The In-House Lawyer: Comparative Guides

Greece: M&A

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This country-specific Q&A gives an overview of mergers and acquisition law, the transaction environment and process as well as any special situations that may occur in Greece.

It also covers market sectors, regulatory authorities, due diligence, deal protection, public disclosure, governing law, director duties and key influencing factors influencing M&A activity over the next two years.

This Q&A is part of the global guide to Mergers & Acquisitions. For a full list of jurisdictional Mergers & Acquisitions Q&As visit http://www.inhouselawyer.co.uk/index.php/practice-areas/mergers-acquisitions/

1. What are the key rules/laws relevant to M&A and who are the key regulatory authorities?

For the purposes of this questionnaire, the focus will be on M&A transactions relating to Greek companies limited by shares (anonimi eteria), which represent the vast majority of target companies in M&A transactions in Greece.

It is worth noting that the major part of Greek legislation pertaining to M&A transactions stems from the application of European Union legislation, which has been incorporated within the Greek legal system.

The key provisions on the mergers of target companies are to be found in Law 2190/1920 containing provisions applicable to various types of mergers of target companies through different combinations of absorption, division and formation of companies. There are no statutory provisions regulating the merger of companies of different types, although there are provisions regarding the transformation of a company limited by shares into another type of company and vice versa. Law 2190/1920 does not regulate the spin-off of a division, sector or department and its absorption or acquisition by another company, although such transactions are quite common in the Greek market and are regulated by applicable tax legislation and the application of companies' law by analogy.

The key provisions on the effecting of share and asset acquisitions, which are the type of acquisition deal most often encountered in Greece, are to be found in Law 2190/1920 in combination with the Greek Civil Code. Moreover, tax Law 4172/2013 ('Income Tax Code'), the Legislative Decree 1297/1972 and the Law 2166/1993 provide tax and other incentives applicable to M&A transactions.

M&A deals regarding companies listed on the Athens Exchange are governed by specific rules with respect to the transfer agreement itself (transfer of shares on or off exchange) and the disclosure obligations, which will be set forth below.

A key regulatory and supervisory authority with major role in the Greek M&A activity, reference should be made to Hellenic Competition Commission, having the authority to protect the proper functioning of the market and to ensure the enforcement of the rules on competition. In cases of companies listed on the Athens Exchange and depending on the way an M&A deal will take place, the Hellenic Capital Market Commission (hereinafter HCMC), which aims to ensure the protection and the efficient operation of the capital market in Greece, may also be involved. Moreover, several business sectors in Greece are regulated by dedicated regulatory and/or supervisory authorities (such as the Regulatory Authority for Energy or the Bank of Greece for credit institutions, financing institutions, etc), whose prior notification or approval may be required for a M&A deal involving entities in such sector.

2. What is the current state of the market?

There is no state organization or other authority in Greece compiling and presenting official market data measuring in specific the M&A activity, the relevant information being extracted mainly from data pertaining to the overall economic activity and reports of auditing/consulting firms and private firms providing company and financial market data.

According to publicly available data, 29 major M&A deals were announced in Greece last year, which added up to $1.4 billion in total, marking a 39% drop compared to 2014. While the vast majority of smaller private M&A deals taking place are not publicly announced, it may be assumed that the aforementioned published data accurately reflect the trends in M&A activity in the overall market.

Bearing in mind the market disrupting events which occurred in Greece during 2015 (i.e. two national elections, a referendum, the imposition of capital controls and the signing of the third memorandum with the creditors), it could be argued that the above figures are expected and justified.

3. Which market sectors have been particularly active recently?

On the basis of the aforementioned publicly available data at the high end of M&A activity, the sectors with the greatest M&A activity last year in Greece were the financial services and the pharmaceutical sector, as well as the energy and tourism sectors. Smaller M&A deals were closed particularly in the real estate, transportation and telecommunications.

