

Article 1

Establishment of a Hellenic Financial Stability Fund

A private-law legal person is hereby established under the name “Hellenic Financial Stability Fund” (hereinafter referred to as the “Fund”).

The Fund shall acquire legal personality as from the publication of this Law in the Government Gazette. The Fund shall have full juridical capacity, as well as standing to sue and to be sued. The Fund shall not belong to the public sector neither to the broader public sector; shall enjoy administrative and economic independence; shall operate exclusively in accordance with the rules of private economy; and be governed by the provisions of this Law.

The purely private-sector character of the Fund is not prejudiced by the payment of its entire capital by the Greek government or the issuance of the decisions of the Minister of Finance contemplated in this Law.

On a purely supplementary basis, the provisions of Law 4548/2018 (A’ 104), as currently in force, shall apply provided that they are not in conflict with the provisions and objectives of this Law.

Article 2

Objective, Registered Office, Duration

1. The objective of the Fund shall be (a) to contribute to the maintenance of the stability of the Greek banking system, for the sake of public interest and (b) the effective disposal of shares or other financial instruments held by credit institutions, which is based on a divestment strategy with a specific time horizon of definite and full implementation, which is determined in accordance with Article 8, and in principle does not extend beyond the Fund’s termination, as specified in paragraph 6 hereof. The Fund shall act in line with the relevant commitments under the Memorandum of Understanding of 15.3.2012, draft of which was ratified by law 4046/2012 (A’ 65), as updated from time to time and of the Memorandum of Understanding of 19.8.2015, draft of which is ratified under law 4336/2015 (A’ 94), as updated from time to time.

The Fund shall comply with the obligations arising from or in connection with the Master Financial Facility Agreement of 15. 3. 2012, draft of which was ratified by law 4060/2012 (A’ 65), and under the Financial Facility Agreement of 19.8.2015, draft of which has been ratified by law 4336/2015 (A’ 94), and is authorized to proceed to any necessary action in order to fully comply and to give full effect with these obligations.

2. In pursuing this objective, the Fund:

a) Provides capital support to credit institutions according to the provisions of the present Law in compliance with EU state aid rules.

b) Monitors and assesses how credit institutions, to which capital support is provided by the

Fund, comply with their restructuring plans, safeguarding at the same time the business autonomy of the credit institution. The Fund ensures that such credit institutions operate on market terms and that private sector participation in them is enhanced on the basis of transparent procedures and of the EU legislation on state aid.

c) Exercises its shareholding rights deriving from its participation in the credit institutions to which capital support is provided by the Fund, as these rights are defined in this Law and in the relationship framework agreements entered into with such credit institutions, according to paragraph 4 of article 6 of this Law in compliance with the rules of prudent management of the assets of the Fund and in line with the rules of the European Union with respect to State aid and competition.

d) Disposes in whole or partially, of financial instruments issued by the credit institutions in which it participates, according to the provisions of article 8.

e) Provides loan to the Hellenic Deposit and Investment Guarantee Fund (HDIGF) for resolution purposes according to the provisions of article 16.

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g) Enters into relationship framework agreements or amended relationship framework agreements, as provided in paragraph 4 of article 6, with all credit institutions that are or have been beneficiaries of financial assistance by the European Financial Stability Fund (EFSF) and the European Stability Mechanism (ESM) in order to provide for the implementation of its objectives and rights, including special rights as defined in article 10, as long as the Fund holds shares or other capital instruments deriving from capital support in accordance with Articles 6, 6a, 6b and 7 of this Law or the Fund monitors the restructuring plans of the above said credit institutions.

(h) Exercises its shareholding rights deriving from the transfer to it of the common shares or cooperative shares in credit institutions, according to the last subpar. of par. 6 of art. 27A of L.4172/2013 (A' 167)¹, as these rights are defined in this Law and in the relationship framework agreements of the previous subparagraph g, in compliance with the rules of prudent management of the assets of the Fund and in line with the rules of the European Union with respect to State aid and competition. The previous subparagraph g is applicable proportionally also for the common shares or cooperative shares of this subparagraph.

