



**PIRAEUS PORT AUTHORITY S.A.  
SUITABILITY / ELIGIBILITY POLICY OF  
PPA SA BoD MEMBERS**



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# **SUITABILITY / ELIGIBILITY POLICY**

## **OF**

### **PPA SA BoD MEMBERS**

#### **I. Purpose**

The purpose of this Suitability / Eligibility policy of PPA SA BoD members, taking into consideration paragraphs 1 and 1a of article 3 of Law 4706/2020 for "Corporate governance of public limited companies, modern capital market, transposition into Greek law of Directive (EU) 2017/828 of the European Parliament and of the Council, measures to implement Regulation (EU) 2017/1131 and other provisions" is the establishment of:

- a) principles concerning the election or replacement of the members of the Board of Directors (hereinafter "the BoD") as well as the renewal of the term of office of its existing members;
- b) criteria for the evaluation of the suitability of the members of the Board of Directors, and
- c) criteria of diversity for the selection of the members of the Board of Director governing the content of the Political Suitability of the members of the BoD, in accordance with article 3 of Law 4706/2020.

#### **II. General - Definitions**

Eligibility/Suitability is divided into individual and collective.

The degree to which a person is considered to have as a member of the Board adequate knowledge, skills, experience, independence of judgment, moral guarantees and a good reputation for performing his duties as a member of the Board of the Company, according to the eligibility criteria set by the Eligibility Policy of the Company is the individual suitability. The eligibility/suitability of the members of the Board as a whole it is the collective issue.

Eligibility/Suitability Policy is defined as the set of principles and criteria that are applied at least during the selection, replacement and renewal of the term of office of the members of the Board, in the context of the evaluation of individual and collective suitability.

The Eligibility/Suitability Policy aims to ensure the quality staffing, efficient operation and fulfillment of the role of the Board of Directors based on the overall strategy and medium-term business aspirations of the Company in order to promote the corporate interest.

The Eligibility/Suitability Policy is approved by the Board, in accordance with article 3 par. 1 of Law 4706/2020 and is submitted for approval to the General Assembly, in accordance with article 3 par. 3 of Law 4706/2020. Amendments to the Eligibility/Suitability Policy are approved by the Board and if they are essential, they are submitted for approval to the General Assembly in accordance with article 3 par. 3 of Law 4706/2020. The Eligibility/Suitability Policy and any substantial modification that introduces derogations or significantly alter its content, in particular as regards the general principles and criteria applicable, shall be valid upon its approval by the General Assembly.

The current Eligibility/Suitability Policy is posted, updated, on the Company's website.

### **III. Principles of Eligibility/Suitability Policy**

1. In the formulation of the Eligibility/Suitability Policy, is taken into consideration the size, the internal organization, the risk-taking disposition, the nature, the scale and the complexity of Company's activities.
2. The Nomination Committee, the Internal Audit Department and Regulatory Compliance Unit, as well as the organizational units with a related subject, can provide an effective contribution in shaping and monitoring the implementation of the Eligibility/Suitability Policy.
3. The Eligibility/Suitability Policy takes into account the way of election/appointment of a non-executive member by the HRADF or its legal successor, the more specific description of the responsibilities of each member of the BoD or his participation or not in committees, the nature of his duties (executive or non-executive member of the Board) and his characterization as an independent or non-member of the Board, as well as in particular incompatible or characteristic or contractual commitments that are related to the nature of the Company's activity or the Corporate Governance Code it applies.
4. The Company monitors the effectiveness of Eligibility/Suitability Policy and carries out its periodic evaluation at regular intervals or when significant events / changes take place.
5. The Company amends the Policy and reviews its design and implementation, as appropriate, taking into consideration, inter alia, the recommendations of the Nominations Committee and the Internal Audit Department and Regulatory Compliance Unit and any other external bodies.

### **IV. Principles concerning the selection, replacement or renewal of the term of office of the members of the Board.**

1. The Eligibility/Suitability Policy aims to ensure that.
  - a). the BoD is staffed with sufficient number of members and a suitable composition;
  - b). the BoD is staffed with persons of morality and reputation;
  - c). the members of the BoD have the skills and experience required based on the duties they undertake and their role on the BoD, while at the same time they have sufficient time to perform their duties;
  - d). in the selection, renewal of the term of office and replacement of a member, the evaluation of individual and collective suitability is taken into consideration;
  - e). The Eligibility/Suitability Policy stipulates that the candidate members of the BoD know, among other things, as much as possible, before taking the position, the culture, the values and the general strategy of the Company.
2. The Company monitors on an ongoing basis the eligibility/suitability of the members of the BoD in particular to identify, in the light of any relevant new event, cases in which it is deemed necessary to re-evaluate their suitability. In particular, a reassessment of eligibility/suitability is carried out in the following cases:
  - a) when doubts arise regarding the individual suitability of the members of the BoD or the suitability of the composition of the body,
  - b) in case of a significant effect on the reputation of a member of the BoD,

c) in any case of occurrence of an event that may significantly affect the suitability of the BoD member, including cases in which members do not comply with the Company's Conflict of Interest Policy.