4. What do you believe will be the three most significant factors influencing M&A activity over the next 2 years?

The flow of bank financing to the market, especially through the resolution of the non-performing banking loans (NPLs) problem, is expected to create new opportunities for new ventures/projects, growth and increased M&A activity. Similarly, the expected privatizations will have a positive influence on the M&A market. On the other hand the constant changes in the tax legislation, together with the high tax rates imposed have a negative influence on the trend of M&A activities in Greece.

The aforementioned major market driving factors are further highly dependent on and should be assessed in the context of the fragile political stability in Greece and the progress in the implementation of the country's memorandum with its international creditors.

5. What are the key means of effecting a merger?

The term M&A transactions is perceived as referring broadly to a large number of transactions ranging from typical mergers of companies or transformations of different types of companies to acquisitions of target companies through asset or share deals. Notably, a merger or transformation may be effected through means of change of a company's form, while its legal personality remains the same; no transfer of property takes place and the company's external relations with third parties are not influenced. Alternatively, and in the more strict sense of the definition of effecting a merger, one company ceases to exist and its assets and obligations are transferred via universal succession to at least one, existing or newly formed, company. On the other hand, in asset and share deals the target company's significant assets, enterprise or sectors –along with all relevant assets and liabilities- are transferred to a third party or a change of control at shareholders' level is effected through the transfer of a significant shareholding.

Hence, the means of effecting M&A transactions depend on the type of the transaction. They comprise corporate law actions regarding the approval, registration and implementation of mergers, such as board and general assembly resolution, registrations with and approvals by competent supervisory authorities, signing of notarial merger deed and publications in companies' registries. With respect to share and asset deals the process and relevant steps are simpler requiring, besides the negotiated transaction documents and subject to any applicable regulatory / sector specific approvals, registrations in the target company's shareholder ledger or potentially the conclusion of notary deeds for the transfer of business or certain types of assets (e.g. real estate property).

6. What information relating to a target company will be publicly available and to what extent is a target company obliged to disclose diligence related information to a potential acquirer?

Greek companies are registered in the General Commercial Registry of the Ministry of Commerce (GEMI). The Registry keeps a public status account for each company which includes crucial information regarding the company (name, seat, company form etc.), its corporate structure and its annual financial reports. However, in practice the Registry's current operation is suboptimal, resulting to deficiencies in the availability of the information required. The data available for listed companies is much more detailed and regularly updated, mainly accessible through the platform of the Athens Exchange and the listed companies' websites.

There are no specific legal provisions regulating the amount of diligence related information to be disclosed to a potential acquirer. However, pursuant to the Greek Civil Code, during the stage of negotiations of any kind of transaction, the parties are obliged to act in good faith, and, thus, to avoid providing incomplete or misleading information. Any attempt to mislead may not only hinder the M&A process, but, also, incur significant legal consequences, that should be weighed in when considering what information will be disclosed.

7. To what level of detail is due diligence customarily undertaken?

Customarily, during the financial and legal due diligence undertaken for an M&A project, access is provided to all financial and legal books and records of the company, including, tax books and records, corporate information, copies of key client contracts (sometimes redacted), loan agreements, pension plans schemes, accounts, assets and real estate property, pending or threatened litigation and internal auditors' reports. As regards listed companies, due diligence is further aided through access to the publicly available information. Obviously, the scope of the due diligence exercise depends on the magnitude of the transaction and the ad hoc arrangements of the transacting parties.

A recent trend in M&A deals involves the completion of the deal without the previous conduct of or following only a high level due diligence, combined with the negotiation of detailed specific clauses in the transaction documents providing for changes in the price or for penalty clauses, depending on future findings during the operation of the target company post-closing of the transaction.