(i) Exercises the voting rights deriving from the participation of entities of the General Government² in the share capital of credit institutions, which is assigned to it either by virtue of legislative or regulatory provisions, or by virtue of decisions of the competent each time administrative bodies of the said entities, according to this Law and special agreements entered into with the above entities for this purpose.

¹ Art. 27A par. 6 of L.4172/2013 (A' 167): If the conversion right regarding credit institutions is exercised by the Greek State, the ownership of the common shares or cooperative shares is transferred ipso jure and without consideration to the HFSF.

² Art 70 par. 14 L. 4387/2016 (A' 85): The voting rights deriving from the common shares of EFKA in credit institutions, are exercised by the HFSF, if the participation of EFKA in the share capital of the said credit institutions exceeds 33%, per credit institution, and only for the exceeding percentage. EFKA shall enter into special agreements with the HFSF, for the regulation of the specific details regarding their relationships.

k) Exercises its rights deriving from this law (3864/2010) in a absorbing or demerged entity which emerged pursuant to a corporate transformation of law 4601/2019 (A' 44) of a credit institution to which the Fund has provided capital support to which it participates as a result of the corporate transformation.

l) Exercises the special rights of article 10 and those stemming from the relationship framework agreements of par. 4 of article 6 in the beneficiary credit institution which emerged through the transfer of the banking sector, via partial demerger or spin off, in the context of a corporate transformation provided in law 4601/2019 of the credit institution that has received capital support from the Fund.

In the context of the present Law the term “credit institutions”, shall mean credit institutions within the meaning of art 1 par. 1 of Reg 575/2013, cooperative banks included, which operate lawfully in Greece and are authorized by the competent authority, including their branches operating abroad, as well as subsidiaries of foreign credit institutions operating in Greece.

3. The Fund shall operate under a comprehensive strategy for the banking sector which is agreed between the Ministry of Finance, the Bank of Greece and the Fund, as revised from time to time.

4. The temporary liquidity support provided under law 3723/2008 or as part of the operations of the Eurosystem and the Bank of Greece, shall not fall within the scope of the Fund’s objective.

5. The monitoring and supervision of the actions and decisions of the bodies of the special liquidation of the credit institutions do not fall within the functions of the Fund. The decision making bodies of the Fund shall have no authority with respect to acts or omissions of the bodies accountable for the special liquidation proceedings of credit institutions.

6. The Fund shall have its registered office in Athens and its duration shall be up to 31 December 2025.

Article 3

Capital, Assets

1. The Fund ‘s capital derives from (a) funds raised from the European Union and the International Monetary Fund financial support mechanism for Greece under law 3845/2010. (A' 65) and under the Master Financial Assistance Facility Agreement of 15.3.2012 and (b) funds provided to the Fund according to the Financial Facility Agreement of 19.8.2015 as each time applicable and amended, as these funds are paid up to the Fund by the Greek State.

The capital may be paid gradually by the Greek State and is divided into securities not transferable until the end of the Fund’s duration according to the preceding article.

The Minister of Finance may, by decision, require the return of capital from the Fund to the Greek State, subject to the provisions of paragraph 6 article 12.

2. By decisions of the Minister of Finance, the capital, provided in cash, shall be deposited in a

separate interest-bearing account with the Bank of Greece exclusively for the purposes of this Law.

The interest rate offered by the Bank of Greece shall be agreed upon with the Fund and may be neither higher nor lower than the following rates: (a) the Eurosystem's deposit facility rate; and (b) the Euro Overnight Index Average (EONIA rate).

In case the capital is provided with the form of bonds of the European Financial Stability Fund (EFSF) or the European Stability Mechanism (ESM) or of another form of financial instruments that the EFSF or ESM issues or approves, it shall be kept in an account of the Fund in a System of Dematerialized Titles in the Bank of Greece according to the provisions of law 2198/1994 (A' 43), for which titles the Bank of Greece is a custodian.

