

**PUBLIC POWER CORPORATION S.A.**  
**BoD SECRETARIAT**

**No/DATE: BoDS/83/29.2.2012.**

**Information** : K. D. TSOKANAS  
Tel.: 210-52.22.330 / 210-52.93.281

**TO:** RECIPIENTS

**SUBJECT :** Spin-off of all activities of PPC S.A Distribution Division, along with the Islands Network Operations Department of PPC S.A., including the assets of PPC S.A. and the relevant requirements and obligations, which fall within the competence of the above Departments, with the exception of the immovable and fixed assets of the Distribution Network and of the Non-Interconnected Islands Network (hereinafter referred to in total as "**PPC S.A. Distribution Segment**") pursuant to article 123, par. 2 of L. 4001/2011 as applicable and its contribution by PPC SA (hereinafter referred to as "the Company") to its 100% Subsidiary Company under the name "PPC Rhodes S.A." [renamed as per law "HELLENIC ELECTRICITY DISTRIBUTION NETWORK OPERATOR S.A." (H.E.D.N.O. or DEDDIE S.A.)], pursuant to L.2166/1993, C.L.2190/1920 and L.4001/2011, as applicable.

**REFERENCE :**

- a. Recommendation with registration no OoE /787/22.2.2012.
- b. Resolution of the Board of Directors no 43/28.2.2012.

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

**Decided**

1. The spin-off of PPC S.A. Distribution Segment, pursuant to article 123, par. 2 of L. 4001/2011 as applicable and its contribution to its 100% Subsidiary company with distinctive title "PPC RHODES S.A." (renamed as per law "HELLENIC ELECTRICITY DISTRIBUTION NETWORK OPERATOR S.A." {H.E.D.N.O. or DEDDIE S.A.}) pursuant to L.4001/2011, L.2166/1993 and C.L.2190/1920 as applicable, the approval of all actions currently taken to date for the performance of the above spin-off and the acceptance of 3,534,226 new registered shares issued by the Absorbing Company, with nominal value EUR 10.00 each, which grant to the Contributing Company, PPC S.A., the right to participate in the profits for the fiscal year commencing on 01.01.2012 in return for said Segment spin-off and contribution.
2. The approval of the following:
  - 2.1 The Accounting Statement of PPC S.A. Distribution Segment dated 31.12.2011, which is as follows:

See: (PPC S.A. Distribution Segment Accounting Statement 31.12.2011)

2.2 The, attached to the present Resolution, Report dated 28.02.2012 for the Determination of the Accounting Value of the assets and liabilities of the PPC S.A. Distribution Segment by the Chartered Auditor–Accountant Mr. Telemachos Georgopoulos, (reg. No SOEL 19271) of Deloitte Business Solutions Hatzipavlou Sofianos & Kambanis S.A., and

2.3 The, attached to the present Resolution, BoD Report dated 28.2.2012 on the above Segment spin-off and contribution.

3. The approval of the Draft Contract of Spin-off dated 28. 02.2012 for the spin-off of f PPC S.A. Distribution Segment to be signed between the Company and “PPC RHODES S.A.” (renamed as per law “HELLENIC ELECTRICITY DISTRIBUTION NETWORK OPERATOR S.A.” {H.E.D.N.O. or DEDDIE S.A.}), which also includes the individual terms for the issuance of the shares to be attributed to PPC S.A. in return for the contribution of the PPC SA Distribution Segment, pursuant to L.4001/2011, L.2166/1993 and C.L.2190/1920 as applicable, and which is as follows:

**DRAFT CONTRACT OF SPIN-OFF AND CONTRIBUTION OF PPC S.A  
DISTRIBUTION SEGMENT TO PPC RHODES S.A (renamed as per law  
“HELLENIC DISTRIBUTION NETWORK OPERATOR S.A. {H.D.N.O. or  
DEDDIE S.A.}”)**

