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The International Comparative Legal Guide to:

Corporate Governance 2012

5th Edition

A practical cross-border insight into corporate governance

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EDITORIAL

Welcome to the fifth edition of *The International Comparative Legal Guide to: Corporate Governance*.

This guide provides corporate counsel and international practitioners with a comprehensive worldwide legal analysis of the laws and regulations of corporate governance.

It is divided into two main sections:

One general chapter. This chapter outlines the directors' duties in the "Zone of Insolvency".

Country question and answer chapters. These provide a broad overview of common issues in corporate governance laws and regulations in 34 jurisdictions.

All chapters are written by leading corporate governance lawyers and we are extremely grateful for their excellent contributions.

Special thanks are reserved for the contributing editor, Bruce Hanton of Ashurst LLP, for his invaluable assistance.

Global Legal Group hopes that you find this guide practical and interesting.

The *International Comparative Legal Guide* series is also available online at www.iclg.co.uk.

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1 Setting the Scene - Sources and Overview

1.1 What are the main corporate entities to be discussed?

As a principle, corporate governance is relevant to all types of companies, both private and public. The present chapter shall focus on corporate governance rules, applicable to public limited companies listed on the Cyprus Stock Exchange ("**CSE**").

According to the Cypriot Companies Law, Cap. 113, as amended (the "**Companies' Law**"), public limited companies must have at least seven shareholders and two directors. Moreover, according to section 4A of the Companies' Law, the minimum share capital of such companies must be approximately Euro 25,650. While public companies are able to issue securities to the public at large, they must offer such on a pre-emptive basis to existing shareholders in proportion to their existing shareholding, unless the shareholders pass a special resolution with a two thirds majority of the votes cast in an extraordinary meeting of the company to authorise the Board to offer any new shares to one or more third parties without first offering them to the existing shareholders.

The Department of the Registrar of Companies and Official Receiver is responsible for the registration, compliance and winding up of companies, while the approvals for listing on the CSE are granted by the Cyprus Securities and Exchange Commission ("**CySEC**"), once CySEC is satisfied that all necessary requirements are met.

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

The main relevant legislative provisions are included in the Companies Law. This law initially mirrored the provisions of the UK Companies Act 1948, nevertheless it has not followed the subsequent amendments of the UK legislation. Case law, however, seems to be following to a great extent the case law that has been developed in the UK. The Companies' Law governs the provisions of a Cyprus company's Memorandum and Articles of Association. Public and private companies may also adopt wholly or partly the model regulations contained in Table A to the Companies' Law.

Furthermore it should be noted that common law principles also apply, such as those concerning the fiduciary duties of directors, or for example, the duty to act in good faith and for the benefit of the company.

Apart from the above, the relevant legislative framework consists also of:

- The Cyprus Securities and Stock Exchange Laws of 1993-2007 as amended (and relevant regulations);
- The Cyprus Security and Exchange Commission (Establishment and Responsibilities) Law, Law 64(1)/2001;
- The Transparency Requirements Law, Law 190(I)/2007;
- The Investment Services and Activities and Regulated Markets Law, 144(I)/2007;
- The Inside Information and Manipulation of the Market (Abuse of the Market) Law, 116(I)/2005; and
- The Corporate Governance Code (3rd Edition), September 2009 (the "Code").

CySEC frequently issues directives and circulars, which complement the corporate governance regulatory framework. CySEC was established as a public corporate body. Its primary responsibilities include the supervision of the CSE and issuers of securities listed, the licensing of investments firms and the imposition of administrative sanctions and penalties upon persons or companies for infringement of the provisions of the stock market laws and regulations.

Following the 2000 recession of the Cyprus stock market, the CSE issued in 2002 the first corporate governance code with the aim of introducing a set of principles of corporate governance that would offer additional protection to the shareholders of listed companies. Currently, the third revised version of the code applies. It includes a set of legal principles rather than inflexible legal rules. It is only obligatory for companies listed on the Main Market and in part it is also mandatory for companies listed on the Parallel Market. The primary aims of the Code include the strengthening of the monitoring role of the independent members of the Board in listed companies, the promotion of greater transparency and accountability, the protection of minority shareholders, as well as the safeguarding of the independence of the Board as a whole in its decision-making. It is worth noting that although Cypriot private companies are not bound by the provisions of the Code, they are encouraged to view it as guidance and use it as a best practice model.