8. What are the key decision-making organs of a target company and what approval rights do shareholders have?

The two key decision making organs of Greek companies limited by shares are the Board of Directors and the General Meeting of Shareholders. The decision regarding the merging of a target company with another is made by the General Meeting of Shareholders, which approves the merger on the basis of a transformation balance sheet as well as the draft merger agreement prepared by the Board of Directors. If the share capital of the company is comprised by more categories of shares, the decision of the General Meeting on the merger is subject to the approval of the specific categories of shareholders, whose rights are affected by the merger. In share deals, shareholders are directly involved as contracting parties in the sale and transfer of shares transactions, whereby minority / non-selling shareholders may have veto, first refusal or similar rights depending on the specific provisions of the articles of association of the target company. Asset deals may also entail approval rights of shareholders, for example in major asset sale transactions, on the basis of relevant provisions of the articles of association and the companies' law, usually in relation to intra-group transactions.

9. What are the duties of the directors and controlling shareholders of a target company?

Greek Law 2190/1920 stipulates that the members of the board of directors of a Greek company limited by shares have a general duty of care for and a duty of loyalty directly towards the company and indirectly to its shareholders for the loss of value of their shares. In a recent change in the trend of Greek jurisprudence, there have been some decisions which have recognised the business judgment rule and thus alleviated the burden of the company directors, insofar as they have acted in good faith, with loyalty and due care for the company's interests.

With respect to mergers in specific, according to Law 2190/1920 each member of the board of Directors of the company to be absorbed is responsible towards the shareholders of these companies and every other third party for any negligence during the preparation and completion of the merger. Moreover, directors must not have competing interests with the interests of the company and if they do, there is a duty of disclosure.

No special provisions exist in relation to majority shareholders. However, directors, managers and majority shareholders in listed companies, are obliged to refrain from market abuse or market manipulation by spreading privileged information, pursuant to Law 3340/2005.

10. Do employees/other stakeholders have any specific approval, consultation or other rights?

Law 2190/1920 on Greek companies limited by shares recognizes in art. 4 para. 4 the right of each company's creditors to be satisfied for their claims in cases of decrease of the share capital. If precedence is given to the payment of the shareholders, the creditors have the right to submit an objection with the Court of First Instance, in order to safeguard the payment of their claims. Pursuant to art. 70 paras. 2 and 3, the creditors of the companies to be merged may request and receive sufficient guarantees, without which the merger of the companies may not proceed, unless a special petition is filed by the companies to the Court of First Instance. Para. 4 of the same article expressly stipulates that in cases where creditors own bonds convertible to shares of at least one of the companies merged, the merger may not proceed unless approval of the merger decision is granted by the creditor.

According to Article 4 of Presidential Decree 178/2002 (implementing Directive 98/50/EC on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of businesses), it is provided that "by reason of the transfer and from the date of transfer, the transferor's rights and obligations arising from a contract of employment or from an employment relationship existing on the date of the transfer shall automatically be transferred to the transferee". Therefore, the transfer of the undertaking constitutes a statutory ex officio transfer of the employment relation and of the employment terms and conditions as formed at the date of the transfer, without any alteration of the rights and obligations of both parties. In this case, the transferor and the transferee are obliged to inform the employees' representatives or the employees directly on the transfer and proceed to consultation with them in case measures changing the employees' status are to be adopted.

It should be noted that in accordance with Presidential Decree 240/2006 (implementing Directive 2002/14/EC on the establishment of a general framework for informing and consulting employees in the European Community) a general obligation for information and consultation with the employees is enacted, which is applicable to undertakings employing at least 50 employees and to establishments employing at least 20 employees and which covers information and consultation on the development of the undertaking's activities and economic situation, on probable development of employment and on any anticipatory measures envisaged, in case where there is a threat to employment and on decisions likely to lead to substantial changes in work organisation or in contractual relations.

Within the scope of the aforementioned laws, consultation has the meaning that the employees' representatives are entitled to formulate an opinion on the issues under discussion and obtain a response by the employer and the reasons for that response. Therefore, the parties must not necessarily reach an agreement as regards any amendment envisaged, in the sense that the employees' consent and approval is not required.

Finally, Law 3777/2009 on cross-border mergers provides for the participation of employees in the company resulting from the cross-border merger in Greece. It stipulates that Greek law is applied on employee participation, in the case that the registered seat of the company is in Greece and to the extent that employee rights are not impeached as a result.

