

PUBLIC POWER CORPORATION S.A.
BoD SECRETARIAT

No/DATE: BoDS/336/2.12.2019

Information : K. D. TSOKANAS

Tel.: +30 210-5222330 / 210-5293281

TO: RECIPIENTS

Subject: Amendment of the PPC S.A. Articles of Incorporation and Codification thereof.

REFERENCE :

- a. Recommendation of the LD with reg. no EO/3098/29.11.2019.
- b. Decision of the Board of Directors no **137/29.11.2019**.

We inform you that, by ref. b', the Board of Directors:

Decided

- 1.** To recommend to the General Meeting of PC S.A. Shareholders the amendment of articles (3), (9), (10), (15a), (16), (17), (18) and (34) of the Articles of Incorporation of PPC S.A., in accordance with the recommendation of the Legal Department with reg. no EO/3098/29.11.2019, and more in detail, the partial amendments per article as follows:

➤ **Article 3 "Object"**

With regard to article 3, we propose the following:

- i) The addition of sub-item (8) in item (a) of par. 1.

Based on the above, article 3 shall be as follows:

Article 3

Object

1. The company's object shall be:
 - a) The engagement in commercial and industrial activities in the energy sector, in Greece and abroad. These activities shall indicatively include:
 - (1) The engagement in commercial and industrial activities in the electricity sector, in Greece and abroad,
 - (2) the design, supervision, construction, exploitation, maintenance and operation of power plants,
 - (3) the supply and sale of electricity as well as of energy products and services, including studies, applications, installations and financing services concerning measures to improve end-use energy efficiency at its customers' facilities,
 - (4) the extraction, generation, supply and sale of energy raw materials,
 - (5) the assignment of any activity similar to those set forth herein above, to third parties, by virtue of contract,
 - (6) the operation or management of privately-owned vessels or vessels owned by third parties, under Greek or foreign flag having as sole object the transportation of liquid fuels.
 - (7) the provision of services and products of electromobility and the sale of related commercial products and equipment.
 - (8) the participation in any capacity in the Energy Exchange and the performance of any relative acts and transactions including the provision of investment services or the performance of investment activities within the context of any distinct Energy Exchange and/or any other related regulated Market or submarket of the Energy Exchange, as established in each case. For the pursuit of the above aim, the company may establish or participate in the share capital of credit or investment services companies.
 - b) The engagement in commercial and industrial activities in the telecommunications sector, the provision of services to third parties related to Projects design, management and supervision, the provision of services to third parties related to training and occupational health and safety, the provision of services to third-party Companies on organization and information technology issues, the design, construction, maintenance, management, exploitation and operation of waste treatment units, including power generation from or/and in relation to waste management, as well as the development of all kinds of assets held by the company.

- c) The utilization -in any possible way- of the company's assets, movable or immovable, and the development of its resources either by the company itself or through, by way of example, the establishment of companies, participation in joint ventures, as well as through the acquisition of shares of other companies, Greek or foreign, and in general, through the participation in enterprises, including the participation in public tendering procedures for Contracts for Public-Private Partnerships (PPPs), as well as the establishment or participation in the share capital of Special Purpose Companies within the framework of and in implementing PPPs.
2. In order to attain the objects referred to in the preceding paragraph, PPC S.A. may, in particular,
 - a) conclude any kind of contracts or agreements with domestic or foreign natural or legal persons and inter-state organizations.
 - b) participate in the capital of existing companies or in the capital of companies to be established in the future, grant loans to the said companies and furnish guarantees in their favor.
 - c) issue any bonded loans of any nature whatsoever and participate in the share capital of companies to which the company has granted loans through the conversion or not of the bonds of the aforesaid loans into shares.
3. The company may engage in any other action or activity in order to fulfill its object within the scope of these Articles of Incorporation and of the standing provisions, in any commercial or other activity and perform any material or legal act, directly or indirectly connected with its object.

➤ **Article 9 "Composition and Term of Office of the Board of Directors"**

With regard to article 9, we propose the following:

- i) the amendment of par. 5.

Based on the above, article 9 shall be as follows:

Article 9
Composition and Term of Office of the Board of Directors

1. a) The Board of Directors (or "BoD") shall consist of eleven (11) members divided into executive and non-executive members and elected for a three-year term of office, at least five (5) of

whom shall be independent non-executive members. In order to ensure continuity in the administration of the corporate affairs and the representation of the company, the term of office of each member may be extended ipso jure until the first Ordinary General Meeting to be held after the expiration of its term.