A) the **Absorbing Company**: the Société Anonyme under the name “PPC RHODES SOCIETE ANONYME FOR THE ENGINEERING CONSTRUCTION OPERATION AND EXPLOITATION OF RHODES POWER PLANT” and with distinctive title “PPC Rhodes S.A.” [renamed as per law “HELLENIC ELECTRICITY DISTRIBUTION NETWORK OPERATOR S.A. (H.E.D.N.O. or DEDDIE)”], (hereinafter called the «Absorbing Company») having its registered seat in Athens, 57 Veranzerou str., with Sociétés Anonymes Register Number 41268/01/B/98/411, lawfully represented herein by Mr. N. Hatziargyriou, Chairman of the Board of Directors and Chief Executive Officer of the Absorbing Company, and

B) the **Contributing Company**: the Société Anonyme under the name “PUBLIC POWER CORPORATION SA (PPC SA)” (hereinafter called the «Contributing Company») having its registered seat in Athens, 30 Chalkokondili str., with Sociétés Anonymes Register Number 47829/06/B/00/2, lawfully represented herein by Mrs. Our. Aikaterinari, Deputy Chief Executive Officer of PPC SA and/or G. Aggelopoulos, General Manager of Finance Division of PPC SA, acting jointly or separately.

**THE FOLLOWING WERE AGREED UPON AND MUTUALLY ACCEPTED:  
PREAMBLE**

The contracting companies declare that they maintain third (C) category accounting as prescribed by the Greek Tax Code, have prepared till date more than one financial statements and following the spin-off the share capital of the Absorbing Company shall not be less than EUR 300,000.00 and the share capital

of the Contributing Company shall far exceed EUR 300,000.00 thus meeting the conditions of enforcement of L.2166/1993.

The contracting companies agree upon and mutually accept the following:

### **Article 1**

1.1. Pursuant to article (123) of L. 4001/2011 (Greek National Gazette A' 179/22.08.2011) PPC S.A. is obligated to proceed to the legal and operational unbundling of the activity of management of the Hellenic Electricity Distribution Network (HEDN) from the other activities of its vertically integrated company, by contributing the Distribution Segment, as detailed below, to its 100% subsidiary company under the name "PPC RHODES SOCIETE ANONYME FOR THE ENGINEERING CONSTRUCTION OPERATION AND EXPLOITATION OF RHODES POWER PLANT" and with distinctive title "PPC Rhodes S.A." [renamed as per law "HELLENIC ELECTRICITY DISTRIBUTION NETWORK OPERATOR S.A." (H.E.D.N.O. or DEDDIE)].

The Distribution Division Segment along with the Islands Network Operations Department of the Société Anonyme "PUBLIC POWER CORPORATION (PPC) S.A." includes the totality of PPC S.A. assets, as well as of the relevant requirements and obligations, which come under the activities of the above PPC Units, with the exception of the immovable and fixed assets of the Distribution Network and of the Non-Interconnected Islands Network (hereinafter referred to in total as "**PPC S.A. Distribution Segment**", pursuant to article 123, par. 2 subpar. b of L. 4001/2011 as applicable) as those were recorded in the Spin-off Accounting Statement dated 31.12.2011 and in the Report dated 28.02.2012 of the Chartered Auditor – Accountant Mr. Telemachos Georgopoulos (reg. No SOEL 19271) for the Determination of the Accounting Value of the assets and liabilities of PPC S.A. Distribution Segment.

The spin-off of PPC S.A. Distribution Segment to be contributed to the Absorbing Company is effected pursuant to the provisions of article 123 of L. 4001/2011, as applicable, the deviations provided for in par. 2, 3, 4 and 5 of the same article, the correspondingly applicable article 98 of the same law, as well as in accordance with the provisions of articles 1-5 of L.2166/1993 (Greek National Gazette A' 137), articles 68-79 of Codified Law 2190/1920, as applicable, and the rest of the provisions of L.4001/2011, as applicable.

PPC S.A. Distribution Segment is spun-off the Contributing Company and contributed to the Absorbing Company which absorbs it. It is to be noted that, with the exception of the immovable and fixed assets of the Distribution Network and of the Non Interconnected Islands Network, which remain to the Contributing Company, until and including December 31<sup>st</sup>, 2011, the said Segment constituted the Distribution Division of PPC SA along with the Islands Network Operations Department.

