

LAW No. 4533/2018

[OFFICIAL GAZETTE ISSUE A', NO. 75/27.4.2018]

***Structural measures for access to lignite and
the further opening of the wholesale electricity market and other provisions***

THE PRESIDENT

OF THE HELLENIC REPUBLIC

We issue the following law, which was voted by the Members of the Parliament:

Article 1

Spin-off and contribution of two lignite segments of PPC SA into two new companies

1. In order to fulfil the commitments of the Hellenic Republic towards the European Commission dated January 19th, 2018 for the implementation of structural measures concerning access to lignite in the context of case COMP/38.700 through the divestment of relevant business assets and activities of PPC, it is hereby provided for the incorporation of two (2) new sociétés anonymes in terms of assets, liabilities and human resources with PPC as their sole shareholder and main purpose the extraction of lignite and the generation of electricity with the use of lignite.
2. The divestment will be carried out through the spin-off and contribution from PPC of the below described lignite-fired generation capacity of PPC together with the exploration and exploitation rights of PPC over certain lignite reserves (as defined herein below) as well as other related assets, liabilities and human resources as distinct segments into the said two new companies, in accordance with the provisions of this law, and will be completed through the transfer of the entirety of their shares to preferred investors who will be selected in the context of the tender procedure provided for in Article 3. More specifically, in the first company PPC will contribute as segment all the business assets, rights and obligations relating to its lignite-fired power generation activity in the area of Meliti in Florina and in the broader area where public lignite reserves are located, and in the second it will contribute all the business assets, rights and obligations relating to its lignite-fired power generation activity in the area of Megalopoli in Arcadia, as specifically defined in the present law.
3. The business assets that will be contributed by PPC into the first new company include mainly:
 - (a) the power unit no. 1 of Meliti TPP (Meliti 1) of 330 MW nominal capacity;
 - (b) the electricity generation license for the power unit no. 2 of Meliti TPP (Meliti 2) of 450 MW nominal capacity;
 - (c) the exploration and exploitation rights that have been granted to PPC over the lignite reserves in Meliti in Florina and in its broader area, by virtue of the decision of the Minister of Industry, Energy and Technology no. Δ9-A/Φ54/13421 (issue B' 633) dated

July 4, 1994, i.e. on the lignite reserves of Kleidi, Lofoi of Meliti, and Vevi, as well as the right to use the land plots owned by PPC SA in the area of Kleidi which are requested for the exercise of the abovementioned rights of exploration and exploitation;

(d) the land plot of Meliti TPP and the land plot used for the storage of Meliti TPP solid by-products;

(e) the entirety of the building, mechanical and other auxiliary facilities of Meliti TPP;

(f) the entirety of auxiliary machinery, equipment and vehicles of Meliti TPP;

(g) the entirety of stored items relating to Meliti TPP;

(h) the entirety of the administrative permits and approvals concerning the lignite mining and lignite-fired power generation activity of Meliti TPP.

4. The business assets that will be contributed by PPC SA into the second new company include:

(a) Megalopoli A' TPP, including its operating power unit no . 3 (Megalopoli 3) of 300 MW nominal capacity;

(b) the power unit no . 4 of Megalopoli B' TPP (Megalopoli 4) of 300 MW nominal capacity;

(c) the land plot of Megalopoli A' TPP;

(d) the entirety of the building, mechanical and other auxiliary facilities of Megalopoli A' TPP;

(e) the entirety of stored items relating to Megalopoli A' TPP;

(f) the part or the parts of the building, mechanical and other auxiliary facilities of Megalopoli B' TPP that jointly serve the power units of Megalopoli 4 and Megalopoli 5 but still concern Megalopoli 4, and which can be separated and are considered necessary for the autonomous operation of the new company at the date of the spin-off accounting sheet. For the part or the parts of the above shared building, mechanical and other auxiliary facilities that cannot be separated, relevant leasing and services agreements will be entered into between PPC and the new company in the context of paragraph 8 of Article 3 hereof. The purpose of these agreements will be the ensuring of the smooth operation of Megalopoli 4 unit, which is contributed to the new company, and Megalopolis 5 unit, which shall remain in the ownership of PPC.

