



**PIRAEUS PORT AUTHORITY S.A.**  
**AUDIT COMMITTEE REGULATION**



**JULY 2021**

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## **PREAMBLE**

The present Audit Committee Regulation of the Societe Anonyme under the name "PIRAEUS PORT AUTHORITY SA" and the distinctive title "PPA SA", was prepared in accordance with the provisions of laws 3016/2002 (Government Gazette 110/17.05.2002) as well as for as long as it is valid, 4449/2017 (Government Gazette 7/24.01.2017) as in force after its amendment by Law 4706/2020 (Government Gazette 136/17.07.2020), the relevant circulars of the Hellenic Capital Market Commission with protocol numbers 1302/28.04.2017, 1508/17.07.2020 as well as and the Board of Directors decision of the Hellenic Capital Market Commission 1/891/30.09.2020.

The Regulation describes the responsibilities, duties, obligations and other parameters of the operation of the Audit Committee, in accordance with the above provisions, approved and entered into force by the decision 26/16-07-2021 of the Company's Board of Directors. The respective members of the Committee are obliged to comply with this Regulation.

## **ARTICLE 1: ROLE - SCOPE**

1. The Audit Committee (hereinafter "AC") of PPA S.A. (hereinafter PPA or the Company) constitutes a Committee of the Board of Directors (hereinafter BoD) of the Company within the legal framework in force and the corporate governance provisions which apply to Société Anonyms companies with shares or other securities listed on a regulated market in Greece.
2. The "AC" of the Company is hereby established with the purpose of assisting the BoD to fulfil its oversight responsibilities of the audit procedures for complying with the legal and regulatory framework regarding: (a) Financial Information, (b) the Internal Control System, the Risk Management System, the Regulatory Compliance System, and (c) supervision of the (external) Statutory Audit of the Company's Financial Statements

## **ARTICLE 2: STRUCTURE**

- a) The "AC" is consisting of at least three (3) BoD members and operates as a committee of the BoD. For as long as the HRADF continues to hold five per cent (5%) or more of the total voting shares issued by the Company and outstanding, a non-executive Director of the HRADF's choice shall be appointed on the Audit Committee.
- b) The type of the "AC" (BoD Committee) the term of office, the number and the qualities of its members are decided by the General Assembly.
- c) The members of the "AC" are in their majority independent of the audited entity, within the meaning of the provisions of the Law on Corporate Governance (article 4 of Law 3016/2002 and article 9 of Law 4706/2020), as set out in Annex A to this Regulation.

- d) The Chairman of the “AC” is appointed by the members and is independent of the Company.
- e) In case of resignation, death or loss of membership, the BoD appoints from its existing members, a new member to replace him/her, for the period until the end of his/her term.
- f) The “AC” members, as a whole, should have competence relevant to the sectors in which the Company operates and its Chairman should be a chartered accountant, on dispensation or retired, or has a proven track record in auditing and accounting. Appointments to the “AC” should be made by the BoD on the recommendation of the Company's Remunerations and Nomination Committee.
- g) Members of the “AC” should not hold parallel positions or capacities or engage in transactions that could be considered as incompatible with the Committee's mission. Participation in the “AC” does not exclude the possibility for the members to participate in other Committees of the BoD.
- h) The members of the “AC” have to keep due confidentiality regarding all information coming to their knowledge in their capacity in regards to the Company.

### **ARTICLE 3: MEETINGS – CONVOCAION PROCEDURE**

1. The meetings of the “AC” are held at least four (4) times per year. The “AC” must hold meetings, prior to the approval by the BoD of the financial statements (annual, semi-annual). In addition, the “AC” holds meetings whenever these are deemed necessary by its Chairman, or following a proposal to this respect by any “AC” member to the Chairman.
2. In the context of fulfilling its duties, the “AC” shall meet with the Management and other designated executives of the Company during the preparation of the financial reports as well as with the auditors, during the planning of the statutory audit, throughout the audit itself and in any case in view of the preparation of the report (main and supplementary) to the “AC”.
3. The “AC” stands in quorum and duly convenes when at least two members are present. All “AC” decisions are adopted on the basis of absolute majority of its members.
4. The “AC” is supported in its administrative needs by the Secretariat of the BoD of the Company and as Secretary serves the Secretary of the PPA BoD.
5. In preparation for the “AC” meetings two (2) business days prior to the meeting an agenda is drafted which is sent to its members together with the meeting’s invitation and includes all the information necessary for the timely and adequate briefing of the “AC” members.
6. The “AC” may hold its meetings by teleconference or conference call if its Chairman so decides.
7. The “AC” Secretary keeps records in minutes the discussions and decisions of “AC”, meetings which are signed by all “AC” participating members. Such minutes include all necessary information reflecting the actions of the “AC” and the results of such actions as to

the fulfilment of the AC's duties. The minutes are distributed by the Secretary to the recipients designated by the "AC" or anywhere else deemed necessary. The minutes of the "AC" meetings are kept in an electronic and paper file.