3. The BoD ensures the appropriate succession plan, for the smooth continuation of the management of the Company's affairs and decision-making after the end of term of members of the BoD, especially of executive members and members of Committees.

4. In relation to the right of the HRADF to directly appoint a member of the Board of Directors in accordance with the Articles of Association of the Company, the Nominations Committee, following receipt of a written notification from the HRADF which includes fulfillment of the eligibility criteria of the appointed member, in accordance with the Suitability Policy of the Company, as well as detailed curriculum vitae of such member, renders its opinion to the BoD on the proposal. The endorsement of the proposal by the Nominations Committee is a prerequisite for the directly appointment of the member in the BoD.

## **V. Eligibility/Suitability Assessment Criteria**

### **A. Individual Eligibility/Suitability**

The individual eligibility/suitability of the members of the Board evaluated in particular on the basis of the criteria set out below, which are general and apply to all members of the Board, regardless of their capacity, as executive, non-executive or independent non-executive members. Special obstacles, obligations and conditions (such as no. 3 par. 4, 5 and 6 and no. 9 par. 1 and 2 of law 4706/2020 and no. 44 par. 1 of law 4449/2017) apply regardless of the eligibility criteria.

#### **1. Adequacy of knowledge and skills**

The members of the Board have the required knowledge, skills and experience to perform their duties in view of the role, position and skills required by the Company for the position. The experience covers both practical and professional experience, as well as the theoretical knowledge acquired.

For the purposes of assessing the theoretical knowledge of a member, the level and type of education (field of study and specialization) taken into consideration, especially if it is related to the activities related to the Company or other related fields.

The practical experience covers the previous positions and the type of employment held by the member, taking into consideration the length of his stay in the respective position, the size of the respective entity in which he worked, the scale and complexity of the business activity, the responsibilities he exercised in it, the number of its subordinates, the nature of the entity's activities, etc.

In this case, in the context of the assessment of sufficient knowledge and skills, are considered:

- a) the role and tasks of the position and the required skills,
- b) the knowledge and skills acquired through education and training;
- c) the practical and professional experience that has been previously acquired, and
- d) the knowledge and skills that have been acquired and demonstrated by the professional behavior and development of the member of the Board.

The evaluation is not limited to the academic qualifications of the member or to the proof of a specific length of service, but in addition a thorough analysis of the member's experience

and training is carried out, as the knowledge and skills acquired from previous employment depend on the nature, scale and complexity of the business, as well as the duties performed by the member in this context and his degree of responsibility.

The executive members of the BoD may have gained sufficient practical and professional experience, either by holding a position of responsibility or by conducting business, for a sufficient period of time.

The members of the Board, is required to know and clearly understand the corporate governance regulations of the Company, as they arise from the Law and the applied Corporate Governance Code, their respective role and responsibilities, both as members of the Board, as well as members of its committees, and possible conflicts of interest.

## **2. Guarantees of Ethics and Reputation**

The good reputation, the honesty, the morality and the integrity of the members of the Board of Directors constitute criteria of exceptional importance for the Company, which are thoroughly assessed by the latter. A member of the Board is presumed to have a good reputation, honesty and integrity, unless there are objective and proven reasons to suggest otherwise.

In order to evaluate the reputation, honesty and integrity of a candidate or an existing member of the Board of Directors, the Company may conduct an investigation and, without prejudice to the legislation on personal data protection, request data and relevant supporting documents for any final administrative and judicial decisions against him, in particular for infringements and offenses related to his capacity as a member of the Board or by non-compliance with the provisions of the legislation of the Hellenic Capital Market Commission or in general with financial crimes. Without prejudice to the provisions of article 3 par. 4 and 5 of law 4706/2020, for this evaluation the relevance of the offense or the measure with the role of the member, the seriousness of the offense or measure may be taken into account general conditions, including mitigating factors, the role of the person involved, the sentence imposed, the stage of the proceedings and any remedial measures implemented, while are examined the time elapsed and the person's behavior after the offense or offense.

The Company may also take into consideration during the evaluation any decision to exclude the candidate member of the Board from acting as a member of the Board, which has been issued by any competent authority.

## **3. Conflict of interest**

The members of the Board must always be fully informed about the policy of conflicts of interests applied by the Company, as included in its Internal Rules of Procedure.

Prior to the adoption of the eligibility criteria, is ensured that in the Conflict of Interest Policy adopted and implemented by the Company according to par. 3 of no. 14 of Law 4706/2020, includes at least for the members of the Board, procedures for the prevention of conflicts of interest, measures for the detection and management of conflicts of interest and any cases and conditions that, according to exception, would be acceptable to a member of the Board have conflicting interests, provided that the member's interests are severely limited or properly managed.