(g) the part or the parts of the land plot of Megalopoli B' TPP that correspond to Megalopoli 4 unit, as well as those concerning the part of the parts of the building, mechanical and other auxiliary facilities thereof that will be contributed to the new company according to those defined in item (f) above;

(h) the entirety of the administrative permits and approvals concerning the lignite-fired power generation activity of Megalopoli 3 and Megalopoli 4 units;

(i) the entirety of stored items relating to Megalopoli B' TPP;

- (j) the exploration and exploitation rights that have been granted to PPC SA over the lignite reserves in Megalopoli in Arcadia, by virtue of article 22 of the legislative decree no. 4029/1959 (Official Gazette Issue A' No. 250) and its delegated ministerial decision no. 27485/861 (Official Gazette Issue B' No. 175) dated April 1st 1960, as well as the right to use the land plots owned by PPC or the Greek State and are required for exercising these exploration and exploitation rights;
 - (k) the right to use the solid by-products storage area located in Megalopoli Lignite Centre;
 - (l) the entirety of the building facilities of Megalopoli Lignite Centre including the underlying land;
 - (m) the entirety of the main and auxiliary equipment, including the civil engineer's works and special installations that support the operation of project machinery, vehicles, office equipment and information technology equipment of Megalopoli Lignite Centre;
 - (n) the entirety of stored items in Megalopoli Lignite Centre; and
 - (o) the entirety of the administrative permits and approvals concerning the lignite mining activity in Megalopoli Lignite Centre.
5. The entirety of the assets and liabilities, including the employment contracts and work relationships of PPC personnel who is required for purposes of business continuity and smooth operation of the lignite-fired power generation activity, is described in the relevant spin-off notarial deed and spin-off accounting sheets and is considered as separate operational segment of PPC. More specifically, the first segment thereof is considered as the segment of lignite-fired power generating activity of TPP Meliti and the second as the segment of lignite-fired power generating activity of TPP Megalopoli. The reference in paragraphs 3 and 4 to the assets or/and liabilities of PPC SA segments is not exhaustive, reflecting at minimum the commitments undertaken by the Hellenic Republic in accordance with paragraph 1. Assets and/or liabilities of the segments that may have been unintentionally omitted from the respective spin-off notarial deed, but are necessary for the smooth operation and operational continuity of the two segments and are included in the respective segment from an organizational and operational perspective, are deemed to have been contributed into the respective new company upon the completion of the respective spin-off and contribution as laid down in case a' of paragraph 2 of article 2.

Article 2

Process, completion and consequences of the spin-off and contribution of the segments

1. The entire business assets of PPC SA, which are operationally included in the activities of each segment, as these (assets) are recorded in the respective spin-off accounting sheet, the date of which is set by the Board of Directors of PPC retrospectively, are contributed to the respective new company upon its incorporation. By the 31st of May 2018, the Board of Directors of PPC will have been convened in order to approve the terms of the

spin-off deeds and the spin-off accounting sheets and the required publication of such documentation will be made as per the applicable legislation.

2. The spin-off shall be carried out pursuant to the procedure and the terms of the present law, of Articles 68 to 79 (inclusive) of Codified Law 2190/1920 (Official Gazette Issue A' No. 144) and Articles 1 to 5 (inclusive) of Law 2166/1993 (Official Gazette Issue A' No. 137) by way of derogation from case e' of paragraph 1, article 1 of Law 2166/1993, including additionally the following derogations:

- (a) The spin-off and contribution of each segment and the transfer of the relevant activities to the respective new company are effected simultaneously with the incorporation of each such new company and shall be completed upon registration at the General Commercial Register (GEMI) of the relevant approval decision.

- (b) The transfer of the contributed business assets and liabilities, legal relations, rights and obligations arising from the contributed business assets and the transferred activities, including the transfer of real rights in immovable property, vehicles and other movables, as well as versus any third party, takes place by operation of law and is equivalent to universal succession of PPC by the respective new company per segment upon solely the registration at GEMI of the respective spin-off deed and the articles of incorporation of each new company. More specifically, as concerns the immovables to be transferred to the new companies, the following shall apply: for the creation of the immovables to be transferred the parceling out of land plots of minimum surface 4,000 m², as well as the creation of vertical ownership by way of derogation from Law 651/1977 (Official Gazette Issue A' No. 207) and Law 2308/1995 (Official Gazette Issue A' No. 114) are allowed. The land plots so created are deemed to be proper and buildable, while the existing upon publication of the present law buildings, constructions and facilities as legally existing. For the issuance of building permits, the existing internal road network, as part of the initial land plot, is deemed as "common use roads" and the immovables to be transferred are deemed to have face to such roads according to the applicable building regulations. By decision of the Minister of Environment and Energy and following an opinion from the Central Council of Urban Planning and Objections (ΚΕΣΥΠΟΘΑ) deviations from the applicable building terms, the Law 4067/2012 (Official Gazette Issue A' No. 79) and the Building Regulation (Official Gazette Issue D' No. 59/1989) may be allowed for the continuation of the operation and modernization of the installations of the immovable, which are transferred to the new companies and to the immovable assets that shall pertain to PPC SA.