11. What regulatory/third party approvals are required and what waiting periods do these impose, if any?

The completion of mergers is subject to approval by competent supervising authority and registration with companies' registry, the overall process being completely usually during a period of 2 to 4 months from the merger kick-off. Share and asset deals are not in principle subject to any regulatory/third party approvals, except where special legislation applies to specific types of assets (e.g. real estate, intellectual property etc.). That said, the regulatory approvals and/or notifications required in the event of M&A deals in Greece are highly dependent on the sector in which the target company belongs. Thus, some sectors are supervised by regulatory authorities whose prior notification and/ or approval may be required depending on the percentages of share capital/ voting rights to be acquired (eg in case of transfer of shares of credit institutions or investment firms where the prior notification or approval by the Bank of Greece or the HCMC accordingly may be required depending on the percentages of shares sold and/or acquired). In such cases, different procedures must be followed in order for the transfer to be completed and various time frames apply.

As a typical example, under the protective and regulatory regime of the Hellenic Competition Commission, Law 3959/2011 dictates that any acquisitions, including the closing and performance of any deal, is subject to the approval of the Commission, when the buyer and the target company have an aggregate worldwide turnover of at least 150 million euros and two of the participating companies have a turnover of at least 15 million euros in Greece. Article 8 of Law 3959/2011 sets out the outline of the waiting periods for the issuance of the approval; unless any procedural impediments set forth by the law take place, the M&A deal will be deemed approved or otherwise within a maximum of 120 days after the Commission has been notified of the deal.

12. To what degree is conditionality an accepted market feature on acquisitions?

In principle, the acquisition of a target company does not rest upon mandatory conditions other than those concerning the provision of necessary administrative licences or approvals. However, in certain cases where specific matters are to be revealed or decided post-closing, and these facts play an important role in the decision of the buyer whether it will proceed to the purchase and/or make a significant impact on the price, the deal can be conditioned upon conclusion of that matter. All in all, it can be argued that conditionality is indeed an accepted and in fact rather customary market feature in Greek M&A transactions.

13. What steps can an acquirer of a target company take to secure deal exclusivity?

It is common practice in Greece that a Memorandum of Understanding or similar preliminary agreement, which according to Greek Law is a legally binding private agreement, be concluded in the beginning of the negotiations phase and/or prior to the preparation of the closing and performance of a M&A deal. Such preliminary agreements may typically contain confidentiality clauses, exclusivity obligations, and undertakings along with agreed contractual sanctions such as penalty clauses to ensure that the relevant corporate bodies will respect the ongoing discussions and agreements. Further, it is not uncommon in Greek M&A transactions that deal exclusivity throughout to completion is secured though the conclusion of notarial deeds allowing for the purchaser’s right to unilaterally complete the transaction, on the basis of agreed conditions, without the seller’s involvement.

14. What other deal protection and costs coverage mechanisms are most frequently used by acquirers?

Acquirers tend to impose measures to ensure the protection of the deal. As is typically the case in M&A transactions worldwide, such mechanisms most frequently include letters of credit, letters of guarantee, the use of escrow accounts for gradual payment of the price, as well as - a potentially unique practice in Greek M&A transactions, the use of post-dated cheques as security for deal protection / deferred payment of the purchase price. Market practice is that each party bears its own transaction costs.

15. Which forms of consideration are most commonly used?

The most commonly used form of consideration in Greece is cash, followed by consideration in the form of securities. Other contractual arrangements are also, less frequently used, such as earn-out conditional payment, especially when seller is also key manager and remains active in the target company for an interim period post acquisition.

In case of companies listed on the Athens Exchange and more specifically in case of a take-over bid, it must be noted that a distinction must be drawn between the cases of mandatory bids and voluntary bids. In cases of mandatory take-over bids, the consideration is always in cash per share and is computed on the basis of a specific rule found in Law 3461/2006 on take-over bid rules while in cases of voluntary bids the consideration may take both the form of cash or securities or both.