1.2. The above transfer does not affect the existence of the Contributing Company, which shall continue to operate as a listed company and its object shall continue to be the engagement in commercial and industrial activities in the power and telecommunications sectors in Greece and abroad, the provision of services to third parties related to Projects design, management and supervision issues, the provision of services to third-party companies on organization and information technology issues, as well as the exploitation of all kinds of assets held by the Company.

For the said spin-off and contribution of the Segment, the following were prepared: the Accounting Statement dated 31.12.2011, the Report dated 28.02.2012 for the Determination of the Accounting Value by the Chartered Auditor-Accountant Mr. Telemachos Georgopoulos (reg. No SOEL 19271), the Report of the Board of Directors of the Absorbing Company dated 28.02.2012 and the Report of the Board of Directors of the Contributing Company dated 28.02.2011.

## **Article 2**

2.1. The spin-off and the contribution of the PPC S.A Distribution Segment shall be decided by the General Meetings of the Absorbing Company and the Contributing Company pursuant to L.4001/2011 and shall be effected in accordance with articles 1-5 of L.2166/1993, the deviations provided for in par. 2, 3, 4 and 5 of article 123 of L. 4001/2011, based on the assets, as detailed in the Accounting Statement of Spin-off of PPC S.A. Distribution segment prepared to this end, dated 31.12.2011, and as certified in the Report dated 28.02.2012 for the Determination of the Accounting Value for the Segment Spin-off, pursuant to L. 2166/1993 and article 123 of L.4001/2011, by the Chartered Accountant-Auditor Mr. Telemachos Georgopoulos (reg. No SOEL 19271). The final decision for the Segment spin-off is taken by the General Meetings of the two companies. The Contributing Company shall receive in return 3,534,226 new registered shares with nominal value EUR 10.00 each, issued by the Absorbing Company, which grant to the Contributing Company the right to participate in the profits for the fiscal year commencing on 01.01.2012.

2.2 The spin-off of PPC S.A. Distribution Segment shall be concluded by registering of the relative approval decision of the competent supervising authority with the Register of Sociétés Anonymes of the Absorbing Company.

## **Article 3**

Upon conclusion of the absorption of the PPC S.A. Distribution Segment, the Absorbing Company is automatically substituted without further formalities as per law, in all rights, obligations and legal relations of the Contributing Company related to the contributed Segment.

## **Article 4**

The Contributing Company transfers the totality of the contributed Segment's assets and liabilities to the Absorbing Company with the exception of the immovable and fixed assets of the Distribution Network and of the Non-Interconnected Islands Network, pursuant to the provisions of article 1 hereof article 123 of L.4001/2011 and as detailed in the Accounting Statement dated 31.12.2011 and the Report dated 28.02.2012 for the Determination of the Accounting Value. The integration of the contributed Segment in the Absorbing Company is effected by aggregating the above assets and liabilities in its balance sheet. The Absorbing Company shall, therefore, become the exclusive owner, tenant, possessor and beneficiary of all assets of the PPC S.A. Distribution Segment (the Distribution Division along with the Islands Network Operations Department of PPC S.A.) to be absorbed, such as movable assets, rights, claims against third parties, intangible assets and all kinds of assets in general, with the exception of immovable and fixed assets of the Distribution Network and of the Non-Interconnected Islands Network, in accordance with those provided for specifically in article 123 of L.4001/2011 as applicable; respectively in

accordance with the procedure prescribed by article 125 of L.4001/2011, applicable as amended, the personnel of the Contributing Company, as detailed in par. 1 of the same article as above (125) of L.4001/2011, is transferred to the Absorbing Company.

## **Article 5**

5.1 According to the Report for the Determination of the Accounting Value the net position-net book value of the PPC S.A. Distribution Segment (following deduction of the contributed reserves) amounts to EUR 35,342,260.00.

The share capital of the Absorbing Company amounts today to EUR 2,209,750.00 and is divided into 220,975 common registered shares with nominal value EUR 10.00 each.