- (c) Grants for fixed investments that are depicted in PPC's balance sheet, either in the equity section or in the 'fixed investments grants' account may be transferred to the new companies, where applicable, as these correspond to each new company by way of derogation from any other general or special provision of law.

- (d) No attachments, regulatory or administrative approvals, permits, attestations, affidavits, certificates and topographic plans are required for the transfer of any immovable property, including those acquired by compulsory expropriation or located in border areas, by way of derogation from any other general or specific provision of law. In

order to draft the spin-off contracts as provided for by the present law, a certificate issued by the Tax Administration is granted to PPC SA, by way of derogation from any general or special provision, by which it is certified that the immovable property is included in the property tax declaration, as well as in the Unified Immovable Property Ownership Tax (E.N.F.I.A.) of the previous five (5) years.

(e) Transcriptions or any other registrations of the respective spin-off deed and of any supplement deeds according to applicable laws in the land registry offices and cadastral offices are merely of a confirmatory character, they are effected by way of derogation from any other provision of law to the contrary and may take place within five (5) years from the above registration at GEMI of the relevant approval decision without payment of any fee or right of a third party, including fees, fixed and proportional rights, allowances or other fees in favour of paid or unpaid land registers or cadastral officers by derogation from any other general or specific provision of law, including paragraph 4 of Article 14 of Law 2664/1998 (A' 275) about the cadastral diagrams and extracts that are required to be submitted together with the registration of any such spin-off contracts into the aforesaid cadastral office's books. The non- transcription or registration of the abovementioned spin-off contracts up to the expiration of the five-year period does not prevent the issuance of permits, only within this time period, for which a Property Certificate or Cadastral Registration (e.g. Installation Permit, Building Permit, Operating License) is required.

(f) PPC and both new companies that will be incorporated are exempt from the obligation to pay any pro rata and fixed notarial rights for any deed requiring notarial form, such as the drafting and amendment of their articles of incorporation and the drafting of the spin-off and contribution deeds of each segment, including any supplement deed. The presence of a lawyer is not required during the drafting and signing of the relevant spin-off and contribution deeds.

(g) There is no requirement for submission to the competent tax office of any zero tax statements for any transfer of real estate (including statements of invocation of acquisitive prescription, difference of land or other unrecorded title), vehicles or other movables and industrial equipment.

(h) PPC's pending litigation trials, which concern the activities that are contributed to the two new companies, are continued by the respective new company by operation of law without requiring for their continuation or resumption any formality or statement on behalf of each such new company.

(i) The spin-off and contribution by PPC SA to both new companies, as well as the transfer of the total number of shares to be issued by the new companies to the preferred investors shall ensure that the latter will be able to operate in conformity with the regulatory and environmental requirements as set out in the national and european law. Any form and kind of administrative permits and approvals, concessions and grants (subject to case c' hereof) that have been granted to PPC and concern the contributed segments (as described in the respective spin-off deeds) are transferred by operation of law to the respective new company by way of derogation from any other general or