16. At what stages of an acquisition is public disclosure required (whether acquiring a target company as a whole or a minority stake)?

The acquisition of shares of companies limited by shares in Greece is in principle not subject to public disclosure, except for corporate approvals and registrations in case of a merger.

As concerns listed companies in Greece, Law 3340/2005 on market abuse and Decision No. 3/347/12.7.2005 issued by the Board of Directors of the Hellenic Capital Market Commission (HCMC) sets forth the obligation on behalf of the listed companies to disclose to the public any privileged information. The HCMC decision contains a non-exhaustive list of examples of information that may be considered privileged; the basic criterion for the characterization of such information as privileged being the importance of the decisions or events connected to the listed company and its operations. Thus, in case of a merger, for example, the relevant important steps must be disclosed to the public.

In general, it must be noted that due to sector specific regulatory approvals, in order for an M&A transaction to be affected, the relevant bodies must be informed, a procedure which may involve various levels of publicity.

17. Are there any circumstances where a minimum price may be set for the shares in a target company?

With respect to listed companies and in case where a mandatory take-over bid to the shareholders of such company takes place, there is a rule relating to a minimum price, i.e. the person obliged to proceed to such mandatory bid (offeror) must offer an equitable and fair consideration in cash, which cannot be lower than: a) The average market value of the securities which the take-over bid concerns computed for a period of six (6) months preceding the date when the offeror had an obligation to proceed to the bid, or b) the highest price at which the offeror or any of the persons acting on the account of such offeror or in concert with such offeror have purchased the relevant security during the twelve (12)-month period preceding the date, when the offeror had an obligation to launch a bid.

Additionally, in cases where an acquisition is a result of a litigation and/or a conflict between shareholders of an entity, the court may determine the minimum price the acquirer will pay the seller in order to take possession of its shares.

18. Is it possible for target companies to provide financial assistance?

Greek legislation regulates the terms and conditions under which target companies may provide financial assistance, the overall regime being restrictive. In a nutshell, pursuant to art. 16a of Law 2190/1920, a Greek company limited by shares is prohibited to proceed to any prepayments or to grant loans or securities which have as an objective to facilitate the purchase of its own shares by third parties unless the following specific conditions exist: a) the aforementioned transactions are materialised with the responsibility of the Board of Directors of the target company and are made with reasonable terms, specifically in relation to the interest received by the company and the securities that it receives for securing its claims; b) the transactions are decided by the General Meeting of the Shareholders with an increased quorum and majority following a written report by the Board explaining the reasons for such transactions, the interest for the company, the relevant terms and risks in relation to the solvency of the company etc. and c) the total financial assistance that is provided to third parties cannot in any case have as a result the reduction of the own funds of the target company in an amount lower than the amount prescribed in Art. 44a of same law (i.e. share capital as adjusted after having taken into account the reserves whose distribution is now allowed by law or Articles of Association). There are specific cases where the aforementioned Board report must be also accompanied with a report by the auditor of the company confirming that the transaction is not result in a conflict of interest with the company. There is an exemption for transactions in the ordinary course of business from credit or financing institutions as well as for transactions made for the purposes of acquiring shares from or for the personnel of the company or an affiliated entity. Moreover, Article 23a of Law 2190/1920 prohibits any kind of financial assistance provided by an entity to another entity which directly or indirectly controls it, save where specific conditions are met, such as in cases where financial assistance is provided for the benefit of companies which are subject to consolidation as per the accounting legislation.

19. Which governing law is customarily used on acquisitions?

A distinction must be made between the law governing the share purchase agreement and the transfer contract itself which concerns the actual transfer of securities. More specifically, Greek Law will always – and compulsorily – govern the latter, while the contracting parties may choose a different law governing the share purchase agreement. In cases where Greek Law is not chosen as the governing one, the parties tend to agree on either the law of the place of the legal seat of the acquirer, or on a neutral law (often English Law).