3. The Fund's assets shall comprise contributions in capital, including cash, EFSF / ESM bonds or other financial instruments, the interest referred to in the preceding paragraph, the shares, bonds or other convertible instruments issued by credit institutions and acquired by the Fund according to article 7 and 8 of the present and former article 63E of L. 3601/2007 (A' 178), as well as all economic rights deriving from the participation of the Fund in the share capital of credit institutions, in accordance with the provisions of the present Law, including proceeds from the liquidation of such credit institutions and the claims against those credit institutions in liquidation in case of the payment of the amount of the difference of the value between the transferred assets and liabilities mentioned in former articles 63 D paragraph 13 and 63 E paragraph 7 of L. 3601/2007, and claims arising from the resolution loan granted in accordance with article 16. For the common shares or cooperative shares that are transferred to the Fund pursuant to the provision of the last subparagraph of paragraph 6 of article 27 A of Law 4172/2013, the Fund forms a special reserve of equal amount to the valuation of said shares at the moment of their transfer to it.

4. The capital and cash assets and liabilities of the Fund may only be invested in the deposit referred to in paragraph 2 above and in participations referred to in Article 8 (7), any other investment being prohibited. The Fund may not conclude loan agreements or issue bonds and other commercial paper of any nature unless there is a specific law provision in the law for this purpose. By way of derogation to the above the cash assets of the Fund are placed until 31.12.2015 by percentage 10% in the deposit account referred to in paragraph 2 above and by a percentage of 90% in a cash management account at the Bank of Greece in order to be invested in accordance with the provisions of article 15 par 11 (g) of law 2469/1997 (A' 38), which also apply to Fund. The provision of the above subparagraph is applicable from 17.3.2015.

Notwithstanding the above, any kind of revenue in connection with the common shares or the cooperative shares transferred to it pursuant to the provision of the last subparagraph of paragraph 6 of article 27 A of Law 4172/2013 (A'167), may only be invested in accordance with the provisions of article 15 par 11 (h) of law 2469/1997.

5. Before the end of the Fund's duration or the initiation of the process of liquidation, the Minister of Finance shall agree with the European Financial Stability Facility and the European Stability Mechanism the entity and the process to which its capital, assets and liabilities shall be transferred as a result of the end of its duration or the completion of its liquidation. For

this purpose, the Minister of Finance may directly appoint an independent financial or business or management advisor for the preparation of a study on the process of the transition, following the issuance of a joint decision of the Minister of Finance and the ESM. The above transfer shall be to an entity that is independent of the Hellenic State (Elliniko Dimosio) and shall be executed in a way which ensures that each of the EFSF and the ESM is in no worse an economic and legal position as a result of the transfer than it was before the transfer. In the case that, upon the end of its duration or its liquidation the Fund no longer has any obligations towards the EFSF or the ESM and no longer holds any asset in which the EFSF or the ESM has any security or other interest, the assets of the Fund shall be transferred ipso jure to the Hellenic State as its quasi total successor.

6. Any reference in this Law to the European Financial Stability Fund or EFSF, shall be deemed to be a reference to the European Stability Mechanism of the second article of law 4063/2012 (A' 71), in case the latter substitutes the EFSF in its powers relating to the financing of the recapitalization and the resolution of the credit institutions.

Article 4

Governing Body

1. The Board of Directors of the Fund shall be appointed as the governing body.
2. The Board of Directors shall consist of nine (9) members, out of which six (6) are non-executive and three (3) are executive members. Four (4) of its non-executive members, including its Chairman, shall be selected among persons with international banking experience (hereinafter "independent non-executive members"). The positions of the remaining two (2) non-executive members of the Board of Directors are occupied by a representative of the Ministry of Finance and a representative of the Bank of Greece.
3. The executive members of the Board of Directors shall include: (a) the Chief Executive Officer, who shall be selected among persons having international experience in banking, (b) a member nominated jointly by the Bank of Greece and the Ministry of Finance, and (c) a member selected among persons with international banking experience.
4. The Chief Executive Officer, the executive member of case (c) of par. 3 and any independent non-executive members of the Board of Directors shall be selected, following a public call for expression of interest, made by the Selection Panel of article 4A.
5. The members of the Board of Directors shall be appointed upon a decision of the Minister of Finance, in accordance with the procedure described in Article 4A. Their term of office shall be three years, with a renewal option and in any case shall not exceed the duration of the Fund, as defined in paragraph 6 of Article 2. In case a position is left vacant, such position shall be filled within a period of sixty (60) days, renewable for another thirty (30)-day period if deemed necessary, through appointment of a new member, in accordance with the procedure described in Article 4A. Save for the executive member, which shall be nominated jointly by the Ministry of Finance and the Bank of Greece, as well as of the two non-executive members which shall be appointed by the Ministry of Finance and the Bank of Greece, any other appointment and

