



## **PIRAEUS PORT AUTHORITY S.A. AUDIT COMMITTEE ACTIVITY REPORT 2019**



**JUNE 2020**

**AUDIT COMMITTEE ACTIVITY REPORT  
FOR THE FISCAL YEAR 01/01/2019-31/12/2019  
TO THE ANNUAL GENERAL ASSEMBLY OF SHAREHOLDERS  
Of the Société Anonyme  
"PIRAEUS PORT AUTHORITY S.A."**

Dear Shareholders and Representatives of the Company's Shareholders,

On behalf of the Company's Audit Committee and in my capacity as Chairman, I wish to present to the GA the Audit Committee's Report for the fiscal year 2019 (01/01/2019-31/12/2019), aiming at informing you for the work undertaken in accordance with our Committee's duties.

**A. AUDIT COMMITTEE'S DUTIES AND COMPOSITION**

By means of introduction, I wish to remind to the GA that the Audit Committee is an independent and objective corporate committee, responsible to review and appraise the financial reporting and auditing practices of the Company and the performance and independence of statutory auditors. Moreover, it monitors the effectiveness of internal audit, quality control and risk management systems of the Company with regard to financial reporting and informs the Board of Directors of the outcomes of the statutory audits.

The Audit Committee of PPA SA consists of Mr. **LIAGKOS Athanasios**, Non-Executive Member of the Board of Directors, Mr. **ARVANITIS Nikolaos**, Independent Non-Executive Member of the Board of Directors, and myself, Mr. KWONG Che Keung Gordon, as Chairman.

**B. REPORT OF ACTIVITIES DURING THE FISCAL YEAR 2019**

The Audit Committee carried out its functions with full operational autonomy and is led by its Chairman, who is responsible for calling meetings, deciding on the matters to be included on the agenda and requiring the attendance of those employees or members of the Company's Senior Management or third parties who are necessary to better perform its functions.

During the fiscal year 2019, the Audit Committee convened seven (7) times, i.e. on Jan 3, Feb 13, June 3, June 27, Sept 23, Nov 11 and Dec 12.

When necessary, the managers in charge of the Accounting and Financial Reporting Team, Internal Audit Service, as well as the External Auditors, were invited to attend the meetings.

The issues that were addressed to the Audit Committee in the closing year 2019 were:

- Internal Audit Plan 2019, Timetable and selection Criteria.
- Internal Audit Service staffing.
- Follow-up of the Internal Audit Findings and management corrective actions.
- The Monthly Internal Audit Reports - Findings -Follow up during the fiscal year 2019 and the monitoring of the activities of the Internal Audit Unit.
- Review the Financial Statements for the year 2018 and the interim financial statements as of 30.06.2019 and the completeness of the relevant financial information.
- Review the preparation process of the Financial Statements for the fiscal year 2019, in terms of their harmonization with the appropriate accounting principles and submission of suggested changes to Financial reporting team in order to be duly incorporated.
- The evaluation of the Financial Statements of the Company (annual and interim) as to their accuracy, completeness and consistency. It was found that the financial statements were in line with their legally binding framework, and that compliance with these rules of publicity was also ensured, as well as the possibility of immediate, unhindered and uninterrupted access to them.
- Monitoring the progress of Internal Audit Service on risk management procedures implementation, internal complaints procedures.
- Review of the Audit and Supplementary Report (referred to Article 11 of European Regulation 537/2014) of PwC statutory auditors for the financial statements of the year 2018 and the Review for the six- month financial statements as of 30.06.2019.
- The confirmation of the independence of PwC statutory auditors, the objectivity and the effectiveness of the audit process, based on the relevant professional and regulatory requirements in Greece. The statutory auditors in this context were interviewed by the Committee and confirmed their independence and the absence of any inside or outside direction or instruction or recommendation in the exercise of their duties.
- Approval of Non-Audit Services provided to PPA SA by Company's auditors.
- Approval the Company's new Code of Conduct.
- Submission of a proposal to the Board of Directors for the renewal of the provision of statutory audit services by the auditing company PwC.

## **C. PROVISION OF INFORMATION TO SUPERVISORY AUTHORITIES.**

- **Providing data to Hellenic Accounting and Auditing Standards Oversight Board (HAASOB/ELTE)**

In 2019, and in response to the relevant HAASOB/ELTE letter of 28/2/2019, within the framework of it supervising the Audit Committees, the company's Audit Committee provided complete and validated copies of the minutes of its meetings in Greek and English language for the years 2017, 2018, 2019 (up to February), as well as copies of the supplementary audit reports referred to Article 11 of Regulation 537/2014 for the respective years.

- **Provision of information to the Hellenic Capital Market Commission**

Also in 2019 and in response to the relevant letter dated 24/04/2019 of the Hellenic Capital Market Commission to all listed companies of the Athens Stock Exchange, the Company's Top Management, in cooperation with the Audit Committee, provided the requested documentation that the members of the Audit Committee meet the requirements set out in paragraph 1 of Article 44 of Law 4449/2017.

In carrying out its responsibilities, the Audit Committee derives the respective authority from the Law, its Internal Regulation, the resolutions of the General Assembly and the Board of Directors of the Company. In addition, the Audit Committee has unrestricted access to all corporate resources and data needed to fulfill its mission.

Piraeus, 26/06/2020

The Chairman of the Audit Committee of Piraeus Port Authority SA.

**KWONG Che Keung Gordon.**