20. What public-facing documentation is it necessary for a buyer to produce in connection with the acquisition of a listed company?

The answer depends on the way the acquisition of a listed company will take place (e.g. take over bid, transfer deal, share capital increase with the simultaneous participation of the buyer, etc) as well as on the entity purchasing the securities. In a simple share transfer, the buyer may not be required to provide any public facing documentation except for the materialising the on- exchange or off- exchange transfer (for example in order to acquire shares on exchange, such buyer must open a securities account with a custodian/investment firm for which legalisation documents will be required). In other transfers, however, more information may be required. In general, it must be noted Law 3340/2005 on market abuse includes provisions for the use of privileged information (i.e. prohibiting the use of confidential information by the board members of a listed company, etc) as well as provisions on obligations over listed companies for disclosure obligations (eg providing list of persons with access to confidential information, etc). Thus, in case the buyer is a listed company itself, such buyer must conform to the disclosure obligations in connection with the M&A deal. Furthermore, depending on the way the deal takes place, Law 3401/2005 on Prospectus (implementing the Prospectus Directive in Greece) may also need to be reviewed. For example, in case the acquisition of the listed entity is made through a share capital increase where a strategic investor (buyer) participates therein, a prospectus may be required. Or in case of a public offering of shares, a prospectus must be prepared which contains information concerning the issuer (target company), the securities offered to the public as well as other important information regarding the structure of the transaction and the offering of the securities and includes a summary, which briefly contains the most important information included in the prospectus. Furthermore, in case of a take-over bid, the buyer-offeror must produce the take-over bid offering memorandum with information about the buyer, securities acquired, consideration etc. in accordance with Law 3461/2007 on take over bids.

21. What formalities are required in order to document a transfer of shares, including any local transfer taxes or duties?

It must be noted that Greek companies limited by shares may issue registered and/or bearer shares; different procedures apply on the different types of shares, accordingly.

Registered shares are transferred pursuant to a share purchase agreement which is followed by delivery of the possession of the share title (if issued) to the new holder and registration of the transfer in the shareholders' ledger. If the transfer is not registered in the shareholder's ledger, the transfer of shares will only be considered valid and binding between the transferor and the transferee but not vis a vis the company.

On the other hand, bearer shares are transferred with the minimum of formalities, notably by the conclusion of an agreement between the transferor and the transferee for the transfer of ownership and the delivery of the share title. The mere possession of the titles serves as evidence that the bearer is in fact the true shareholder of the company, appearing thus before the company and any third party without any additional requirement.

Following recent changes in tax legislation, the transferee or the transferor are not required at the time of the transfer to file a transfer tax statement, documenting the transfer of the titles, nor are they required to pay any taxes at this stage. The relevant income will be only taxed through the filing of the annual tax return. The capital gains included in such tax return is determined pursuant to the respective law provisions which establish formulas determining the capital gained by the seller. However, a complete file of all relevant transaction documentation should be kept by the seller and the buyer, in order to be available in a possible future tax audit. Such file should inter alia include the relevant transfer agreement, corporate registry and tax authority certificates in cases where the buyer and/or the seller is seated abroad and a double taxation treaty is applied, and financial statements of the target company.

Lastly, in certain circumstances, share transfer agreements must be notarized. This will include the engagement of a notary, whose fees are calculated on the basis of transaction value.

22. Are hostile acquisitions a common feature?

It must be noted that the practice of hostile acquisitions is not common in Greece. In reality, hostile acquisitions are regulated only in connection with listed companies under the provisions of Law 3461/2006 (implementing EU Directive 2004/25/EC on takeover bids).