As a result of the spin-off and in accordance with the provisions of L.2166/1993 and article 123 of L. 4001/2011, it is agreed that, based on the net book value of the contributed PPC S.A. Distribution Segment, as it results from the financial data of the Segment detailed in the Report for the Determination of the Accounting Value, the share capital of the Absorbing Company shall be increased by the amount of EUR 35,342,260 through issuance of 3,534,226 new common registered shares, with nominal value EUR 10.00 each, to be attributed in their totality to the Contributing Company. Consequently, the total share capital of the Absorbing Company shall amount to EUR 37,552,010 divided into 3,755,201 common registered shares with nominal value EUR 10.00 each. To that end, the Articles of Incorporation of the Absorbing Company shall be amended. The Absorbing Company shall be obligated upon conclusion of the Segment spin-off and contribution to deliver immediately to the Contributing Company by full, exclusive and undisturbed ownership, occupation and possession, 3,534,226 common registered shares issued by the Absorbing Company with nominal value EUR 10.00 each. Upon delivery of the shares, a Shares' Delivery and Acceptance Protocol shall be signed by the lawful representatives of the Absorbing Company and the Contributing Company or by any other duly authorized persons to that end.

5.2. In order to facilitate the contracting parties multiple securities or temporary multiple securities may be issued in accordance with the law in force.

5.3 The contracting parties assume the responsibility to proceed to any other formality necessary for the accomplishment of the issuance of the above shares and the delivery of the new securities to the Contributing Company.

## **Article 6**

6.1. Upon conclusion of the spin-off and contribution of the PPC S.A Segment, the Absorbing Company, in which the Contributing Company remains the sole shareholder by 100%, is automatically substituted in general in all its rights, obligations and legal relations related to the contributed Segment. In all cases, however, the Contributing Company shall proceed to any necessary actions for the transferring to the Absorbing Company of all rights, obligations and legal relations of the contributed Segment, in accordance with the specific provisions of L.4001/2011, as applicable, and articles 68-79 of C.L.2190/1920, as applicable.

6.2. As of the date of conclusion of the Segment spin-off, the shares, which shall be delivered to the Contributing Company, shall have the right to participate in the profits of the Absorbing Company for the fiscal year commencing on 01.01.2012.

### **Article 7**

As of January 1<sup>st</sup> 2012, that is the day following the compilation of the Accounting Statement of PPC S.A. Distribution Segment dated 31.12.2011 and until the conclusion of the spin-off, all deeds and transactions of the Contributing Company related to the contributed Segment are deemed in terms of accounting, to be performed on account of the Absorbing Company and all financial results of that period shall benefit or burden the latter. The relative amounts shall be transferred correspondingly by aggregate entry to the books of the Absorbing Company, in accordance with L.2166/1993, as well as with the explicit provision of article 123 par. 2 and the correspondingly applicable article 98 par. 3 subpar. i of L.4001/2011, as applicable.

### **Article 8**

The assets of the contributed Segment to be transferred to the Absorbing Company are detailed in the Accounting Statement dated 31.12.2011.

### **Article 9**

The contracting parties ascertain that both their Articles of Incorporation and the resolutions of their corporate bodies do not provide for any special benefits for the members of their Board of Directors; such benefits are neither granted by the present Draft Contract of Spin-off; on the contrary, they provide for restrictions pursuant to article 124 of L.4001/2011, as applicable.

### **Article 10**

10.1. The transfer of assets and liabilities, including the transfer of any right in rem in vehicles and other movable assets, is automatically carried-out and only registration of the Spin-off Contract with the Register of Sociétés Anonymes is required. No appendices, regulatory or administrative approvals, authorizations, solemn declarations, certificates and drawings are required for the property transfer, not even for those acquired through compulsory expropriation or located to border areas, notwithstanding any other general or special provisions.

10.2 The Absorbing Company is substituted in general in all its rights, obligations and legal relations of the Contributing Company related to the contributed Segment, regardless of the time they were born, including those related to the personnel retired prior to 31.12.2011 and employed in the activity of the Distribution Segment, as well as to the transferred personnel pursuant to article 125 of L.4001/2011, applicable as amended, and enjoys all tax privileges and exemptions granted to the Contributing Company. Said transfer is equated to universal succession and as of the date of registration of the relative approval resolution with the Register of Sociétés Anonymes, the Contributing Company is released from any liability to any third parties, including the State and the Insurance Funds, against which the Absorbing Company is substituted according to the above. Similarly, it is released from any obligations, titles or rights that may be non-transferable, as per law or contract, or concern the network assets that remain in the ownership of the Contributing Company. Any accounting entry or fiscal transaction, performed by the Contributing Company and related to the PPC S.A. Distribution Segment, which involves future benefits or burdens, is transferred as a result of the spin-off to the Absorbing Company for the benefit of or at the expense of the latter.

