



## **PIRAEUS PORT AUTHORITY S.A.**

**Report of the Independent Non-Executive members of the Board of Directors  
to the Annual Ordinary General Assembly of Shareholders 2022.**



**JUNE 2022**

## **Report of the Independent Non-Executive members of the Board of Directors to the Annual Ordinary General Assembly of Shareholders, as per article 9, par. 5 of Law 4706/2020**

This report is submitted jointly by the independent non-executive members of the Board of Directors (hereinafter “BoD”) of the company “Piraeus Port Authority S.A.” (hereinafter “PPA SA” or “Company”) to the Annual General Assembly of the Company’s Shareholders, in accordance with article 9, par. 5 of Law 4706/2020 and the relevant guidelines issued by the Hellenic Capital Market Commission (No. 1591/05.07.2021).

In the context of the obligations set out in article 7 of Law 4706/2020 for the non-executive members, including the independent non-executive members, the non-executive members:

- a) monitor and review the strategy of the company and its implementation as well as the achievement of its goals,
- b) ensure the effective supervision of the executive members including the monitoring and the examining of their performance, and
- c) examine and express their opinion on the recommendations submitted by the executive members, based on the existing information.

At the time of drafting this Report, the PPA SA BoD consists of ten (10) members, out of which three (3) are executive and seven (7) non-executive, out of which four (4) are independent, and have been elected under the decision of the Ordinary General Assembly of 15.07.2021 (Messrs. KWONG Che Keung Gordon, IP Sing Chi, Nikolaos Arvanitis), in conjunction with the decision of 16.11.2021 of the Extraordinary General assembly on the appointment of an independent non-Executive BoD member Mr. Moralis Ioannis.

In order to determine the fulfillment of the independence criteria of article 9 of Law 4706/2020 in the person of the independent BoD members, the following were examined:

- a) their detailed CV, which includes information about their current and previous activity;
- b) their signed declaration, according to which the fulfillment of the conditions of independence of article 9 of Law 4706/2020 is confirmed;
- c) the non-possession of a percentage of voting rights greater than zero party five percent (0.5%) of the share capital of the Company;
- d) the results of the audit of the Company's contract registry, as well as its accounting records and books regarding the non-existence of remuneration or benefits (except for

remuneration as BoD members for their term of office) or anywhere else with the Bonding Company that would create a dependent relationship that would make it non-independent under the conditions of article 9 of Law 4706/2020.

The synthesis of the Company's BoD completely covers the appropriate exercise of its responsibilities, reflects the size and activity of the Company and its characteristic feature is diversity of knowledge, skills and experience that can contribute to the achievement of business objectives.

The BoD is characterized by diversity, including seven (7) members of other nationality, except for Greek, and with different background. They possess a variety of skills, knowledge and experience. Also, in terms of gender diversity, the composition of the Board complies with the requirements of law (2 women - 8 men). For their election, the requirements of law, of the Suitability Policy of the members of the BoD as well as of the Diversity, Equity & Inclusion Policy, which have been adopted by the Company, were taken into account.

The BoD, which operates effectively in order to serve the long-term interests and sustainability of the Company, exercises its responsibilities in accordance with the provisions of the legislation for public limited companies and for the companies with securities listed on a regulated market, the Company's Articles of Incorporation, the Company's Regulation of Operations and the Regulation of Operations of the BoD, also taking into account the requirements of the Hellenic Corporate Governance Code 2021 (HCGC), which was adopted by the BoD and is applied to the Company's operation.

The executive members are distinguished for their integrity, objectivity and professionalism and have worked well together in the past and continue to work just as harmoniously. They have knowledge and experience in exercising supervision over the general functions and activities of the Company.

The non-executive members of the BoD, including the independent members, may in any case communicate seamlessly with the management of the Company and be informed by them.

The Board of Directors is supported by three Board Committees, namely the Audit Committee, the Remuneration Committee and the Nominations Committee,

On 15.07.2021, with General Assembly decision and pursuant to the provisions of article 44 of Law 4449/2017 as amended by Law 4706/2020 and currently in force, decided the type, the composition and the term of office of the Audit Committee as an independent Committee of the Board of Directors, consisting of three (3) non-executive, on their majority independent, BoD members.