specific provision of law. For reasons of legal certainty, the competent administrative and independent authorities shall reissue or extend, where required, by priority and in any case until December 31st, 2018 all the relevant permits and approvals, concessions and grants (subject to case c' hereof) concerning the above contributed business assets to the two new companies in the name of the new companies, according to the applicable legislation and upon submission of a relevant request by these companies with the required documentation being the corporate documents relating to their lawful incorporation, operation and legal representation upon the registration at GEMI of the relevant approval decision. In particular, the units mentioned in paragraphs 3 and 4 of article 1 hereof are separated from the decision of the Minister of Development No Δ5/φ1/ref. 1085/24.1.2002 "Terms and restrictions of the single electricity generation license granted to the Public Power Corporation SA" (B' 92) and constitute the subject of new electricity generation licenses issued by the Regulatory Authority for Energy (RAE) upon relevant request of PPC SA and without complying with the procedures provided for in the above decision, as well as in the decision of the Minister of Development No Δ5/ΗΛ/Β/Φ.1/ref. 17951 "Regulation on Electricity Generation Licenses" (B' 1498). PPC SA, through relevant request, clearly defines the subject of each license, the units and facilities associated with these licenses, any special terms concerning interaction between these units, as well as any other necessary element with relation to the issuance of these licenses.

(j) Reserves from adjustment of fixed business assets that have been created pursuant to the provisions of Article 10 of Law 2941/2001 (Official Gazette Issue A' No. 201) or the International Financial Reporting Standards (IFRS) or by application of other laws and relating to fixed business assets included in the segments to be spun-off, are transferred together with the fixed business assets to the new companies as segment elements, provided that they have been included in the spin-off accounting sheet.

(k) From the completion of the two segments' spin-off and contribution to the new companies, the latter substitute PPC by operation of law in all the rights, obligations and legal relations of PPC SA concerning the employees of the two segments under an employment contract or other work relationships, except for those employees whose contracts were included in the respective spin-off deed and accounting sheet, but retired or terminated their contract or work relationship with PPC during the period between the approval of the Spin-off Terms Draft and the completion of the spin-off of each segment. Following the registration at GEMI of the relevant approval decision, PPC is released from any obligation including the obligation for supply thermal energy for reasons of remote heating to cities and settlements, against any third party, including the Greek State and any social insurance funds, with relation to which it is substituted by each of the new companies as a universal successor.

(l) Subject to the next item hereof, any accounting or tax treatment that was carried out by PPC SA relating to each segment so contributed and involving future benefits or burdens, is transferred as a consequence of the spin-off and contribution to each new company, respectively, to the benefit or detriment of it. In the assets of each segment to be spun-off any deferred tax claims and liabilities arising from the differences between

tax and accounting basis of the net assets of the segments (assets minus liabilities) are transferred, provided that they have been included in the respective spin-off accounting sheet to be drafted at the date of completion of the spin-off process.

(m) The transactions that are performed following the drafting date of the spin-off accounting sheet and until the completion of the spin-off, with regard to the contributed segments, are not considered as having been performed on behalf of the new companies and, as a result, no obligation shall arise for the transfer of these amounts, by means of aggregate entries in the (accounting) books of the new companies. The accounting and tax result, which will derive during this transitional period, shall be included in the accounting and tax results of PPC SA. The new companies shall transfer in their (accounting) books, by means of aggregate entries, only the balance of the balance sheet accounts of the contributed segments, as such balance results at the date of completion of the spin-off process. The balance of the balance sheet accounts at the date of completion of the spin-off shall be recorded in a spin-off accounting sheet to be drawn up by PPC. Until the completion of the spin-off process, PPC is not obliged to monitor separately the accounts of each individual segment for taxation purposes. VAT claims and obligations of the two segments to be spun-off that are included in the VAT statements of this transitional period, shall remain with PPC SA and shall not be transferred to the new companies upon the completion of each spin-off. According to articles 59, 61, 62 and 64 of Law 4172/2013 (Official Gazette Issue A' No. 167), PPC SA is obliged to submit the relevant payroll and fees record until the completion of each spin-off and the new companies upon the completion of each spin-off and thereafter.

3. The share capital of each new company is defined based on the book value of the net assets of the respective segment so contributed thereto pursuant to article 3 of Law 2166/1993. More specifically, the spin-off deed for each segment may provide that part of the book value of the net assets of each segment may be depicted in net assets accounts (except for the share capital) of each of the new companies, provided that there are differences of tax and accounting basis, that justify such treatment. In consideration of each so contributed segment, each new company shall issue shares equal in value that will be delivered to PPC SA for the purposes of the tender process under article 3 hereof.
4. The incorporation of the new companies is in any case exempt from the capital concentration tax provided for in article 17 of Law 1676/1986 (Official Gazette Issue A' No. 204) pursuant to subparagraph F' 22 of paragraph f' , article 1, Chapter A' of Law 4254/2014 (Official Gazette Issue A' No. 85). For the purposes of implementation of the above exemption, as incorporation share capital is considered the initial share capital plus any positive balance, which may derive following the date of preparation of the spin-off accounting sheet and until the completion of the spin-off, in accordance with paragraph 2 case a' hereof. Within the framework of the exemptions provided for by Law 2166/1993, the above incorporation is also exempt from the 0.1% contributory duty in favour of the Hellenic Competition Commission as set out under article 17 par. 1 of Law 3959/2011 (Official Gazette Issue A' No. 93) and, in general, from any other tax, levy, contribution in favour of third parties, or any other charge.