8. Drawing up and signing by all "AC" members of "AC" minutes is equal to the taking of a decision even if no meeting or invitation to a meeting has preceded.

9. At the "AC" meetings, the CEO, members of the BoD of the Company, the Heads of Internal Audit Department (hereinafter IAD), other corporate officers and statutory auditors and/or consultants offering their services to the "AC" as well as third parties may be invited to participate without voting rights, on the condition that issues of their responsibility are being discussed and the "AC" deems that their presence is required to provide information and clarifications or to facilitate and assist the "AC". Persons with no voting rights shall not be present at any voting sessions.

#### **ARTICLE 4: RESPONSIBILITIES - DUTIES**

The "AC" role is fulfilled on the basis of the following responsibilities and tasks through the procedures applied by it.

The "AC":

- Monitors the procedure and the administration of the statutory audit of Company's financial statements. In this context, it informs the BoD about issues arising from the administration of the statutory audit, explaining in detail:

*a) The contribution of the statutory audit for the quality and integrity of the financial information, including the respective disclosures, approved by the BoD and made public.*

*b) The role of the "AC" in the above-mentioned procedure, namely the recording of the actions undertaken by the "AC" during the statutory audit procedure.*

In the perspective of the above notification provided by the BoD, the "AC" considers the content of the supplementary report of the External Auditor which contains the results of the audit carried out which meets the specific requirements, pursuant to Article 11 of Regulation (EU) 537/2014 of the European Parliament and of the Council, dated 16 April 2014.

- In cooperation with the Company's Financial Disclosure Information Department, it monitors, reviews and evaluates the process of preparing financial information, i.e. the mechanisms and production systems, flow and dissemination of financial information issued by the Company's organizational units. The above actions of the Committee include also other published information in any way (e.g. Announcements) in relation to its financial information. In this context, the "AC" shall inform the BoD of its findings and shall submit proposals for improvement, if appropriate.

- Monitors, reviews and evaluates the adequacy and effectiveness of all Company policies, processes and security measures regarding the internal control system, the risk

assessment and the regulatory compliance. In the context of this evaluation, the AC ensures and monitors the external evaluation that is carried out periodically, in accordance with Law 4706/2020.

- The “AC” monitors and inspects the proper functioning of the Internal Audit Department, as well as Regulatory Compliance and Risk Management functions, pursuant to the applicable Professional Standards as well as the legal and regulatory framework in force, and evaluates their work, adequacy and effectiveness.

In its assessment of the effectiveness of the Internal Audit Department (hereinafter IAD) function the “AC”:

- communicates with the Manager of the IAD without the presence of management to discuss the effectiveness of the internal audit function;
- reviews and assess the annual internal audit work plan;
- receives reports on the results of the internal auditors' work; and
- monitors and assess the role and effectiveness of the IAD function in the overall context of the Company's risk management system.

The “AC” also reviews information about Company's main risks and uncertainties in relation to the financial reporting. In this context, the “AC” shall inform the BoD of its findings and shall make suggestions for improvement, if appropriate.

- Reviews and monitors the independence of the external auditors / audit companies pursuant to Law 4449/2017 (Articles 21, 22, 23, 26 and 27), as well to Article 6 of Regulation (EU) 537/2014 of the European Parliament and the Council of 16 April 2014, and in particular the suitability of providing non- audit services to the Company, pursuant to Article 5 of the Regulation and the established corporate policy.
- Is responsible for the selection process of the External Auditors and proposes the External Auditors to be appointed under a resolution of the General Assembly of Shareholders of the Company.
- Monitors the statutory audit of the annual financial statements and in particular their issuance, considering any findings and conclusions.
- Has the authority to investigate any matter within its competence and is in a position to:
  - Receive information, access any files, databases, data, documents in whichever form (by way of example written, electronic, audiovisual, a.o.) accessible on whatever physical, electronic, optical analogue etc including cloud based medium it deems necessary for the exercise of its duties by any Manager/Director or employee of the Company;
  - Ensures there are no restrictions in the work of the IAD.
- Engages external professional consultants and decides on their remuneration, in compliance with the applicable legal and regulatory framework.

- Submits an annual activity report to the shareholders during the regular General Assembly, which includes a description of the sustainable development policy pursued by the Company.

The needs of the AC or the new formulation of the legislative / regulatory framework or the provisions of corporate governance may require the change of the responsibilities of the AC described above.

