

**Clarifications on the postponed item 10 of the Agenda of the OGM dated
07.06.2018**

and on item 3 of the Agenda of the EGM dated 26.06.2018

By its Decision No 114/26.11.2015 the Board of Directors had approved the Company's tariff policy for High Voltage customers for the period 2016-2017 and in particular seven (7) tariffs for the energy component (competitive charges) providing the customer with the option of capacity charge on a monthly or ten-day basis. Those new tariffs were accompanied by the provision of motives (discounts) for high consumption (power) in the Low Capacity Zone (night, weekends and holidays) for High Voltage and for the same period.

PPC's Extraordinary Shareholders Meeting (EGM) on 07.12.2015 decided that for the period that the new tariffs are in effect, volume discounts will be provided on the competitive charge for capacity and power based on the total annual consumption or consumptions of High Voltage customers (companies or Group of companies).

Specifically, the following volume discounts were approved by the EGM:

Total annual consumption in HV (in GWh)	Volume discount on competitive capacity and power charges
Up to 10	0%
More than 10 to 50	4%
More than 50 to 200	6%
More than 200 to 400	8%
More than 400 to 700	10%
More than 700 to 1000	12%
More than 1000 to 2000	13%
More than 2000	15%

Following the above and after lengthy negotiations with HV customers, the signing of contracts was concluded in October 2016, with all High Voltage customers, with the exception of one (1) customer which was under liquidation and no administrator for the liquidation had been appointed, three (3) clients with significant amounts of overdue receivables for which legal action was undertaken as well as the customers "ALOUMINION OF GREECE" and "GMMAE LARCO" for which supply contracts were signed, following the approval of PPC's Extraordinary Shareholders Meetings held on 05.10.2016, 12.01.2017 and 12.06.2017.

It is noted that based on the said Resolutions of the EGM for the customers "ALOUMINION OF GREECE" (currently MYTILINAIOS S.A. – GROUP) with total annual consumption of more than 2000 GWh and "GMAE LARCO" with total annual consumption of more than 1000 GWh, special volume discounts were approved, other than those approved by the EGM Resolution dated 7.12.2015 (as per the above).

Within 2017, in view of the developments in the electricity market, and mainly the divestment of 40% of PPC lignite portfolio, combined with the forthcoming change in the market model (establishment of Target Model), PPC was unable to develop a long-term tariff policy. Nonetheless, given the fact that the additional supply contracts with HV customers for the period 2016-2017 were to expire on 31.12.2017 and that customers' requests for their pricing offer were already submitted since 1.1.2018, in December 2017 PPC notified by letter all HV customers that it was going to invite them shortly to a joint consultation, in accordance with the provisions of the Electricity Supply Code, for the implementation of the relevant amendment to the existing Supply Contract and the signing of a new Contract Supplement. It is pinpointed that any amendment to the terms of the Contract can only be made by a more recent written agreement between the contractual parties and that the Supplier is obliged to have notified the Customer at least sixty (60) days prior to the entry into force of the said amendments.

To this end, it was proposed to Customers, within the framework of the Supply Code and the relevant contracts, the extension of the validity period of the existing supplementary Supply Contract for the two-year period 2016-2017 until 28.02.2018. Such extension was to be submitted for approval to the General Meeting, with regard to the provision of volume discounts, in accordance with the Decision of the Board of Directors no 23/12.3.2018. Moreover, by the same decision the Board of Directors decided to extend the validity period of the already approved tariffs for HV Customers for the period 2016-2017, until 31.12.2018.

In this context, a new round of meetings with HV Customers began, aiming at their briefing on the aforementioned issues, but no final agreements were made, pending the relevant Resolution of the General Meeting. Given that the General Meeting was not convened during the intervening period, and that as result the implementation of volume discounts was not possible, the customers were notified that their consumptions as of 1.3.2018 would be priced based on the already approved tariffs of their choice, without any volume discounts, and that PPC would later review their bills, based on the pending Resolution of the General Meeting. This raised strong reactions on the part of the customers, expressed orally or in written whether by letters or extrajudicial documents addressed to PPC, RAE and the Competition Authority.

Following the above, the Board of Directors of PPC, taking into consideration that:

- PPC is currently operating in a constantly changing institutional and financial environment, with a set of structural changes under way, for the enhancement of competition in the electricity and natural gas market. The progress of the implementation and the observance of time schedules constitute a critical factor for PPC, which, following the completion of the divestment of its lignite capacity and under the new regulatory framework expected to enter into force in Spring 2019 in the Greek Energy Market (Target Model – Establishment of a Forward Energy Market), which will allow for the conclusion of bilateral agreements between the Generator and the end consumer, will not constitute any more the only Supplier of HV Customers.
- The shaping of a new tariff policy for HV Customers will only be possible when all the aforementioned uncertainties are removed and all aspects are clarified following the divestment and the finalization of the terms of the new model of the market. It is expected to have a clear picture by the first two months of 2019.

- The parameters which affect HV customers pricing are expected to have in 2018 an equivalent effect on PPC to those of 2017 and no material change is expected.

decided by its decision no 62/8.6.2018 to approve the extension of the validity period of the already approved tariffs for HV Customers for the period 2016-2017, until 28.02.2019. Moreover, by the same decision, it recommends to the Extraordinary General Meeting of PPC Shareholders to be held on June 26th, 2018 to approve the extension of the validity period of its decision dated 7.12.2015 on the provision of volume discounts on the competitive charges for capacity and power based on the annual consumption of the HV supply or supplies of each company or Group of companies connected to the High Voltage Network, until 28.02.2019, as follows:

Total annual consumption in HV (in GWh)	Volume discount on competitive capacity and power charges
Up to 10	0%
More than 10 to 50	4%
More than 50 to 200	6%
More than 200 to 400	8%
More than 400 to 700	10%
More than 700 to 1000	12%

With respect to customers connected to the High Voltage Network with annual consumption of more than 1000 GWh of HV supply or supplies of each company or Group of companies, PPC Board of Directors recommends to obtain the authorization by the General Meeting of the Shareholders to make the relevant decisions.