Moreover, since Cyprus' accession in the European Union in 2004, Cyprus implements and complies in full with all relevant European Directives and Regulations.

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

Cyprus was recently (2008) approved as a country from which you can list companies on the Hong Kong stock exchange, having gone through the process of determining whether shareholder protection

under Cyprus law is at least equal to the Hong Kong Companies Ordinance Code. The trend is to use the shares in the Cyprus company for the purposes of listing rather than submitting for listing the shares of companies holding the underlying assets, thus utilising the more flexible and shareholder friendly structure of the Cyprus companies. As a result, more and more Cyprus companies with their good regulatory environment and favourable tax structures find themselves listed on foreign stock exchanges.

Recent studies show a positive trend in adopting the Code, with at least 40% of public companies complying in full with the Code. There is of course always further margin for improvement, especially since international collective investments schemes are becoming increasingly important for Cyprus.

2 Shareholders

2.1 What rights and powers do shareholders have in the operation and management of the corporate entity/entities?

Shareholders entrust the day-to-day management and operation of their companies to the directors. The Companies' Law, however, reserves certain matters for the competence and decision of the shareholders, through the passing of shareholders' resolutions.

Company matters which are by law reserved for the shareholders to decide include a change of the company's name, alteration of the objects of the company, the alteration of its Memorandum and Articles of Association, increase or reduction of its share capital, variation of the classes of the shareholders' rights, in certain cases the authorisation of the acquisition by the company of part of its own shares, the approval of an amalgamation or scheme of reconstruction, the appointment and removal of directors and auditors and the fixing of the remuneration of the same, the payment to a director for loss of office, the approval of final dividend, as proposed by the directors, the approval of the statutory report, the consent to allowing financial assistance for the purchase of the company's own shares and the passing of a resolution for the voluntary winding up of the company.

2.2 Can shareholders be liable for acts or omissions of the corporate entity/entities?

Cyprus companies are legal bodies with a distinct personality from their shareholders; in general, the liability of shareholders in limited liability companies is limited to the amount of the capital they contribute on the shares for which they subscribe. The principle according to which a company must be treated as a person with its own distinct rights and obligations that differ from the rights and obligation of its shareholders or even its subsidiary or mother companies, is subject to certain exceptions, which are however more readily applicable to private rather than public companies. What may be said though is that if the controlling shareholders of a company use the company for their own personal purposes, they may be found to be liable.

2.3 Can shareholders be disenfranchised?

The Articles of Association (including regulation 22 of Table A) usually provide that unless all calls (on shares) or all the sums that have become payable by a shareholder to the company have been paid, the shareholder is not allowed to vote at general meetings. There are also provisions relating to forfeiture of shares that have not been paid, however this is unlikely to apply to public listed companies as the market practice requires that the shares of these companies are paid up upon subscription.

Section 201 of the Companies' Law gives an offeror a statutory right to buy out the minority shareholders and, subject to at least ninety per cent of the shareholders accepting the offer, the offeror can force the remaining ten per cent of shareholders to sell their shares.

2.4 Can shareholders seek enforcement action against members of the management body?

The Cyprus courts will generally not interfere with the internal management of the company. However, in some situations it is possible of the minority shareholders to bring a derivative action, i.e. a personal action against a director on the company's behalf. Situations in which a derivative action can be brought include matters of fraud against the minority, negligence, default, breach of duty or breach of trust and others. The company is joined as a nominal defendant to the derivative action. If the shareholders wish to take action in respect of their personal rights against the company, then they do so in their personal capacity and a derivative action is not necessary.

According to section 202 of the Companies' Law, any shareholder who complains that the affairs of the company are being conducted in an oppressive manner to some of the shareholders, may apply for a court order and, provided that the court believes that the winding-up of the company would unfairly prejudice the rights of the minority, the court may step in and either regulate the workings of future company affairs or order the company or the majority shareholders to purchase the complainant's shares. In case the personal right of a shareholder is violated, then the shareholder can file a personal action against the wrongdoer to rectify such an infringement.

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

Persons dealing with a company are generally protected by the disclosure of information. The Companies' Law contains several provisions for disclosure which target transparency and best practice in corporate governance. Specifically these are in relation to the registers of members, directors and secretaries, shareholdings, debenture-holders, charges, statutory financial obligations and annual returns.