- b) The members of the Board of Directors may in any case be re-elected and may at any time be revoked by the General Meeting of the Shareholders. Especially, with regard to the members of the Board who are elected according to the procedure of par. 2 item b) herein, a reasoned decision by the Board of Directors, for reasons pertaining to the fulfilment of their duties as members of the Board, is required for their revocation.
- c) The participation of independent non-executive members to the Board of Directors shall not exceed three consecutive terms, namely nine (9) years in total.
- d) The number of the non-executive members of the Board linked by any type of employment relation to the company or to any of its associated companies cannot exceed three (3) out of the total number of its members.

2. The Board of Directors shall consist of:

- a) Nine (9) members, including the Chief Executive Officer, elected by the General Meeting of the shareholders of the company. The Board of Directors shall elect from among the said members its Chairman and Vice Chairman, pursuant to article 14 hereof.
- b) Two (2) members representing the employees of the company. These members shall be elected by direct, general ballot and by means of the proportional representation system within a time period of two (2) months from the relevant notification to the most representative trade union (ASOP). The election of the representatives of the employees to the Board of Directors shall be conducted by an election committee appointed by the most representative trade union of the company, in which (committee) at least one representative from the remaining trade unions of the company shall participate. The procedure of the said election, the appointment of the local election committees, the time and the details of the polling, as well as the counting of the votes and the announcement of the results thereof, shall be the duty of the said committee, which shall be presided over by a judicial functionary pursuant to the provision of article 11 of Law 1264/1982 concerning "Democratization of the Trade-union Movement – The Rights of the Unions" (Official Gazette, volume A, issue no. 79). The same procedure shall also apply to the appointment of the substitute members in replacement of the members of the Board elected in accordance with the procedure set forth in the paragraph herein. In case the substitute member resigns or leaves his office vacant, for any

reason whatsoever, his position shall be occupied by the substitute member who follows next in order.

3. In the event of non-election or non-prompt filling of any vacancy or non-substitution of the members of the Board, for any reason whatsoever, this shall not impede the constitution and functioning of the Board of Directors without these members, provided that the remaining members are not less than six (6).
4.
 - a) In the event of a vacancy in the office of the Chief Executive Officer for any reason whatsoever, the Chairman of the Board of Directors shall temporarily act as Chief Executive Officer; if the positions of Chairman of the Board of Directors and of Chief Executive Officer coincide to the same person, the Vice Chairman of the Board of Directors, appointed pursuant to article 14 par. 1 hereof, or, if there is no Vice Chairman, a person designated by the Board of Directors among its members who have been elected by the General Meeting in accordance with article 9, par. 2 item a) hereof and by priority among its executives members, shall temporarily act as Chief Executive Officer. In such cases, the Board of Directors shall call the General Meeting of shareholders in the shortest possible time for the election of the new Chief Executive Officer.
 - b) In the event of a vacancy in the office of the Chairman of the Board of Directors for any reason whatsoever, the Chief Executive Officer of the company shall temporarily act as Chairman or if the posts of Chairman of the Board of Directors and of Chief Executive Officer coincide to the same person, the Vice Chairman of the Board of Directors, appointed pursuant to article 14 par. 1 hereof, shall act as Chairman. In the event of a vacancy in the office of both the Chairman and the Chief Executive Officer, and should no Vice Chairman of the Board of Directors have been elected, the Chairman shall be substituted by the senior member of the Board of Directors, from among the members elected pursuant to par. 2 item a) herein.
 - c) In the event that the Chief Executive Officer or the Chairman are absent or temporarily unable to perform their duties, the Vice Chairman and, if there is no Vice Chairman, a person designated by the Board of Directors among its members who have been elected by the General Meeting in accordance with article 9 par. 2 a) of the Articles of Incorporation, and by priority among its executive members, shall substitute for them.
5. For the examination of the nominations for membership on the Board of Directors, upon decision of the Board of Directors, the company has established a Nominations Committee [NC] consisting of at least three (3) Board members, independent in their majority. The NC examines, indicatively, any impediments and incompatibilities, as well as the criteria of independence of the Board members (especially in the case of appointment of independent members), pursuant to L.3016/2002 and L.4548/2018, as in force,

and evaluates from time to time the size and the composition of the Board of Directors, including the submission of recommendations with regard the diversity policy to be adopted by the Board of Directors, and in general the implementation of the provisions of the relative legislation, as applicable each time.

In any case the nominations for membership on the Board of Directors, along with the curriculum vitae of the nominees, shall be submitted to the company at least three (3) working days prior to the convocation date of the General Meeting called for their election.

➤ **Article 10 "Competence of the Board of Directors"**

With regard to article 10, we propose the following:

i) The addition of item (b) in par. 3.