Article 3

Framework of tender process for completion of divestment

1. PPC SA shall transfer the total number of shares to be issued by each of the new companies and which (shares) it will obtain in accordance with paragraph 3 of Article 2 hereof to any legal person(s) interested in their acquisition and who will be selected as preferred investor(s) through an open, international, tender process. The tender shall be conducted on PPC SA's diligence and costs, in accordance with the article hereof and the commitments of the Hellenic Republic towards the European Commission for structural measures in the lignite-fired electricity generation segment.
2. The tender will be launched through an open, international, public call from PPC SA until May 31st, 2018 and, subject to paragraph 7 hereof, it will be completed upon the signing of the share purchase agreement and the other contracts under paragraphs 7 and 8 within six (6) months from the date of entry into force of the European Commission decision mentioned in the item below. The launching of the tender is subject to the prior adoption of a European Commission decision in accordance with article 106 par.3 of the Treaty on the Functioning of the European Union making the commitments of the Hellenic Republic referred to in article 1 hereof binding. The completion of the tender is subject to the approval of the European Commission.
3. The public call of paragraph 2 hereof defines the procedure, the pre-qualification and final selection criteria of the participants (such as, indicatively, the amount of the financial offer, the experience in the management and operation of power plants using fossil fuels, the experience in the exploration and exploitation of solid fossil fuels like lignite, the financial, technical and legal suitability and adequacy of the participants, their independence from PPC SA in terms of company law, regulatory framework for the energy segment and competition law), the deadlines for submission of binding offers, the deposit of participation letters of guarantee, the process for submitting questions and clarifications, the terms and guarantees of confidentiality regarding the candidates' access to relevant information and documents concerning the segments and the companies, the draft share purchase agreement of each new company and the terms and conditions for completing the transfer of the shares to the preferred investor(s). In the context of this tender, the interested parties may submit offers either for the acquisition of the total number of shares of both new companies or of one of them.
4. To ensure the fair valuation of the market value of the contributed segments, PPC SA will appoint, subject to the prior approval of the European Commission, a sufficiently qualified and properly certified international independent valuator who will provide a fair value range for each of the contributed segments separately. This valuation will remain confidential until the opening of the participants' financial offers and then it will be delivered to the Board of Directors of PPC SA and the monitoring trustee of the European Commission under paragraph 6. In case the financial offers are below that valuation, PPC SA may request the submission of improved final financial offers to safeguard the legitimate financial interests of itself and of its shareholders.
5. Within the framework of the tender's timeline and within reasonable time from the submission of the final financial offers, which will be defined in the relevant tender invitation from PPC, and in any case before taking the final decision for the nomination of

the preferred investor(s), the Board of Directors of PPC may receive within reasonable time a fairness opinion from another international independent valuator, such as an international investment bank, regarding the fair and reasonable price offered. The said independent valuator will take into account the independent valuation of paragraph 4 hereof, the offers submitted by the tenderers and any other data, which it considers relevant to this end, in order for PPC SA to enter into a share purchase agreement for each new company with the preferred investor whilst safeguarding the legitimate financial interests of itself and of its shareholders.

