

**DRAFT TERMS FOR THE SEPARATION OF PPC SA BRANCH AND CONTRIBUTION TO  
THE UNDER ESTABLISHMENT “MELITI ENERY LIGNITE SOCIETE ANONYME”**

1. The transferring company is the Societe Anonyme under the name “PUBLIC POWER CORPORATION S.A.” (PPC SA), which is registered in the Municipality of Athens, at 30 Halkokondyli str., with SA reg. no. 47829/06/B/00/2, and is legally represented (hereinafter referred to as the “**Transferring company**”).

2. Based on article 1 of Law 4533/2018 (Government Gazette A '75 / 27.04.2018) the Transferring company is obliged to proceed to the separation in the form of a separate branch of the assets, rights and liabilities related to its lignite power generation activity in the area of Meliti in Florina and in the wider region, where public lignite deposits are located, through the contribution of the relevant lignite-fired power plant along with the exploration and exploitation rights of the Transferring company over certain lignite deposits, including other related assets, liabilities and human resources, as identified in articles 1 par. 3 & 5, articles 2, 4 and 6 of Law 4533/2018 and as reflected in the Separation Accounting Statement of March 31, 2018 (hereinafter referred to as “**the Branch**”), to a societe anonyme established for this purpose, with the intended name “MELITI ENERGY LIGNITE SOCIETE ANONYME”, with registered offices in the City of Athens (hereinafter referred to as the “**Company to be established**”).

3. The separation of the Branch and the establishment of the new societe anonyme is decided by the General Meeting of the Transferring company and is completed by the registration in the General Commercial Registry (GEMI) of the relevant approval issued by the competent supervisory authority, of the notarial deed for the separation, and of the Articles of Association of the Company to be established as per article 2 (2) (b) of law 4533/2018.

4. The Transferring company will contribute all the assets of the above Branch (Assets and Liabilities) to the Company to be established in accordance with the provisions of Articles 1-5 of Law 2166/1993, Articles 68 to 79 of codified law 2190/1920, with the derogations provided for in article 2 (2) of Law 4533/2018 and on the basis of its assets, as reflected in the Separation Accounting Statement of 31.03.2018 and in the Report by the Certified Auditors-Accountants Konstantinos Evangelinos (SOEL reg. no. 13151) and Panagiotis Preventis

(SOEL reg. no. 14501), dated 23.5.2018, for the determination of the book value of the assets and liabilities of the aforementioned Branch. The Company to be established shall become the sole owner, holder, and beneficiary of each asset of the above Branch and shall undertake automatically and without any other wording in accordance with the law all rights, obligations and legal relationships of the Transferring company relating to the Branch contributed.

5. The initial share capital of the Company to be established is formed by the amount of 52,800,000 euros, which corresponds to the net equity of the above Transferring company Branch, as assessed by Certified Auditors-Accountants Konstantinos Evangelinos (SOEL reg. no. 13151) and Panagiotis Preventis (SOEL reg. no. 14501), which meet the criteria of Art. 9 par. 4 of cod. law 2190/1920. Upon the completion of the contribution of the Branch, 13,200,000 common registered shares with a nominal value of 4.00 euros each will be issued by the Company to be established, representing 100% of the fully paid share capital of the Company to be established and will be undertaken by the Transferring company in accordance with current legislation. Over these shares, the Transferring company will obtain the full, exclusive and unencumbered ownership, possession and holding.

6. From the date of completion of the separation and from the contribution of the Branch, the shares taken over by the Transferring company will entitle it to participate in the profits of the Company to be established. Multiple share certificates or interim multiple share certificates may be issued in accordance with applicable law.

7. In agreement with article 2 par. 2 (m) of law 4533/2018, from 1 April 2018, i.e the day after the preparation of the transformation accounting statement, dated 03.31.2018, for the Branch, and until the completion of the separation, all acts and transactions of the Transferring company related to the Branch contributed are not considered from an accounting point of view as having been performed on behalf of the Company to be established; as a result there is no obligation to transfer these amounts by aggregation in the books of said company. The accounting and tax result arising from 1 April 2018 and until the completion of the separation will be included in the accounting and tax results of Transferring company. The Company to be established will only transfer to its books with aggregated records the balance of the Branch balance sheet accounts as these come up on the date of the completion of the separation.

8. The assets of the Branch contributed that will be contributed to the Company to be

established are those shown in the Separate Accounting Statement of 31.03.2018 and in the Report by Certified Auditors-Accountants Konstantinos Evangelinos (SOEL reg. no. 13151) and Panagiotis Preventis (SOEL reg. no. 14501), of 23.5.2018.