renewal of the term of office of the members of the General Council and the Executive Board, as well as their remuneration, requires the consent of the Euro Working Group. In case the term of office of the members of the Board of Directors ends before the expiry of the Fund's duration, the term of office of the above members shall be automatically renewed, in accordance with the second paragraph hereof and subject to par. 8. In case the position of a member of the Board of Directors is left vacant, while less than three (3) months are still pending for the expiry of the duration of the Fund, such bodies may operate lawfully and without any need to fill the above position, provided that during its meetings any remaining members are sufficient for satisfying the quorum requirement set out under par. 15 hereof.

6. Only irreprehensible individuals may be selected as members of the Board of Directors. An individual may not be selected as a member of the Board of Directors in case that such person:

(a) has been convicted by a final judgment for an offense, which is punishable by imprisonment regardless of the possibility of converting that sentence into a fine;

b) has been declared bankrupt,

(c) due to any misconduct it does not qualify for the exercise of a profession or has been excluded or suspended by any competent authority for the exercise of a profession or has been prohibited from acting as a director or official in any public authority or in a private enterprise;

d) has been an employee or advisor of credit institutions operating in Greece, or holds shares of such financial institutions with an acquisition value or, if there has been one, a stock market value of one hundred thousand (100,000) euros or more or has a financial participation related, directly or indirectly, to the share capital of the above institution for an amount equal to one hundred thousand (100,000) euros or more, during the last three (3) years before its selection.

7. The capacities of a Member of the Parliament, member of the Government, executive of a Ministry or other public authority, executive, employee or advisor of a financial institution operating in Greece or of a person holding shares of such financial institution having an acquisition value or, if any, of stock market value of (one hundred thousand) 100,000 euros or more or has a financial participation that is directly or indirectly related to the share capital of the above institution for an amount equal to one hundred thousand (100,000) euros or more, shall be incompatible with the capacity of a member of the Board of Directors. An official or employee of a university, organization or institution, which is functionally autonomous from the Government, shall not be considered an official of the Government or an employee of a Ministry or other public authority. Without prejudice to par. 5, it is not incompatible to appoint a member of the Board of Directors, any employee or Secretary General of the Ministry of Finance, in case such person acts as the latter's representative to the Board of Directors in accordance with par. 2. The Governor, the Deputy Governors, the members of the collective bodies, the directors and the staff of the Bank of Greece shall not be members of the Board of Directors, with the exception of the non-executive member of the Board of Directors appointed as such by the Bank of Greece.

8. The members of the Board of Directors may be suspended from office before the end of their regular term of office, upon a decision of the Minister of Finance, either in case (a) they satisfy any of the conditions that shall make them ineligible under Articles 6 and 7 or (b) pursuant to a documented proposal of the Selection Committee on the grounds and in accordance with the procedure laid down in Article 4A.

9. The Board of Directors shall decide on its own initiative or upon the recommendation of the Chief Executive Officer, on the issues provided below and shall be responsible for monitoring the proper functioning and fulfillment of the purpose of the Fund. In particular, the Board of Directors:

a) shall be informed by the Chief Executive Officer of his action and monitors its compliance with the provisions of this law and in particular with the principles enshrined in Article 2;

(b) shall decide on matters relating to the provision of capital assistance, the exercise of voting rights and the disposal of any shareholdings of the Fund;

c) shall approve the policy, the Internal Rules and the Organizational Structure (EKOD) that are applied for the administration and the operation of the Fund, including the Code of Ethics of the members of the Board of Directors, the conflict of interest policy; the policy for related parties transactions and the policy for privileged information;