6. Within two (2) weeks from the effective date of the European Commission decision mentioned in subparagraph 2 of paragraph 2 hereof, the Greek State and PPC shall appoint, subject to the prior approval of the European Commission, a sufficiently qualified consultant, such as an international investment bank or other international financial advisor, who will act as a monitoring trustee on behalf of the European Commission of the commitments of the Hellenic Republic for the present disinvestment by assuming the tasks set out below, as well as any other more specifically specified in the decision of the European Commission referred to in paragraph 2 hereof. The trustee must be independent from the Greek State and PPC, and must not be in conflict of interests with regard to his mandate. The trustee will be remunerated by PPC in such a way that it will not impede the independent and effective fulfilment of its mandate. The trustee will monitor on the one hand the current management of the contributed segments in order to ensure their financial sustainability and competitiveness and on the other hand the conduct and progress of the tender until the completion of the planned divestment. In this context, the trustee will be able in particular to propose to the Greek State and PPC what measures it considers necessary to achieve the purpose of its mandate, to evaluate the participation of potential investors, to monitor the process of the spin-off of the segments, to monitor the completeness and correctness of the information, data and documents that are given to the participants for the legal, financial and technical due diligence of the business assets to be divested, to evaluate the fulfilment of the selection criteria by the preferred investors and the conformity of the final result of the tender with the relevant commitments of the Hellenic Republic towards the European Commission. In order for the trustee to fulfil its duties, PPC must provide access to any information the trustee may reasonably require relating to the segments involved, such as access to documents and records, access to management, other staff and premises of the segments involved, as well as access to any information related to the tender, such as documents and information submitted to the participants, as well as documents and records submitted by them, including their financial offers.
7. The share purchase agreement of each new company will include any necessary prerequisite actions for each party, without the fulfilment of which would not be possible to complete the respective transaction (conditions precedent). In the context of the respective share purchase transaction, the parties are obliged to take any necessary action in order to ensure the granting of the necessary regulatory approvals (especially from independent authorities at national and European level), as well as to fulfil any necessary condition for completing the transaction within three (3) months from the conclusion of the relevant share purchase agreement.

8. In the context of the tender and in any case at a stage after the call for tender of paragraph 2 hereof there will be put forward for the tender participants to comment drafts of one or more service-level agreements and/or (infrastructure) leasing agreements that are necessary for the safe and smooth technical, commercial and administrative operation of both the new companies and PPC. The pricing of the relevant services will be made at cost basis, while the relevant agreements will include transparent and usual commercial, technical, economic and legal terms and conditions for such kind of agreements. The pricing of the services to be provided shall be carried out based on the cost, while the agreements shall include transparent and standard other commercial, technical, financial and legal terms and requirements for such type of agreements. The execution of these agreements, as they will be finalized in the context of the tender, between PPC (either by itself or through a special purpose subsidiary of it) and either of the two new companies will constitute a condition precedent for the completion of the respective share purchase transaction pursuant to paragraph 7 hereof. For the time period from the incorporation of the two new companies until the coming into effect of the above mentioned agreements, PPC may execute with the two new companies any such agreements that are deemed necessary for the safe and smooth technical, commercial and administrative operation of the new companies on condition that their effect will expire automatically upon the coming into effect of the above mentioned (new) service-level agreements and/or leasing agreements.
9. From the effective date of the European Commission decision mentioned in paragraph 2 hereof until the completion of the respective share purchase transaction pursuant to paragraph 7 hereof, the Greek State and PPC shall preserve the financial viability and competitiveness of the contributed segments and of the new companies in accordance with best business practice, that is reasonably expected from any prudent operator in the relevant sector, as this is specified in the above mentioned decision of the European Commission. In the context of the tender and depending on its stage of progress and completion, subject to confidentiality commitments of the tender participants and their advisors, PPC will provide any information concerning the contributed segments and their personnel in order for the interested investors to conduct reasonable legal due diligence.
10. From the effective date of the decision of the European Commission mentioned in paragraph 2 and until the completion of the 400 kV expansion of the Hellenic Electricity Transmission System (HETS) into Peloponnesus and in particular into Megalopoli pursuant to the Ten-year Network Development Programme (TNDP) of ADMIE S.A., the output capacity of the power generating unit no . 5 of Megalopolis B' TPP (Megalopoli 5) of PPC S.A. cannot exceed 500 MW regardless of installed capacity to the extent that in the substantiated opinion of ADMIE S.A. as the Transmission System Operator (TSO) there are raised issues of System stability including HETS congestion and security issues in Peloponnesus.
11. The conduct of the above international tender shall be under the supervision of the Greek State. Joint decision of the Ministers of Environment and Energy, and Finance may regulate any other relevant matter for its conduct.