9. The Transferring company shall transfer to the Company to be established all assets and liabilities of the Branch transferred, in accordance with the provisions of Articles 2 and 4 of this draft and as reflected in the Accounting Statement of 31.03.2018 and in the Report by Certified Auditors-Accountants Konstantinos Evangelinos (SOEL reg. no. 13151) and Panagiotis Preventis (SOEL reg. no. 14501), of 23.5.2018, so that by registering at the General Commercial Registry (GEMI) the relevant approval decision issued by the competent supervisory authority, the notarial deed for the separation, and the Articles of Association of the Company to be established, as stipulated in Art. (2) (b) of Law 4533/2018, the Company to be established becomes the sole owner, holder and beneficiary of all assets of the Branch (movable assets, real property, rights, receivables from third parties from any cause, intangible assets and all property in general) relating to the Branch contributed as specified in article 1 par. 3 &5, article 2 and 6 of law 4533/2018, and respectively, as defined in Art. 4 of Law 4533/2018, the personnel of the Transferring company employed in the branch in question shall be transferred to the Company to be established.

According to the article 1, par. 5 of Law 4533/2018, any other right, intangible property, claim or other property related to the above Branch of the Transferring company that is necessary for the orderly operation and business continuity of the Branch, even if not specifically mentioned, nor is it accurately described in the present or in the Report by Certified Auditors-Accountants Konstantinos Evangelinos (SOEL reg. no. 13151) and Panagiotis Preventis (SOEL reg no. 14501), dated 23.5.2018, or in the notarial act of separation, either by omission or by mistake, shall be transferred in accordance with the above to the Company under establishment, including any authorizations granted by the authorities and the rights or legal relations arising from any other relevant contract or legal acts, which following the legal completion of the separation of the Branch and the completion of the formalities and conditions required from the provisions in force, shall be wholly owned by the Company to be established. All contracts, agreements, legal acts concluded between the Transferring company and any third natural person or legal entity that of the refer to the Branch contributed shall be transferred to the Company to be established and are continued by the latter under the same terms and conditions.

10. The Transferring company finds that both its Articles of Association and the decisions of its corporate bodies do not provide for the members of its Board of Directors and ordinary auditors of the Transferring company with any particular advantages nor any such advantages are provided with the present Draft of Separation Terms.

11. The transfer of assets and liabilities, including the transfer of real rights over real property, cars and other movable assets, takes place automatically, with the registration in GEMI alone of the relevant approval decision issued by the competent supervising authority, of the notarial deed for the separation, and of the articles of association of the Company to be established. No regulatory or administrative approvals, permits, attestations, solemn statements, certificates and blueprints are required for the transfer of immovable property, even those acquired through compulsory expropriation or located in border areas, by way of derogation from any other general or specific provision.

12. The Company under establishment shall undertake, irrespective of the time of its establishment, all rights, obligations and legal relations of the Transferring company in general relating to the Branch contributed, including, in accordance with Art. 2 (k) of Law 4553/2018, those relating to the personnel who retired prior to the date of approval of this Draft of Separation Terms who were employed in the Branch, as well as the personnel transferred under Art.4 of Law 4553/2018, who enjoy the tax privileges and relief established in favour of the Transferring company. This transfer is equal to to a universal succession and from the date of registration to the GEMI of the relevant approval decision, of the notarial deed and of the articles of association, the Transferring company is relieved of any obligation against any third party, including the State and the Insurance Funds, which the above Company to be established undertakes. Similarly, it is exempt from any obligations, titles or rights that may not be transferred by law or contract. Any accounting or tax treatment performed by the Transferring company that concerns the Branch and implies future benefits or liens is transferred as a consequence of the separation to the Company to be established for its benefit or burden.

13. Any litigation are continued automatically by the Company to be established without any interruption, and without requiring any wording or statement for their continuation or repetition.

14. All forms of administrative permits and approvals, expropriations, concessions and grants granted to the Transferring company in respect of the Branch contributed are automatically transferred to the Company to be established by way of derogation from any other provision.

15. Any guarantees by the Greek State in favour of the Transferring company, for any credits transferred to the Company under establishment are in favour of the Company under establishment.

16. The Transferring company declares, promises and guarantees that: a) the entire property of the Branch contributed (assets and liability) as on 31.3.18 is the one stated in its Transformation Accounting Statement of 31.3.18, which includes the assets contributed, transferred, and delivered to the Company under establishment, and b) the assets contributed are solely owned by it and are free from any real or legal defect, while the liabilities are the amounts noted in the above accounting statement.

17. The attached Separation Accounting Statement of March 31, 2018 of the Branch Contributed, as well as the Report by Certified Auditors-Accountants Konstantinos Evangelinos (SOEL reg. no. 13151) and Panagiotis Preventis (SOEL reg. no. 14501) are hereby signed and attached as a single indivisible and indispensable part of this report.

**Athens, 23/05/2018**