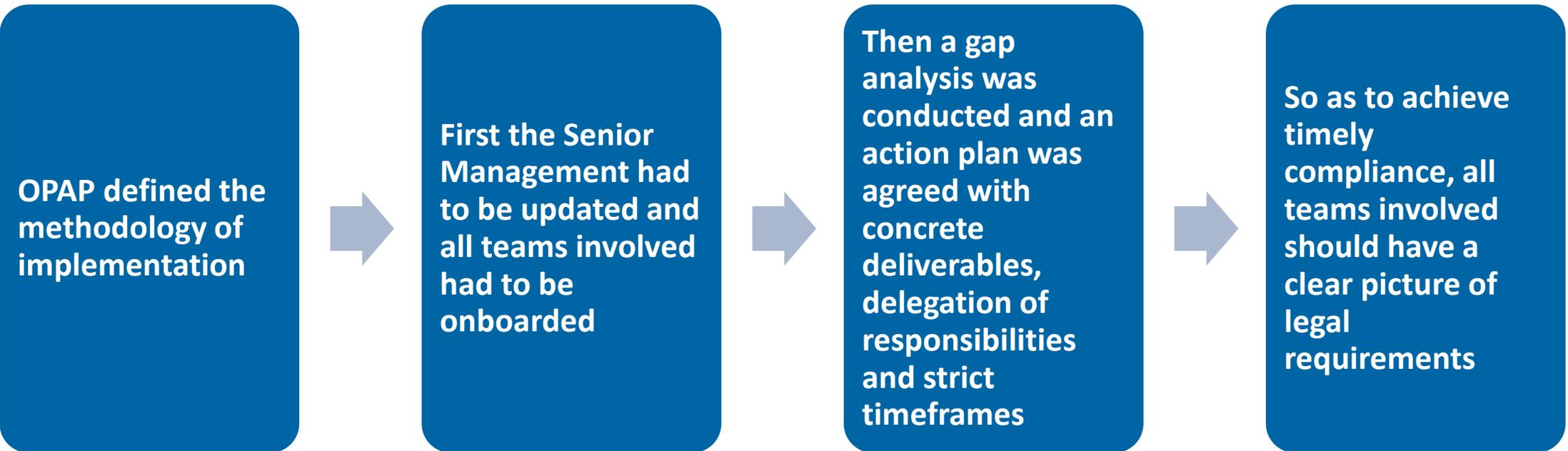
Organizational Provisions

- Corporate Governance System
- Internal Rules & Regulations
- Internal Audit Unit
- Corporate Governance Code

Sanctions

- Stricter than Law 3016/2002

Target of listed companies: Compliance



Benchmarking Results Regarding adherence of top-25 ASE listed companies with part of new governance law requirements



Board Composition

On average companies have around 11 members on the BoD. While 14 out of 25 companies are in compliance with the 1/3 independence ratio

Non Executive Chairman or Vice of BoD

16 out of 25 companies have as chairman or Vice-Chairman a non-executive member of the BoD

Representation by Gender

21 out of 25 Companies have at least one woman on the BoD

Genders' Quota

Only 2 out of 25 Companies are in compliance with the regulation concerning the genders' quota (25%)

Remuneration Committee

21 out of 25 Companies have established Remuneration Committee. While 24 out of 25 have combined the remuneration and nomination committees

Members of Audit and Remuneration Committee

23 out of 25 companies don't have the same individuals in both committees

Remuneration committee chairman independence

21 out of 25 companies have as a Chair an independent member of the board

AC Independence
24 out of 25 companies meet the independence requirements for AC (>50% AC members)

Auditing or Accounting Background of Audit Committee Chair

23 out of 25 companies have as chair of the Audit Committee an individual with Accounting or Auditing background

AC report as part of the Corporate Governance declaration

25 out of 25 companies already issue such report.

Corporate Governance Report Declarations

All companies have an AC declaration. However, 21 out of 25 have a Remuneration Committee Declaration



Authorized Code of Corporate Governance

21 out of 25 companies have an authorized Code of Corporate Governance published by either Greek or British operator

Diversity Policy

18 out of 25 companies have an active Diversity Policy in place

Sustainable Development Policy

23 out of 25 companies have a sustainable development policy.

Remuneration Policy

24 out of 25 companies have a published Remuneration Policy

Shareholders' Engagement Policy

21 out of 25 companies have an active shareholders' Engagement policy.

Internal Code/Regulation

18 out of 25 Companies have published their internal regulation. On average this code was last modified in 2017

Risk Unit

6 out of 25 companies have a separate risk unit reporting to CEO, while 3 out of 25 companies have not a risk unit at all

*Source: IA review of Top-25 listed companies annual reports 2019

Milestones of implementation

Review of Composition of the BoD and suitability of all BoD members. Emphasis on independence criteria

- Changes occurred to the BoD composition
- OPAP strengthened diversity by appointing two ladies members in the BoD
- Stricter processes regarding representation of independent non-executive BoD members

Update all fundamental documents of the Company and Significant Subsidiaries. Establish new policies and processes

- Update and enhance Internal Rules and Regulations of the Company
- Establish a Fit & Proper Policy
- Update BoD Committees Charters
- Enhance Internal Audit Operations
- Efficient Risk Management and Regulatory Compliance Systems

Organizational Provisions

- Enhance processes for the prevention, the detection and the suppression of cases of conflicts of interest
- Extrovert approach regarding shareholders engagement
- Adoption and implementation of a Code of Corporate Governance issued by a widely recognised institution

Challenges

Every journey hides challenges

- Align the enhanced Internal Rules and Regulations with requirements defined by gaming regulations
- Define “Significant Subsidiaries” and implement adequate action plans
- Structure ESG Agenda, embody ESG issues within the Company processes
- Satisfy training needs to engage all teams involved to embrace compliance
- Transitional period did not apply for all provisions of Corporate Governance Law (eg Audit Committee Members)

Lessons Learned

Tone from the Top

- The Support of Senior Management is important. It is the best way to send across the message of Compliance

Team work

- Enforcing Corporate Governance provisions involved most Companies' Team

Readiness Assessment

- Set policies, processes and controls
- Test them and assess them, assess the efficiency of your enhanced Corporate Governance System

Ultimate objective of Corporate Governance Framework

- Upscale Greek listed companies in terms of governance
- Attract new foreign or domestic investors
- Achieve sustainable surplus value for all stakeholders

Thank you!