10.3 Any pending trials shall automatically be taken over by the Absorbing Company without being violently interrupted and no further formality or statement on its behalf is required for their continuation or rehearing.

10.4 Any kind of administrative authorizations and approvals, concessions granted to the Contributing Company with regard to the contributed PPC S.A. Distribution Segment are automatically transferred to the Absorbing Company notwithstanding any other provision. As far as the insurance of the Absorbing Company's vehicles is concerned, the provisions of P.D.764/1978 are accordingly applicable.

10.5 In general, and beyond the provisions of L.4001/2011, any right, intangible asset, claim, the totality of movable assets or any other asset related to the contributed PPC S.A. Distribution Segment, with the exception of the immovable and fixed assets of the Distribution and the Non-Interconnected Islands Networks, even if it is not specifically stated nor described in detail either by omission or negligence, but results from a confirmation agreement between the contracting parties hereof, any kind of authorizations granted by the Authorities, as well as any other rights, obligations or legal relations deriving from any other related contract or legal act are all transferred to the Absorbing Company and upon conclusion of the Segment spin-off are delivered by full ownership to the Absorbing Company. All contracts, agreements and legal acts concluded between the Absorbing Company and any other third moral or legal entity and related to the contributed Segment are transferred to the Absorbing Company on the same terms and conditions.

#### **Article 11**

The Absorbing Company accepts the contribution of the assets and liabilities of the contributed PPC S.A. Distribution Segment, as those are detailed in the Accounting Statement dated 31.12.2011 and as those will have been modified until the conclusion of the spin-off and the contribution. Such assets shall constitute part of the assets and liabilities of the Absorbing Company.

#### **Article 12**

The Accounting Statement of the contributed Segment spin-off dated 31.12.2011, as well as the Report dated 28.02.2012 for the Determination of the Accounting Value of the Segment by the appointed Chartered Auditor - Accountant Mr. Telemachos Georgopoulos (reg. No. SOEL 19271) are signed and attached hereto and constitute an integral part thereof.

**Athens, 28.02.2012**

**THE CONTRACTING COMPANIES**

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**FOR THE CONTRIBUTING COMPANY**

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**FOR THE ABSORBING COMPANY**

4. The authorization of Mrs. Our. Aikaterinari, Deputy Chief Executive Officer of PPC S.A., and/or Mr. G. Aggelopoulos, General Manager of PPC SA Finance Division, acting jointly or separately, to sign the above Draft Contract of Spin-off.
5. The recommendation to the first, following the present Resolution, Extraordinary General Meeting of the Company, to appoint the Notary Public of Athens Mr. Chr. Steiros (9b Valaoritou str., Athens) who shall draw up the deed of spin-off of the PPC SA Distribution Segment and authorize Mrs. Our. Aikaterinari, Deputy Chief Executive Officer of PPC SA, and/or Mr. G. Aggelopoulos, General Manager of PPC SA Finance Division, acting jointly or separately, in order to sign before the above notary Public the deed of spin-off of the PPC SA Distribution Segment on account of the Company.
6. The appointment of Mr. Anarg. Economou, General Counsel of PPC SA, or/and Mrs. Ant. Koukouritaki, Lawyer of the PPC S.A. Legal Department, to correct any typical omissions or inadvertent errors, deal with any pending issues that may arise and submit the necessary documents to the Authorities and the Register of Sociétés Anonymes, following the signing of the deed of spin-off of PPC S.A. Distribution Segment.

**C. D. TSOKANAS**  
**Secretary of the Board of Directors**

**RECEIPIENTS:**

- Mrs. Our. Aikaterinari – DCEO/CF
- Mr. G. Aggelopoulos, F/Di
- D/Di

**Notification :**

- OoE
- LD
- F/Di
- HRO/Di
- M/Di
- G/Di
- S/Di
- D/Di
- IAD

**See: (Auditor Report)**

**See: (Report of the Board of Directors)**