23. What protections do directors of a target company have against a hostile approach?

Hostile take-overs are neither explicitly regulated under Greek legislation, nor are they a common occurrence. Despite that fact, however as mentioned above under 22, hostile take-over bids may take place in case of a takeover bid offer in a listed company. In terms of process, the Board of Directors of the target listed company is obliged to draw up and publicise a document setting out its justified opinion of the take-over bid. This document serves as a detailed report of the actions which the Board of Directors of the target company has taken or intends to take in regard to the takeover bid, report any agreement existing between the Board of Directors of the company or its members and the offeror, explicate the opinions of the board of the target company concerning the takeover bid and allege the reasons which led to these opinions, and also to the offeror’s strategic plans concerning the company, as set out in the offer document, and finally to the possible consequences/ repercussions on the employment at the locations of the offeree company’s places of business. This document is filed with the Hellenic Capital Market Commission and the offeror within a 10-day time period from the disclosure of the offer document and is made public by the board of the target company without any delay. Nonetheless, it must be noted that such an action on behalf of the Board of Directors does not have the effect of permanently averting the hostile takeover procedure.

In practice, there are measures that may be used to deflect the hostile approach, such as seeking alternative bids or issuing new shares under specific conditions, thus obstructing the hostile bidder’s attempt to acquire control of the target company.

24. Are there circumstances where a buyer may have to make a mandatory or compulsory offer for a target company?

Law 3461/2006 on takeover bids, sets forth the rule according to which if a buyer acquires securities of a company and his/her/its percentage of securities held in such company exceeds the threshold of one third (1/3) of the total voting rights of the company, the former is obliged to launch a mandatory bid, within a 20-day time period from the acquisition, for the total securities of the target company. The same obligation arises for each person holding over one-third (1/3) without exceeding one-second (1/2) of total voting rights of the said company, in case such person acquires securities of the target company representing over three percent (3%) of total voting rights of the offeree company within a twelve month (12) period.

25. If an acquirer does not obtain full control of a target company, what rights do minority shareholders enjoy?

Law 2190/1920 on Greek companies limited by shares provides for the minimum rights of minority shareholders. Article 39 lists a number of privileges, most noteworthy of which on this instance refer to:

• The ability of the shareholders representing the 1/20 of the paid-up share capital to include in the agenda of an already convoked General Shareholder Meeting any additional subject, so long as it was communicated to the BoD at least 15 days before the General Shareholder Meeting.

• The ability of any shareholder to request the disclosure of information regarding company matters, to the extent that the latter are useful for the assessment of the subjects on the agenda.

• The ability of the shareholders representing the 1/5 of the paid-up share capital to request and receive information by the Board of Directors during the General Shareholder Meeting information about the course of the company matters and the financial situation of the company.

• The ability of the shareholders representing the 1/20 of the paid-up share capital to request that the decision on any given matter during the General Shareholder Meeting be taken by roll-call vote.

However, the rights of minority shareholders may be increased or enhanced by inserting special provisions in the articles of association of each company which can be amended pursuant to a respective General Shareholder Meeting decision, to the extent that such amendment does not contravene mandatory provisions of Law 2190/1920.

26. Is a mechanism available to compulsorily acquire minority stakes?

In accordance with Law 3461/2006 on takeover bids, when a bidder has acquired at least 90% of the voting rights of a target company, said bidder is afforded the right to demand to acquire the rest of the securities of the target company (squeeze out right). The bidder must announce its intention to use the aforementioned right and carry out the acquisitions within three months following the end of the acceptance period.

Furthermore, an offeror who holds, after the submission of the take-over bid, securities representing more than 90% of the total voting rights of the target company, is obliged for a period of three (3) months from the publication of the results of the take-over bid to acquire on-exchange all the securities that will be offered to such offeror by the remaining shareholders at a price that is equal to the consideration offered at the take-over bid. Such offer must publish this exit right of the shareholders at the time when the results of the take-over bid are published.

At the same time, Law 2190/1920 provides that if a shareholder acquired after the incorporation of the company and maintains at least 95% of the share capital, such majority shareholder may file a petition before the court to acquire the shares of the minority shareholder(s) for a consideration which must correspond to the real value of the shares. The First Instance Court of the registered seat of the company decides on the petition submitted by the majority shareholder and determines the applicable consideration provided that the specific conditions stipulated in article 49c of Law 2190/1920 are met.