In addition, an interested entity can perform a search of the files of a company through the Registrar of Companies, in exchange of a nominal fee. Although for public listed companies such a search will not reveal the names and percentages of the shareholders, an interested party may ask the company secretary to provide him with a copy of the register of members of the company.

The Transparency Requirements Law also provides that certain information has to be publicly disclosed. Specifically, as regards to interests in securities held by shareholders in the company it provides that a shareholder, who acquires or disposes shares which incorporate voting rights, has the obligation to disclose to (a) the company, and (b) to CySEC the percentage of voting rights the shareholder possesses. This is done if, as a result, in case of an acquisition, this percentage reaches or exceeds, or, in case of a disposal, it reaches or is below the limits of five per cent or ten per cent or fifteen per cent or twenty per cent or thirty per cent or fifty per cent or seventy-five per cent of the total company voting rights.

2.6 What shareholder meetings are commonly held and what rights do shareholders have as regards them?

Annual general meetings and extraordinary general meetings of the shareholders are regulated by the Companies' Law and by the company's articles. The first AGM must be held within eighteen months from the date of incorporation and thereafter yearly but no later than fifteen months from the date of the previous meeting. Matters discussed at AGMs are normally the consideration of the financial statements of the Company and the auditors' and directors' reports, the election of directors and the appointment and remuneration of the auditors.

Extraordinary meetings can be held after application of shareholders who hold no less than one tenth (1/10) of the company's shares that have a right of vote at general meetings or by the directors of the company. Shareholders have the right to pass resolutions at general meetings. They have the power to pass ordinary resolutions, which require a simple majority of those present and voting, extraordinary resolutions, which require a seventy-five per cent majority and special resolutions, which require a seventy-five per cent majority and a period of twenty-one days' notice.

3 Management Body and Management

3.1 Who manages the corporate entity/entities and how?

The management of a Cyprus company rests with the directors. The Companies' Law provides for a one-tier structure under which the Board of Directors performs its functions. The Board exercises its powers as a whole, thus such powers are not delegated to individual directors but it is advisable that committees are formed as mentioned below. Also, an individual director can represent the company if so authorised by a resolution of the Board or an attorney can be appointed by virtue of a Power of Attorney granted by the company.

The Code confirms the principle that a listed company should be governed by an effective Board which provides guidance and controls the company. The Code in section A.2 advises that the Board should include a balance of independent Non-Executive and remaining directors, such that no individual director or a small group of directors can dominate the Board's decision-making. Non-Executive directors should also have sufficient abilities, knowledge and experience, since their opinions carry significant weight in the decision-making process.

The Code also suggests the establishment of three different Committees of the Board. Subject to section A.4.1 of the Code the Nomination Committee leads the process for board appointments and makes recommendations to the Board. Section B.1.1 of the Code provides that the Remuneration Committee makes recommendations regarding the remuneration policy, while the Audit Committee, according to section C.3.2, submits proposals to the Board as regards the appointment, termination and remuneration of the auditors and keeps under continuous review the scope, results and cost-effectiveness of the audit and the independence and objectivity of the auditors. However, the Code encourages the Board to proceed with the establishment of more committees when necessary.

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

By virtue of section A.4 of the Code, there should be a formal and transparent procedure for the appointment of new directors. Such directors should be competent, suitable and able to participate in the Board. Directors should resign at regular intervals, but at least every three years, and can submit themselves for re-election at the general meeting.

The first directors are appointed either by being named in the Articles or by a clause giving the subscribers the power to appoint them. Subsequent directors are elected by the shareholders in the manner set out in the Articles.

According to section 178 of the Companies' Law, a company can by ordinary resolution remove a director, prior to the expiration of his period in office, irrespective of any provisions included in the Articles or in any other contact. However, the director concerned retains the right to submit relevant written representations.

The Companies' Law does not set any requirements regarding the age or nationality of directors. Nonetheless – according to standard practice – in order for a company to be considered as a Cyprus resident for tax reasons, the majority of the Board should be Cypriot residents. This is one of the criteria proving that a company's management and control is exercised in Cyprus.

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

The Code recommends that companies should establish a formal and transparent procedure for developing a policy on executive directors' remuneration and for ascertaining the remuneration packages. As a principle, directors should not be involved in deciding their remuneration. A Remuneration Committee should be established, consisting of Non-Executive directors for the purposes of making recommendations to the Board on the Executive directors' context and level of remuneration, which is finally approved by the General Meeting.