Moreover, indicative actions are to be undertaken during the year by the “AC”, within the framework of the above competences:

#### **A. External Audit / Financial Information Process**

- Submits proposals pursuant to Article 16 of Regulation (EU) 537/2014 and the provisions of Law 4449/2017 through the Company's BoD to the General Assembly of the Shareholders for the appointment of the External Auditor, as well as for the approval of the remuneration and the terms of employment of the External Auditor.
- Performs an annual assessment of the effectiveness, independence and objectivity of the External Auditor and supervises the periodic rotation of its key associates.
- Evaluates and approves the provision of non-audit services that may be provided by the statutory auditors, under the provisions of the existing legislation, as well as the corresponding fees for the above provided services.
- Holds meetings with the participation of the External Auditor at least twice a year, without the presence of the Management, for discussing issues and problems (if any) related to the execution of the audit.
- Examines and seeks to resolve any disagreement between the Management and the External Auditor related to the audit and the financial information.
- Submits proposals to BoD where additional audit works by External Auditor are required.
- Is to be informed by the Management about the process and schedules for issuing financial information.
- Is to be informed by the External Auditor on the annual audit plan prior to its implementation, assesses it and ensures it covers the most important audit areas, taking into account the main business and financial risks. The “AC” may also make proposals on other important issues if it deems appropriate.
- Takes into consideration and examines the most important risks that may have an impact on the financial statements, as well as on the important estimates of the Management during their preparation.
- Reviews the financial statements before they are approved by the BoD in order to assess the completeness and consistency of the financial information provided and the appropriateness of the accounting principles adopted by the Company.

- Informs the BoD about the outcome of the statutory audit and explains, through the report submitted by the External Auditor, how the statutory audit has contributed to the integrity of the financial information and the role of the “AC” in this process.
- Submits proposals to the BoD for special areas where additional audits may be required.

**B. Procedures for monitoring operation and effectiveness of the Internal Audit System and Department, as well as Regulatory Compliance and Risk Management functions**

- Monitors, reviews and evaluates the adequacy and effectiveness of Internal Audit System and Department, as well as Regulatory Compliance and Risk Management functions.
- Proposes and evaluates the staff and the organizational structure of Internal Audit Department, as well as Regulatory Compliance and Risk Management functions. If appropriate, it submits proposals to the BoD so that the above have the necessary means, the adequate staff, to be free of limitations in their work, and have the necessary independence. In addition, if appropriate, it submits proposals to the BoD so that the above can be assisted in their work by external specialized consultants.
- Approves the Charter of the above.
- It is informed of the IAD's annual audit programme prior to its implementation, evaluates and approves it, taking into account the main business and financial risk areas as well as the results of previous audits. In particular, it confirms the Annual Audit Programme covers the most important control areas and systems related to the financial reporting and submits it to BoD for approval. It holds regular meetings with the Manager of IAD in order to discuss matters of its competence.
- Monitors the notifications/briefings to the BoD on their financial reporting, risk assessment and management and Corporate Governance.
- Reviews the quarterly IAD Reports and the Management's response to IAD findings and suggestions and communicates these to the BoD.
- Reviews the management of the main risks faced by the Company and their periodic review. In this context, it evaluates the methods used by the Company for identifying and monitoring of risks, addressing the main ones through the internal control systems, as well as disclosing them in the published financial information in the proper manner.
- Contributes to the periodic evaluation of the Internal Control System according to the provisions of L.4706/2020, and more specifically for the process of proposal, selection and approval of the evaluation assignment as well as the appointment of the competent person / body to monitor and comply with the agreed project.
- Approves the annual action plan for the regulatory compliance of the Company, in accordance with the above and monitors its implementation.
- Receives the Evaluation Report of the Company's internal control system, a summary of which with all the provided parts according to the decision 1/891/30.09.2020 of the Board of Directors of the Hellenic Capital Market Commission as in each case in force (and if required,

the whole of it) is submitted without delay to the Hellenic Capital Market Commission within three (3) months from the reporting date of the Evaluation Report.

- Informs the BoD on the results of all the above actions and submits proposals for corrective actions, if appropriate.

## **ARTICLE 5: MEANS AND IMPLEMENTATION OF RESPONSIBILITIES**

1. In order for the “AC” to carry out its responsibilities, and on the basis of decisions of the BoD that have been adopted following AC proposals thereto, procedures and policies may be introduced.

2. In addition, the “AC” may use, external consultants for the execution of its responsibilities, pursuant to the established Company procedures.

3. The “AC” defines and the Company's Management must provide the necessary financial resources and means for the executions of the AC's responsibilities, pursuant to the established Company procedures.

4. The Company is obliged to provide to the “AC” all information, data, decisions that are necessary for the latter's execution of duties and responsibilities.

To this purpose, the unimpeded access of the “AC” to all fundamental information and data/archives of the Company is ensured; the “AC” may directly request from the Company's units of any level any information deemed material for the execution of its responsibilities.