Based on the above, article 10 shall be as follows:

Article 10
Competence of the Board of Directors

1. The Board of Directors is the supreme governing body of the company which shall formulate primarily its development strategy and policy, as well as supervise and exercise control over the management of its property. The Board of Directors shall approve, upon recommendation of the Chief Executive Officer: a) the Strategic Plan, which determines the strategic goals for the attainment of the purpose of the company, b) the Business Plan of the company of a duration of three (3) to five (5) years, which specifies the goals of the Strategic Plan for each year of its duration, c) the methods for the implementation of the Strategic Plan and the Business Plan for each year of their duration. The Board of Directors shall also follow up the implementation of both the Strategic and the Business Plan.
2. The Board of Directors shall represent the company and shall be vested with unlimited authority to decide on any act and to exercise full power concerning the management of the company, the management of its property and in general the fulfillment of its object, with the exception of those issues which either by law or by the present Articles of Incorporation, expressly fall within the jurisdiction of the General Meeting.
3. The Board of Directors shall, upon recommendation of the Chief Executive Officer, approve the annual budget of the company, prepare, approve and submit to the General Meeting for approval the

annual financial statements of the company and prepare and submit to the General Meeting the annual report. Moreover, the Board of Directors, upon recommendation of the Remuneration and Recruitment Committee, approves the recruitment policy of the company, pursuant to the relevant legislation as applicable each time.

4. The Board of Directors shall upon the recommendation of the Chief Executive Officer decide on: a) the necessity of creating positions of Deputy Chief Executive Officers, as well as on their number and competences thereof, b) the basic organization of the company divided into Divisions and Business Units, which constitute the highest administrative level of its organizational structure, c) the creation of positions of Chief Officers and their competences.
5. The Board of Directors may, upon recommendation of the Chief Executive Officer, delegate part of its administration and representation competences, except for those which, pursuant to the Law and the present Articles of Incorporation require collective action or fall within the exclusive jurisdiction of the Chief Executive Officer in accordance with Article 15 hereof, as well as the administration or supervision of the affairs or the representation of the company to the Chairman, to the Chief Executive Officer, to the Deputy Chief Executive Officers, to one or more of the Board Members, to the Executive Committee, to the Chief Officers, to the Directors or to employees of the company.

The aforesaid persons to whom the competences described above are delegated and who do not have the capacity of Board Member carry the same responsibility towards the company as the members of the Board of Directors, pursuant to article 102 of L. 4548/2018 as applicable and to article 12 of the company's Articles of Incorporation.

➤ **Article 15a "Deputy Chief Executive Officers"**

With regard to article 15a, we propose the following:

- i) the amendment of par. 3, including the addition of a section in item (a), the renumbering of item (d) to item (b) and the replacement of items (c) to (e).

Based on the above, article 15a shall be as follows:

Article 15a
Deputy Chief Executive Officers

1. The Deputy Chief Executive Officers shall report to the Chief Executive Officer and shall be at the head of wider business activities structured into Divisions and Business Units. They may be members of the Board of Directors among those elected by the General Meeting of the shareholders of the company.
2. The number and duties of the Deputy Chief Executive Officers shall be determined by the Board of Directors upon recommendation of the Chief Executive Officer.
3. The Deputy Chief Executive Officers shall be selected through public call and appointed, pursuant to the law, by decision of the company's Chief Executive Officer with whom they shall sign fixed-term contracts with a maximum term of three (3) years, which may be renewed only once. The Deputy Chief Executive Officers, in case they are also members of the Board of Directors elected by the Shareholders' General Meeting, shall be appointed by decision of the Board of Directors and upon recommendation by the Chief Executive Officer. The procedure for their recruitment and the policy for their remuneration shall be approved by the General Meeting following recommendation of the Remuneration and Recruitment Committee of article 17 hereof. The recruitment criteria, the contract period and the remaining terms of the relevant contracts, which shall refer among others to their evaluation as provided for by the company's Operation Regulation, shall be established by decision of the Chief Executive Officer. Personnel of the company and candidates from outside the company may participate in the recruitment procedure.

➤ **Article 16 "Management Contract and follow-up of its implementation"**

With regard to article 16, we propose the following:

- i) the replacement of the word "management" by the words "Chief Executive Officer" in the title and in par. 1 and 2.

Based on the above, article 16 shall be as follows:

Article 16
Chief Executive Officer Contract
and follow-up of its implementation

1. A Chief Executive Officer Contract is entered into by and between the Chief Executive Officer and the company, represented by the Chairman and in the event that the positions of Chairman of the Board and Chief Executive Officer shall coincide by a specially authorized member of the Board of Directors designated by resolution of the latter, by virtue of which the goals which the Chief

Executive Officer undertakes to achieve during his term of office shall be specified.

2. The Chief Executive Officer Contract shall be terminated by the Board of Directors on the grounds stipulated therein, in the event that there is a substantial deviation from the financial figures or from the deadlines set for the achievement of its goals that cannot be sufficiently justified, as well as for any other important reason. The Chief Executive Officer shall have no voting right in the meeting for the adoption by the Board of Directors of the resolution concerning the termination of his/her Contract. Upon termination of the Contract, the Chief Executive Officer shall be ipso iure removed from office and relieved from his/her capacity as member of the Board of Directors. As regards his/her substitution up until the election of a new Chief Executive Officer by the General Meeting, the provisions of article 9, par. 4 (a) hereof shall be applicable.