Article 4

Labour relations of the personnel working in the two segments

1. All labour rights and obligations of the PPC personnel, such as the applicable collective labour agreements, who is occupied under an employment contract or work relationship in each of the segments that are to be spun-off according to the provisions of the present law, are transferred as shaped and existing on the spin-off date to the respective societe anonyme to which each segment is contributed. Such personnel remain insured under the same terms and departments of EFKA (ETEAEF and EOPYY) to which it was insured on the date of such transfer even after that date. Unless otherwise provided for in the present law, with regard to the segments spin-off and the personnel transfer, the terms of Presidential Decree 178/2002 (Official Gazette Issue A' No. 162) are applicable with relation to the retention of the employees' rights in case of transfer of undertakings, facilities or part of facilities or undertakings.
2. After the transfer of the shares of each new company pursuant to the provisions of the present law, the working status of its personnel will be defined by the applicable labour legislation and the labour regulation which will be elaborated according to the applicable legislation. The new companies may not proceed to layoffs of employees so transferred from PPC due to the spin-offs for economic, technical or organizational reasons for a period of six (6) years from the completion of each such spin-off.
3. PPC S.A. shall refrain from any action aimed at the recruitment by PPC, in any capacity or speciality, of the above transferred to the two (2) new companies personnel in the first two (2) years from the execution of the respective share purchase transaction pursuant to paragraph 7 of article 3 hereof, in order not to endanger their economic viability and competitiveness in the early years of their operation.
4. The PPC personnel who is occupied in operational departments that are set out of operation, as well as the personnel occupied in the operational departments of Megalopoli and Meliti and who is not contributed at the spin-off date into the new companies according to paragraph 1 hereof, may be (a) reassigned upon decision of the PPC Board of Directors to other PPC Departments, in order to meet their needs or b) to be reassigned to other subsidiaries of PPC following an application from the employee and relevant board resolutions of PPC and the respective subsidiary, which shall determine the terms and conditions of the reassignment, as well as the number of the personnel to be reassigned, or (c) submitted to an exit incentive scheme whose terms and conditions will be defined by decision of the Board of PPC. Respectively, personnel from the already existing subsidiaries of PPC S.A. may be transferred to PPC S.A. for the purposes of meeting the needs of its departments, following an application by the employee and relevant resolutions of the board of directors of PPC and the respective subsidiary.

Article 5

Liability of PPC and of the new companies

1. Throughout the time that the new companies are 100% subsidiaries of PPC, the latter shall be severally liable with each new company for all the obligations of the respective segment, so contributed, that were born until the completion of the spin-off. PPC shall be entitled to refuse the performance of the above obligations, until the creditor attempts an enforcement against the new company and it proves unsuccessful.
2. From the completion of the envisaged in article 3 divestment of PPC, PPC shall be liable for the obligations of paragraph 1 hereof only up to the value of the net assets contributed to each new company in the context of the spin-off. PPC shall be entitled to refuse the performance of the above obligations, until the creditor attempts an enforcement against the new company and it proves unsuccessful. In any case, PPC shall undertake together with the preferred investor and following relevant specific agreement to be entered into with the new company a proportionate part of electricity generation units decommissioning costs and lignite fields restoration costs pro-rated to the respective years of operation of the respective segment under the ownership and control of PPC.
3. Articles 477 and 479 of the Civil Code shall not apply to the spin-off(s) of this law.
4. The actions and decisions of the members of the Boards of Directors of PPC and of the new companies, which are taken in the context of the provisions of this law and for the purpose of implementing the relevant divestment, constitute fulfilment of a legal obligation of them.
5. Any action or transaction which is attempted for the implementation of this law by PPC or by the new companies, including the occurrence of any event or consequence directly related to the attempted action or transaction, cannot constitute by itself a termination or insolvency event, or reason for provision or liquidation of security, nor does it provide a counterparty with a right to terminate for default or cross-default, or rescind, seize, amend or set-off in relation to any contract of PPC with third parties, provided that the material obligations thereunder are performed in accordance with the contract, including the obligations for payment and delivery. The abovementioned apply also to contracts of PPC's subsidiaries with third parties.