The three-member Audit Committee has as main purpose to support the BoD in its duties to ensure the adequate and efficient operation of the Company's Internal Control System, i.e. all internal control mechanisms and procedures (especially in terms of financial reporting, risk management, internal audit, compliance and the monitoring of the statutory audit), which covers on a continuous basis the activities of the Company and contributes to its safe and efficient operation.

The current composition of the **Audit Committee** and its Operation Regulation are uploaded on the Company's website (<http://www.olp.gr>).

The three-member Remuneration Committee of BoD consists exclusively of independent non-executive members and its main purpose is to provide support and assistance to the BoD in its duties regarding the remuneration of the Board of Directors and the executives of the Company drawing up procedures and monitoring of the Remuneration Policy and the Remuneration Report of Articles 110-113 of Law 4548/2018. and is generally responsible for proposing, making decisions and expressing an opinion on any matter falling under Articles 109-114 of Law 4548/2018, either voluntarily or at the request of the Board of Directors or the General Assembly.

The current composition of the **Remuneration Committee** and its Operation Regulation are uploaded on the Company's website (<http://www.olp.gr>).

The three-member Nomination Committee of BoD consists in its majority of independent non-executive BoD members and its main purpose is to provide support and assistance to the BoD for achieving the following main objectives:

- Ensuring that the composition, structure and operation of the Board of Directors meet relevant legal, regulatory and supervisory requirements.
- Ensuring that there is an effective and transparent procedure for the nomination of BoD candidates and an appropriate mix of knowledge, skills and experience on it.

The current composition of the **Nomination Committee** and its Operation Regulation are uploaded on the Company's website (<http://www.olp.gr>).

Moreover, the BoD successfully monitored the Company's response to the COVID-19 pandemic crisis, and the impact of the pandemic on the Company, mainly in terms of financial performance, business continuity and resilience, while it showed interest in the new conditions and challenges as a result of the pandemic at a global level.

The implementation of the Company's business strategy with the effective use of available resources, the supervision of main points of the amendment of the dated 24-06-2016 Concession Agreement, as applicable, between PPA SA and the Hellenic Republic, the assurance of the completeness and reliability of the data and information used for the preparation of reliable financial statements as well as the non-financial statement, the monitoring of the Internal Control System, the identification and management of essential risks related to the business activity and the operation of the Company as well as the Company's compliance procedures were priorities for the BoD.

Among others, the BoD focused on the adoption of best practices, in order to achieve alignment with the provisions of articles 1-24 of Law 4706/2020 on Corporate Governance as well as of the recently (2021) revised Hellenic Corporate Governance Code, which have also been uploaded on the Company's website [www.olp.gr](http://www.olp.gr), as follows:

- with its decision 16/24.06.2021, the Suitability Policy of the BoD Members was submitted for approval by the General Assembly of Shareholders, in accordance with article 3 of Law 4706/2020 and the relevant guidelines of the Hellenic Capital Market Commission (circular 60 / 18.09.20220).
- with its decision 19/16.07.2021, the Diversity Policy of BoD Members was approved, according to article 3 of Law 4706/2020.
- with its decision 20/16.07.2021, the Policy of Prevention and Management of Conflict Situations of Interest for BoD Members and other "Covered Persons" was approved, according to article 14 par. g of Law 4706/2020.
- with its decision 21/16.07.2021, the Training Policy of BoD Members and Senior Staff ("Covered Persons") was approved, in accordance with article 14 par. k of Law 4706/2020.
- with its decision 22/16.07.2021, the Policy of Succession of BoD Members was approved.
- with its decision 23/16.07.2021, the Policy of Periodic Evaluation of the Internal Control System and Implementation of the provisions on Corporate Governance of Law 4706/2020, article 14, par.
- with its decision 24/16.07.2021, the Operation Regulation of the BoD were approved.
- with its decision 25/16.07.2021, the appointment of the Members of the Audit Committee was approved, following the decision of 15.07.2021 of the General Assembly and in accordance with the provisions of article 44 of law 4449/2017, as amended by Law 4706/2020 and is in force, and the type, composition and term of office of the Audit Committee were decided, as a pure BoD Committee, consisting of a majority of independent non-executive BoD members.
- with its decision 26/16.07.2021, the operating regulations of the Audit Committee were updated, in accordance with articles 10 and 74 of Law 4706/2020.
- with its decision 27/16.07.2021, the Operation Regulation of the Internal Audit Department was updated, in accordance with articles 15 and 16 of Law 4706/2020.
- with its decisions 28/16.07.2021 and 29/16.07.2021, according to art. 10 and 12 of Law 4706/2020, the Nomination Committee was formed, which consists of a majority of independent non-executive BoD members and its Operation Regulation were approved.