The level of remuneration should of course be sufficient to attract and retain the directors required to manage and administer the company successfully. Nevertheless, companies should avoid paying more than is necessary for this purpose. The Code also advises that a proportion of the remuneration of Executive directors should be structured in a way as to link rewards to corporate and individual performance.

In all cases, according to Article 76 of Table A regulations, the General Meeting is able to decide on the remuneration of the directors. Pursuant to section 188 of the Companies' Law, details regarding the directors' remuneration must be included in the financial statements presented before the General Meeting.

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

Subject to the provisions of The Inside Information and Manipulation of the Market (Abuse of the Market) Law, when directors hold confidential information about the company, they cannot purchase or sell any of its financial instruments. Breach of the relevant provision entails serious sanctions. Directors of a company cannot buy or sell the company's financial instruments during closed periods or without the prior written consent of the Board. Furthermore, directors are required to report all relevant transactions to CSE and CySEC and publish such on the company's website.

Every company must maintain a Register regarding the shares held by each director in that company or in any other subsidiaries or affiliated companies.

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

The company's Articles contain provisions regarding the process for the meetings of the directors, which normally concern the required quorum, the necessary notice and the voting requirements. There is no statutory requirement regarding the minimum number of meetings per year; again the Articles may include provisions regulating such.

The Code in section A.1.1 provides that the Board should meet regularly at least six times a year, while according to section A.1.2 the meetings should have a formal schedule of matters. The Code advises that the Chairman of the Board is responsible for the proper running of the meeting and should ensure that all the issues on the agenda are sufficiently supported by all available information. Moreover, the minutes of a meeting should contain details on the resolutions taken and should be at the disposal of all directors as soon as possible following the meeting and in any case before the next one.

A director who has a personal interest in a matter is obliged to declare his interest and, depending on the Articles, he may be excluded from voting or he may not be counted at all for quorum purposes.

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

In general, directors must act in good faith, in the best interests of the company and for the benefit of its members as a whole and in doing so they should have regard to the long-term consequences of their decisions and the impact on the company's reputation in the market.

Directors owe a duty to the company to manage it according to the Cypriot and European Union Laws and Regulations, as well as to its Memorandum and Articles. When in breach of this fiduciary duty, directors shall be liable for any loss caused either by illegal acts or by *ultra vires* acts.

Furthermore, there is a duty of care in common law which includes a duty not to act negligently in managing the affairs of the company. Nevertheless, according to section 383(1) of the Companies' Law if the directors act honestly and reasonably in the light of the specific circumstances of the case, they cannot be held liable.

Moreover, the directors are responsible for the settlement of any conflict of interest between the directors and the shareholders and any associated or related parties. One of their roles is to monitor the company, its activities and related risks.

In addition, a number of statutory provisions impose various notification, disclosure or reporting duties on the directors, especially regarding the acquisition and disposals of shares of the company. Breach of statutory duties may result in sanctions and penalties.

3.7 What are the main specific corporate governance responsibilities/functions of members of the management body?

The Boards of Directors of the Companies to which the Code applies decide on a number of issues exclusively reserved for them. These include, among others, the objects and strategic policy of the company, the annual budget and business plan, the significant capital expenditures, the mergers, acquisitions and allocations of the company's assets, as well as the adoption and any changes in the application of accounting principles.

According to section A.2.1 of the Code, the Board should include a sufficient number of non-executive directors that have adequate knowledge and experience to assist in decision-making. In fact, non-executive directors should be no less than one third of the Board.

Furthermore, the Board should maintain a sound system of internal control to safeguard the investments of shareholders and the assets of the company. Section C.2.1 provides that directors should annually review the effectiveness of the internal control systems, together with the procedures utilised to confirm the accuracy and validity of the information provided to investors and should report such in the Report on Corporate Governance. This review should include all systems of internal control, financial, operational and compliance systems and systems for risk management. The Board should also certify annually therein that it took no cognisance of any violation of the applicable laws and regulations.

3.8 What public disclosures concerning management body practices are required?

The sole requirement introduced by the Code regarding disclosure of practices is the obligation of the Board to issue the Annual Report on Corporate Governance. This report should include *inter alia* an assessment of internal control and other financial, operational and compliance systems, a verification that the company has not violated any relevant laws and regulations and a reference to any loans granted, any guarantees provided and to the company's accounts. Moreover, the company must state in the first part of the report whether the principles of the Code are being implemented and confirm in the second part that it complies with such and if not, give relevant explanations.