“AC” reviews, at least annually, its effectiveness in carrying out its duties. Each year, the “AC” should perform a self-assessment that identifies its strengths and weaknesses and to create a plan of action to address any areas of weakness. Feedback should be obtained from its members and from other groups with which the committee interacts such as other members of the BoD, senior management, internal and external auditors.

## **ARTICLE 6: ETHICS PRINCIPLES AND RULES OF GOOD INTERNAL OPERATION**

In carrying out their duties, the members of the Commission shall strictly adhere to the following principles:

- Compliance with the legislation, the Articles of Association, the Internal Regulations of the Company and the decisions of its bodies.
- Loyalty to the Company and prevention of damage to its interests.
- Maintaining the confidentiality of information.

- Non-exploitation and use of confidential and privileged information.
- Prohibition of extra-corporate activities, which could hinder independent decision-making and lead to conflicts of interest.

#### **ARTICLE 7: REMUNERATION OF MEMBERS**

The remuneration of the members of the Audit Committee is determined by decision of the Board of Directors and is approved by decision of the Annual General Meeting of the Company. The remuneration must correspond to the extent of their duties, considering, inter alia, the complexity - the scale of their work, the time required to work, the degree of their responsibility and the level of remuneration of the other members of the Board of Directors.

#### **ARTICLE 8: APPLICATION - AMENDMENT PROCESS**

1. The present Regulation enter in force on the day of their approval by the BoD.
2. The Regulation is amended at any time following proposal of the AC, and approval by the Company's BoD. Any new legislation provisions that either address matters regulated by the Regulations differently or provide alternative options for their regulation, may be adopted directly by the AC once they shall become effective and prior to amending these Regulations.
3. These Regulations is uploaded on the Company's site.

## **Annex A (form an integral part of the Regulation)**

### **Provisions on independence of article 9 of law 4706/2020.**

The non-executive member of the Board is considered independent, if at the time of his appointment and during his term of office: (a) does not hold, directly or indirectly, a percentage of voting rights greater than zero-point five percent (0.5%) of the share capital of the Company and (b) is free from financial, business, family or other dependent relationships, which can influence his decisions and his independent and objective judgment.

A dependency relationship exists in particular in the following cases:

a) When the member receives any significant remuneration or benefit from the Company, or from a company affiliated with it, or participates in a stock options option or in any other remuneration or benefit system related to the performance, other than the remuneration for the participation in the Board of Directors or in its committees, as well as in the collection of fixed benefits under the pension system, including deferred benefits, for previous services to the Company. The criteria by which the meaning of significant remuneration or benefit is defined are set out in the company's remuneration policy.

b) When the member or person, who has close ties with the member, maintains or has maintained a business relationship during the last three (3) financial years before his appointment with:

ba) the Company or

bb) a person affiliated with the Company or

bc) a shareholder who directly or indirectly holds a stake equal to or greater than ten percent (10%) of the Company's share capital during the last three (3) financial years prior to his appointment, or affiliated with this company, if this relationship affects or may affect the business activity of either the Company or the person of par. 1 or the person who has close ties with it. Such a relationship exists especially when the person is a significant supplier or a significant customer of the Company.

c) When the member or the person who has close ties with the member:

ca) has been a member of the Board of Directors of the Company or its affiliated company for more than nine (9) financial years in total at the time of his election;

cb) has been a manager or maintained an employment or project or services relationship or a salaried mandate with the Company or with a company affiliated with it during the last three (3) financial years prior to his appointment;

cc) has a second-degree kinship by blood or by marriage, or is a spouse or partner equated to a spouse, member of the Board of Directors or senior management or shareholder, with a participation percentage equal to or greater than ten percent (10%) of the share capital of the Company or a company affiliated with it,

cd) has been appointed by a certain shareholder of the Company, according to the articles of association, as provided in article 79 of law 4548/2018,

ce) represents shareholders who directly or indirectly hold a percentage equal to or greater than five percent (5%) of the voting rights at the general meeting of the Company's shareholders during his term of office, without written instructions;

cf) has carried out a mandatory audit in the Company or in a company affiliated with it, either through a company or himself or his relative up to the second degree by blood or by marriage or his spouse, during the last three (3) financial years before his appointment,

cg) is an executive member in another company, in the Board of Directors of which an executive member of the Company participates as a non-executive member.

## History Table Changes

| <b>Version</b> | <b>Date</b>       | <b>Description of Changes</b>   |
|----------------|-------------------|---|
| <b>1.0</b>     | <b>27.10.2016</b> |   |
| <b>2.0</b>     | <b>28.06.2017</b> | <b>Shareholders' General Assembly resolution. Harmonization with Article 44 (1) of Law 4449/2017</b>          |
| <b>3.0</b>     | <b>16.07.2021</b> | <b>BoD resolution. Harmonization with Article 74 of Law 4706/2020 and Capital Market Commission Circulars</b> |