- with its decisions 30/16.07.2021 and 31/16.07.2021, according to art. 10 and 11 of Law 4706/2020, the Remuneration Committee was formed, which consists exclusively by independent non-executive BoD members and its Operation Regulation were approved.
- with its decision 32/16.07.2021, the Internal Rules of Operation of the Company were updated, in accordance with article 14 of Law 4706/2020.
- with its decision 33/16.07.2021, the Hellenic Code of Corporate Governance was adopted, which has been prepared by the Hellenic Corporate Governance Council, ie by a body of recognized validity as it is determined in Decision no. 2/905/03.03.2021 of the BoD of the Hellenic Capital Market Commission and is posted on the website of HCGC.

In the field of communication with the Shareholders, the Company has a Shareholder Service Unit and a Corporate Announcements Unit, in accordance with the revised responsibilities described in articles 19 and 20 of Law 4706/2020

From a labor perspective, the Company generally encourages a safe and healthy workplace, free of discrimination, harassment or retaliation and ensures employment relationships that promote mutual trust, constructive cooperation, two-way communication and recognition, eliminating forms of forced or compulsory labor and discrimination.

The Company, under the supervision of the BoD, constantly monitoring developments in the legislative and regulatory framework, has strengthened and continues to strengthen its processes and structures, ensuring not only compliance with the regulatory framework, but also the development of a corporate culture based on the values of business ethics and the protection of the interests of shareholders as well as of all stakeholders.

The BoD meets regularly whenever the law, the articles of association or the needs of the Company require it. In the BoD meetings, within 2021, all the members of the BoD (executive, non-executive and independent non-executive) participated in person or by authorizing another BoD member. Moreover, in the meetings that had as agenda items either the preparation of the financial statements or items approved by the General Assembly, with an increased quorum and majority, all independent non-executive members of the Board participated.

Furthermore, the items submitted to the General Assembly of Shareholders which this Report is addressed to, have been approved by unanimity of the members of the Board of Directors, including the independent non-executive members.

The independent non-executive members of the BoD provide effective oversight of the executive members' proposals, examine them thoroughly, openly express their views and are able to challenge them constructively based of the information received, thus ensuring that the interests of all stakeholders are taken into consideration in the

discussions and the decision-making of both the BoD and its Committees, in which they participate.

Through their actual participation of the independent non-executive members in the BoD and in the work of its Committees, prove that they act with independent will and due diligence, devoting sufficient time to the effective fulfillment of their duties so that their participation is in the interest of all stakeholders.

Lastly, as independent, non-executive members of the Board of Directors of the Company, we confirm our agreement with the contents of the Management Report of the Board of Directors of the Company and the Corporate Governance Statement, which constitutes integral part of the Report of the Board of Directors and has been approved by the Board of Directors meeting on 24.03.2022. The Report of the Board of Directors has been included in the Annual Financial Report for the year that ended on 31.12.2021.

Piraeus, 03.06.2022

The Independent Non-Executive BoD Members of the Piraeus Port Authority S.A.

KWONG Che Keung Gordon

IP Sing Chi

Arvanitis Nikolaos

Moralis Ioannis