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

The Articles or a contract may include provisions regarding the indemnification of directors. Nonetheless, such provisions shall be void regarding any negligence, default, breach of duty or breach of trust of which the director may be guilty, concerning the company.

A director can in fact obtain insurance against personal liability in the exercise of his duties as director of the company and the company may pay the insurance premium.

4 Corporate Social Responsibility

4.1 What, if any, is the law, regulation and practice concerning corporate social responsibility?

Although awareness on corporate social responsibility is growing, this is yet to be transposed into Cyprus law. Corporate social responsibility is evident in various internal policies that have been developed over time and through the introduction of social events aiming to raise awareness and to encourage collective contribution particularly in the health, education and environment sectors. This tendency is expected to grow, particularly having in mind the renewed EU strategy for corporate social responsibility which aims to secure sustainable growth, responsible behaviour and a durable employment generation, encouraging European companies to take into account the principles envisaged in the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the ISO 26000 Guidance Standard on Social Responsibility.

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

Although employees do not play an active role in corporate governance, particularly since they are not regulated under the Companies' Law or the Code, they nevertheless contribute by way of compliance with internal policies, rules and practices that each company may have.

5 Transparency and Reporting

5.1 Who is responsible for disclosure and transparency?

The company or its administrative and management bodies are responsible for the formulation and publication of the required information.

5.2 What corporate governance related disclosures are required?

The corporate governance disclosures can be found in the main body of the Transparency Law, the Code, the Market Manipulation Law and the Companies' Law.

A. Transparency Law

Where the transferable securities of the legal entity have been admitted to trading on a regulated market, the provisions of the Transparency Law will be applicable. This law requires the following disclosures to be made:

1. Financial disclosures

(a) Within four months of the end of each financial year, an annual financial report comprising of:
   (i) annual financial statements;
   (ii) the director's report; and
   (iii) a statement by the Board, the general and financial directors confirming that the annual financial statements have been prepared in accordance with the applicable accounting standards, they reflect the true and fair view of the financial standing of the entity and the director's report provides a fair view of the development and performance of the business, together with a description of the major risks and uncertainties faced.

(b) Within two months of the end of the first half of the financial year, half-yearly financial reports containing:
   (i) interim financial statements;
   (ii) an interim management report containing, *inter alia*, a detailed and extensive economic analysis, declarations of income deriving from extraordinary activities, comparative economic analysis with the previous year, the principal risks and uncertainties for the remaining 6 months and any other substantial information which affect or could affect the evaluation; and
   (iii) a statement by the Board, the general and financial directors confirming that the annual financial statements have been prepared in accordance with the applicable accounting standards, that they reflect a the true and fair view of the financial standing of the entity and confirming that the content of the management report provides a fair view of the information contained therein.

(c) An interim management statement must further be published during the first and second half of the financial year. It must include an explanation of the material events and transactions that have taken place and their impact on the financial position of the entity, together with a general description of the financial position and performance of the entity.

(d) Quarterly financial reports may need to be published if:
   (i) it is decided by the Board of the CSE;
   (ii) pursuant to the obligations imposed by the regulated market; or
   (iii) by the company's own initiative.

(e) Indicative results must further be disclosed as soon as possible or the latest within two months form the end of the financial year in relation to the net gain or loss after tax for the full financial year accompanied by a report which includes, *inter alia*, the following:
   (i) a detailed and extensive economic analysis of the results;
   (ii) a declaration of any income from non-recurring or extraordinary activities;
   (iii) an extensive and detailed comparative economic analysis of the figures for the period in comparison to the previous year evidencing the changes and differences between the two periods as an indication of important events which occurred during the first six months of the financial year and their impact on the interim financial statements; and
   (iv) any other substantive information.

2. Ongoing obligations

(a) A company acquiring or disposing its own shares must disclose the total amount of the said shares, provided the shares amount to or exceed 5% or 10% of the total voting rights in the case of an acquisition or amount to or fall below the said thresholds in the case of a disposal.

(b) Where an increase or decrease of the total capital and voting rights occurs, a disclosure must be made by the company at the end of each calendar month during which such increase or decrease has occurred.

(c) Upon receipt of any notification, the company must disclose all the information contained therein as soon as possible and in any event before the close of the next business day following receipt of the notification.