All real and potential conflicts of interest at the Board level are subject to adequate notification, discussion, documentation, decision-making and proper management.

#### **4. Independence**

Each member of the Board is acting with "independence of judgment" is a model of behavior during discussions and decision-making within the BoD and is required for each of its members, regardless of whether the member is "independent" according to article 9 of law 4706/2020. All members of the BoD actively participate in meetings and make their own sound, objective and independent decisions and judgments in the performance of their duties. Objectivity is defined as the impartial attitude and mentality, which allows the member of the BoD. to perform his work as he believes and not to accept compromises in terms of its quality. Independence means the exemption from conditions that prevent the member of the Board. to perform his duties in an impartial manner.

When assessing the independence of the crisis, the Company takes into consideration whether all members of the BoD the necessary behavioral skills, including:

- i) courage, conviction and vigor to carry out a substantial evaluation of items handled by the BoD,
- ii) the ability to ask reasonable questions to the members of the Board and in particular to its executive members and to exercise criticism, and
- iii) the ability to resist the phenomenon of groupthink.

#### **5. Allocation of sufficient time**

All members of the BoD are required to devote the necessary time to perform their duties based on the description of their position, role and tasks. In order to determine the adequacy of time, the capacity and responsibilities assigned to the member of the BoD, the number of positions as a member in other BoD are taken into consideration and the resulting qualities held by that member at the same time, as well as other professional or personal commitments and conditions.

The Company informs each candidate member of the BoD for the expected time required to devote to his duties and to the meetings of the BoD and any other committees in which he participates as a member.

## **B. Collective Eligibility /Suitability**

### **1. In general**

The BoD composition contributes to the effective management of the Company and the balanced decision making.

The BoD members must collectively be at the position to take appropriate decisions taking into account the business model, risk-taking, strategy and markets in which the Company operates. Also, the members of the Board collectively are able to effectively monitor and critique the decisions of senior management.

All areas of knowledge required for the business activities of the Company are recommended to be covered by the Board collectively with sufficient expertise among its members. It is recommended that there be a sufficient number of knowledgeable members in each area to be able to discuss the decisions to be taken. The BoD members collectively have the necessary skills to present their views.

The composition of the BoD reflects the knowledge, skills and experience required to carry out his / her responsibilities. In this context, the BoD as a whole adequately understands the areas for which members are collectively responsible and to have the necessary skills to exercise the actual management and supervision of the Company, including in terms of:

- its business and the main risks associated with it,
- strategic planning,
- financial reports,
- compliance with the legislative and regulatory framework,
- understanding corporate governance issues,
- the ability to identify and manage risks,
- the impact of technology on its activity,
- adequate gender representation.

The Company has the primary responsibility for identifying gaps in terms of collective suitability. For this purpose, the BoD conducts its self-assessment periodically.

The evaluation of the BoD may be also carried out by external consultants.

### **2. In particular, adequate representation by gender**

The Nominations Committee takes the representation by gender criterion into account (based on the provisions of article 3 par. 1. of Law 4706/2020) when submitting proposals for the appointment of BoD members.

Company generally ensures equal treatment and equal opportunities between the genders, while this aspect extends beyond the selection and to the provision of training to BoD members.

## **VI. Criteria for diversity**

The Company has and implements a diversity policy in order to promote an appropriate level of differentiation in the BoD and a diverse group of members. Through the accumulation of a wide range of qualifications and skills in the selection of BoD members, the variety of views and experiences is aimed, in order to make the right decisions. In particular, it is provided the adequate gender representation and not be excluded on the grounds of discrimination on grounds of sex, race, color, ethnic or social origin, religion or belief, property, birth, disability, age or sexual orientation.



## **VII. Independent non-executive Board members**

To determine the capacity of a Company's Board member as independent non-executive member, the provisions of the legislation as in force every time apply (pls. see at Annex 1 of this Policy the par. 1 and 2, art. 9, Law 4706/2020 that are in force at the time of this Policy's approval).

## **VIII. Implementation, monitoring and modification of the Eligibility/Suitability Policy.**

The Company harmonizes its Suitability Policy with the general framework of corporate governance, the corporate culture and the risk-taking.

Monitoring the implementation of the Eligibility/Suitability Policy is the responsibility of the BoD with the assistance of the Internal Audit and / or the Regulatory Compliance Unit, the Nominations Committee and the BoD Secretary, where appropriate. The annual Corporate Governance Statement of the Company includes a relevant report.

The documentation regarding the approval of the Policy and any amendments thereof is kept in an electronic and paper file. The Company records the results of the suitability assessment, and in particular any weaknesses identified between the projected and actual individual and collective suitability, and measures to be taken to address these deficiencies.

## **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.