Due to worldwide corporate governance failures and accounting scandals in recent years, there is a growing interest in studying the impact of corporate governance on firm performance (e.g., Brown and Caylor, 2006; Dittmar and Mahrt-Smith, 2007; Gompers et al., 2003). Among corporate governance elements, the oversight responsibilities of boards of directors and audit committees have been emphasized by policy makers, regulators, and researchers. Such emphasis is based on the idea that independent, informed, and proactive boards and audit committees can and should be key in protecting the interests of investors (Sarbanes-Oxley Act, 2002 [SOX]). This paper investigates the association between characteristics of boards and audit committees and the formation of the latter, and firm performance. Our study is motivated by conflicting results in the literature and lack of research on the association between corporate governance practices and firm performance in emerging markets. Agency theory suggests that a better-governed firm should have better performance and higher valuation due to lower agency costs. For example, Gompers et al. (2003) find that better corporate governance is associated with higher firm valuation. Brown and Caylor (2006) find that bettergoverned U.S. firms have higher return on equity, higher return on assets, and higher Tobin's Q— a measure of performance. However, resource dependency theory argues that corporate directors bring information and expertise to the firm, create channels of communication with the firm's important external constituents, obtain commitments of support from outsiders, and work to create legitimacy for the firm in its external environment (Pfeffer and Salancik, 1978). Thus, this theory views corporate directors as "insiders, business experts, support specialists, and community influentials" (Hillman et al., 2000). From the resource dependency theory perspective, there could be a negative relation between board independence and firm performance and value (Singh and Gaur, 2009; Khosa, 2017; Adams and Ferreira, 2007; Harris and Raviv, 2008). Our study investigates such board-performance relationships in an emerging market of Greece, where both monitoring and resource dependency/advisory roles of boards might be important to firms. The extant literature has also documented the role of audit committees in reducing internal control weakness and financial statement restatement frequency, and increasing earnings quality (Abbott et al., 2004; Klein, 2002; Krishnan, 2005; Zhang et al., 2007).