➤ **Article 17 "Remuneration and Compensation of Board Members"**

With regard to article 17, we propose the following:

- i) The addition in the title of the words "Remuneration and Recruitment Committee pursuant to article 5 of the Law.
- ii) The numbering in an explicit and clear way of the paragraphs of this article.
- iii) The amendment of par. 1 and 2 (as new numbering) of the article, pursuant to article 5 of L. 3016/2002 and article 5 of the Law.

Based on the above, article 17 shall be as follows:

Article 17

Remuneration and Compensation of Members - Remuneration and Recruitment Committee

1. The company shall establish a remuneration policy and shall draw up a remuneration report, pursuant to articles 110 to 112 of L. 4548/2018, article 5 of L.3016/2002, as well as to articles 4. par. 1 and 2 and 5 of L. 4643/2019, for the members of the Board of Directors, the Deputy Chief Executive Officers, the Chief Officers, the Directors and the Assistant Directors/Head of Units of the company, following relevant recommendation of the Remuneration and Recruitment Committee to the Board of Directors of the company to be approved by the General Meeting.

2. The Remuneration and Recruitment Committee of the company shall have the competences and functioning specified in article 5 of L. 4643/2019 and shall consist of three (3) non-executive Board Members of the company, independent within the meaning of L.3016/2002, as in force. The term of office of the members shall be three (3) years and may be renewed only once; it may be extended ipso iure pursuant to article 85. par. 1 item (c) of L. 4548/2018 until relevant decision taking by the first Ordinary General Meeting to be held after its expiration and shall be terminated when losing the capacity as Board Member in any way whatsoever.

➤ **Article 18 "Chief Officers"**

With regard to article 18, we propose the following:

- (i) The amendment of par. 2 and more in particular of items (b) and (c), including the addition of item (d).
- ii) The amendment of par. 2 by replacing some words.

Based on the above, article 18 shall be as follows:

Article 18
Chief Officers

1. The Chief Officers shall be high-ranking executives of the company at the head of independent sectors of the company's business activities. They shall report to the Chief Executive Officer or/and to the Deputy Executive Officers. In the event that there is a vacancy in the office of a Chief Officer or the latter is temporarily unable to execute his duties or is absent for any reason whatsoever, he shall be temporarily substituted by another Chief Officer or Director of the company upon decision of the Chief Executive Officer.
2. The number and duties of the Chief Officers, as well as of the Divisions and Business Units shall be determined by the Board of Directors upon recommendation of the Chief Executive Officer. The Chief Officers shall be selected through public call and shall be appointed, pursuant to par. 1 of article 4 of L. 4643/2019, by decision of the Chief Executive Officer of the company, with whom they shall sign fixed-term contracts with a maximum term of three (3) years, which may be renewed only once. The procedure for their recruitment and the policy for their remuneration shall be approved by the General Meeting following recommendation of the Remuneration and Recruitment Committee of article 17 hereof. Personnel of the company and candidates from outside the company may participate in the recruitment procedure.

3. The recruitment criteria, the contract period and the remaining terms of the relevant contracts, which shall refer among others to their remuneration, any other benefits, as well as to their evaluation as more specifically provided for by the company's Operation Regulation, shall be established by decision of the Chief Executive Officer.

➤ **Article 34 "General Provisions"**

With regard to article 34 we propose the following:

- i) The addition of words and numbers in par. 1.

Based on the above, article 34 shall be as follows:

Article 34
General Provisions

1. Those matters which are not regulated by the present Articles of Incorporation or are not regulated in a different manner by Law 2773/1999 (National Official Gazette, volume A', issue no 286) or Law 4001/2011 (National Official Gazette, volume A', issue no 179) or L. 4643/2019 (National Official Gazette, volume A', issue no 193) as these have been amended and applicable, shall be governed by the provisions of L. 4548/2018.
 2. Where in the Articles of Incorporation reference is made to L. 4548/2018, this shall be understood to refer to the L. 4548/2018, as amended and applicable each time.
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2. To authorize the Chairman and chief Executive Officer to proceed to additions and any minor amendments, following the publication of the Law on the "Liberalisation of the energy market, modernisation of PPC, privatisation of DEPA and support to RES" to the National Official Gazette.

K. D. TSOKANAS
Secretary of the Board of Directors

RECEPIENTS:

- EO
- LD

Notification:

- General Counsel-LACG/Di
- F/Di
- SO/Di
- ST/Di
- HRO/Di
- S/BU
- LG/BU
- THG/BU
- IAD