(d) Where a draft proposal for the amendment of the company's memorandum and articles is made, the company must notify the details to CySEC and the regulated market upon which the securities are traded. This must be done soon as possible and at the latest before the general meeting for the examination of the proposed amendment is convened.

(e) When a change is made to the rights attaching to various classes of shares, including the variation of rights attaching to derivative securities, the company must disclose the said change immediately.

3. Establishing communication between the company and its security holders

(a) Additional obligations arise for the purpose of ensuring equal treatment between shareholders holding shares of the same class. Particularly, the company must ensure that all necessary facilities and information are available allowing the shareholders or security holders to exercise their rights. The company is specifically obliged to provide information in relation to the place, date and agenda of meetings, the total number of shareholders and their voting rights and to further publish announcements and issue circulars in relation to the allocation and distribution of dividends or the issue of new shares, including information on any arrangements for allotment, subscription, cancellation or conversion.

4. Disclosures relating to the acquisition or disposal of shares which attach voting rights

(a) Where a shareholder acquires or disposes shares attaching

voting rights in the company, the company and CySEC must be notified of the percentage of rights held by such shareholder if, in the case of an acquisition, the percentage of voting rights reaches or exceeds the thresholds of 5%, 10%, 15%, 20%, 25%, 30% or 50% or in the case of a disposal the voting rights reach or fall below the said thresholds. The same obligations arise where an equivalent event occurs, changing the breakdown of the voting rights and where the voting rights are *inter alia* held by a third party. Similar provisions are applicable where financial instruments held in the company entitle the holder to acquire shares attaching voting rights. The obligation to notify in this case arises where at the date of maturity the holder of the financial instrument has an unconditional right to acquire the underlying shares or the discretion to acquire such shares.

B. The Code

The Code outlines the content that should be included in the director's corporate governance report which accompanies the annual report. The report must specify whether the company complies with the Code and the extent to which it implements its principles. The Code puts particular emphasis on internal transparency as regards the procedure for appointment of new directors, director's remuneration and maintaining an appropriate relationship with the company's auditors. Principle B.3 further provides that the company's report should contain a statement of the remuneration policy and related criteria, as well as details of the remuneration of executive and non-executive directors.

C. Market abuse

The Market Manipulation Law imposes further disclosure obligations for the purpose of eliminating insider dealing and market manipulation. In accordance with section 11 of the said law, companies dealing in financial instruments which are traded on a regulated market must publish as soon as possible inside information which directly concerns them and significantly affects the prices of the instruments. The information must be published by:

- announcement to Cyprus stock exchange;
- announcement to CySEC; and
- announcement on the website of the company if the company maintains one.

D. Companies Law

In addition to the above, a company – whether private or public – must ensure that all the disclosure and notification requirements under the Companies' Law are likewise complied with.

5.3 What is the role of audit and auditors in such disclosures?

Under the Transparency Law

The role of the auditors is to review the financial statements outlined in question 5.2 above, and to issue an audit report.

Under the Companies' Law

In addition to the above, the Companies' Law provides that at every AGM the company must appoint an auditor from the end of the AGM until the end of the next AGM. In accordance with Cyprus law, every public company must have its financial statements audited. The auditors must be properly licensed to conduct the audit and whilst undertaking the statutory audit:

(a) the auditors must be independent from the audited entity;

(b) the auditors must not be involved in its decision-making body; and

(c) there must not be a direct or indirect economic or professional, employment or other relationship.

5.4 What corporate governance information should be published on websites?

Where the company has admitted its securities on a regulated market, the Transparency Law requires that all the information outlined in question 5.2 above which the company is obliged to disclose, together with any additional information as may be specified in circulars issued by CySEC, must be published on the company's website. This information must further be communicated to CySEC and CySEC may additionally publish the information on its website.

In accordance with the Companies' Law, if a company has a website, it is further obliged to publish thereon its name, registration number, the nature of the company (whether it is public or private) and its registered office.

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Angeliki Epaminonda received her LLB from Keele University in the UK in 2008 and then continued to do the Legal Practice Course at Kaplan Law School in London in 2009. She joined Patrikios Pavlou & Associates LLC as a trainee lawyer at the beginning of 2010 and she was admitted to the Cyprus Bar Association within the same year. Since then, Angeliki has been practising in the areas of corporate, commercial and financial law and mergers and acquisitions. She is fluent in English, Greek, French and has a good knowledge of the Italian language.

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