Article 6

Contribution of lignite exploration and exploitation rights to the new companies

1. Exceptionally and for reasons of public interest regarding the fulfilment of Hellenic Republic's commitments towards the European Commission according to Article 1 hereof and the uninterrupted supply with lignite of the so-contributed lignite-fired electricity generating units in the future, in order to ensure the energy efficiency and security of the country, and to rationally exploit the lignite reserves of the country, it is hereby contributed from PPC to the respective new company of Article 1 hereof, in deviation of

any general or special opposite provision of law, the lignite exploration and exploitation rights referred to in case c' of paragraph 3 - article 1 and case k' of paragraph 4 – article 1 in Megalopoli, Arcadia and in Meliti, Florina that have been granted to PPC by virtue of article 22 of legislative decree no. 4029/1959 (Official Gazette Issue A' No. 250) and its implementing ministerial decision no. 27485/861 (Official Gazette Issue B' No. 175) of 1 April 1960, and ministerial decision no. Δ9-A/Φ54/13421 (Official Gazette Issue B' No. 633) of July 4th 1994, in order for these rights to be vested with the respective preferred investor, who will emerge from the tender process of article 3 hereof, whilst providing the required warranties for achieving the above purposes in the future.

2. For reasons of public interest regarding the fulfilment of the Hellenic Republic's commitments towards the European Commission according to Article 1 hereof and the expediting of conducting exploration and exploitation activities, the Greek State shall conduct the adequate process pursuant to the Greek and the EU legislation, by entering into with preferred investor who will be selected pursuant to article 3 hereof for the lignite-fired power generating segment of TPP Meliti a lease agreement for the lignite exploration and exploitation rights over the public lignite reserve space in the area of Vevi in the Regional Unit of Florina, which have not been granted to PPC and which remain at the disposal of the Greek State. The terms of the lease cannot be worse than those agreed under the last signed agreement in this connection.
3. The validity term of the lignite exploration and exploitation rights referred to in paragraph 1 hereof, as well as of the respective rights granted to PPC, are extended by decision of the Minister of Environment and Energy for a period of time at least equal to the rest validity term of the most recently issued electricity generation licence of the lignite-fired electricity generating unit(s) using lignite extracted in the respective areas in deviation from any general or special opposite provision of law.
4. By decision of the Minister of Environment and Energy any other relevant matter regarding the above granting of such exclusive exploration and exploitation rights of the Greek State over the aforesaid public lignite reserves in Megalopoli, Arcadia and Meliti, Florina, can be regulated.

Article 7

Special duty for lignite exploration and exploitation rights

1. It is imposed as of January 1st, 2019 in favour of the Regions of West Macedonia and Peloponnesus, and at the expense of electricity producers using lignite who possess or have been granted in any way whatsoever lignite exploration and exploitation rights over lignite reserves areas within the country a special duty of 1.40 Euros per megawatt hour (€/MWh) of electricity generated with use of lignite. The above duty is not calculated in the variable cost of lignite-fired power generating units and it is recovered by these units through a relevant charge that is added to the uplift charges of the wholesale electricity market. The funds that will derive from the imposition of the above duty will be used in

particular for the funding of infrastructure projects, the development and the protection of the environment and settlements relocation costs in the Regional Units of Arcadia, Kozani and Florina.

2. By decision of the Minister of Environment and Energy the way, the means, the criteria and the process of collecting, allocating and distributing the duty of paragraph 1 to the above Regions, its readjustment procedure, as well as any other relevant matter, such as in particular the case of cease of operation of the lignite-fired electricity generating units for any reason whatsoever whilst continuing the exploitation or the possession of the relevant public lignite reserves areas are defined. The same ministerial decision also defines the penalties to be imposed for non-payment of the duty or non-compliance with the rest obligations provided therein. In case of repeated violations there may be provided, as the case may be, the deduction from the concession or the revocation of the lignite exploration and exploitation rights or the minerals exploration licence, according to the relevant provisions of Legislative Decree 210/1973 (Official Gazette Issue A' No. 277).

Article 8

Abolished provisions

1. Article 20 of Law 2446/1996 (Official Gazette Issue A' No. 276), is abolished on December 31st, 2018.
2. Paragraph 3 of article 25 of Law 4491/1966 (Official Gazette Issue A' No. 1), as well as any other pertinent, general or special provision of law or clause or term of Labor Regulation or Collective Labor Agreement, is abolished.

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Article 13

Entry into force

This law enters into force upon its publication in the Official Gazette, unless otherwise provided in its individual provisions