(d) shall approve the appointment of senior executives of the Fund, including, inter alia, the Director of Internal Audit, the Director of Risk Management, the Director of Investment Management, the Director of Financial Services and the Director of Legal Services;

(e) shall approve the general terms and conditions of employment of the Fund 's staff, including the remuneration policy. Remuneration policy must be competitive in such a way as to attract and retain highly qualified and experienced executives. When approving the remuneration policy, the Board of Directors shall take into account the remuneration levels of executives with similar qualifications in the Greek banking system,

(f) shall approve the annual budget of the Fund;

g) shall approve the annual report and other official reports and accounting statements of the Fund;

h) shall approve the appointment of external auditors of the Fund;

(i) shall approve the establishment of one or more advisory bodies, shall determine the terms and conditions for the appointment of their members and determines the terms of reference of those bodies;

j) shall establish one or more committees consisting of members of the Board of Directors and / or other persons and shall determine their responsibilities;

k) shall approve the Internal Rules of Operation of the Board of Directors and the Regulation of Procurement of goods and services, for each supply that falls under case k) of par. 2 and par. 4 of article 23 of law 4281/2014 (A '160), as an exception to the provisions and rules on procurement of the above law,

l) shall take any other decision and shall exercise any other authority or competence provided by this law or current legislation that is exercised by the Board of Directors;

m) shall represent the Fund, through the Court and out of court, and bind it before third parties, except for the acts described in paragraph 10, for which the Fund is represented by the Managing Director;

n) shall approve the divestment strategy of par. 1 of article 8, following a relevant recommendation by the Chief Executive Officer, and actively and systematically shall monitor its timely and effective implementation.

All powers under this or any other law that have been delegated to the Fund shall be deemed to have been delegated to the Board of Directors, unless expressly referred to the Chief Executive Officer.

10. The Chief Executive Officer is responsible for the preparation of the Fund's work, the implementation of the decisions of the competent bodies and the execution of the acts required for the administration and operation, as well as the fulfillment of the purpose of the Fund.

In particular, the Chief Executive Officer has the following powers and responsibilities:

- a) to file recommendations to the Board of Directors on the issues of par. 9,
- b) to execute the decisions of the Board of Directors taken with or without his recommendation;
- c) without prejudice to paragraph 5, to take all appropriate or necessary actions for the administration of the Fund, the execution of its operations, including the powers and responsibilities under Article 2, the award of contracts for the supply of goods and services, the undertaking of contractual obligations on behalf of the Fund, the appointment of the Fund's staff members and advisers and, in general, its representation,
- d) to delegate any of its powers or responsibilities to an executive member of the Board of Directors or to executives of the Fund, in accordance with the general terms and conditions approved by the Board of Directors, taking into account matters of conflict of interest;
- e) to exercise any other authority and competence provided for in this law or current legislation;
- f) to represent the Fund judicially and out of court and to bind it before third parties for any of the acts referred to in this paragraph;
- g) to prepare on a quarterly basis or in case of emergency, whenever required due to unforeseen developments, a report on the implementation of the divestment strategy of article 8, which, after its approval by the Board of Directors, is sent to the Ministry of Finance.

Acts of representation of the Fund by the Chief Executive Officer according to the above can, by decision of the Chief Executive Officer, be assigned to the executive members of the Board of Directors acting jointly.

11. The Chief Executive Officer is held accountable to the Board of Directors for the execution of his decisions and for the monitoring of the administration and the operations of the Fund. The Chief Executive Officer or, in his absence, any executive members of the Board of Directors shall inform the Board of Directors, as often as required by it and in case at least once a month. In case of any impediment or absence, the Chief Executive Officer shall be replaced by an executive member of the Board of Directors.

12. Any fees and remunerations of the members of the Board of Directors:

- (a) shall be determined upon a decision of the Selection Committee, shall be referred to the respective decisions of their appointment and shall be published in the annual report of the Fund;

(b) shall be designated in such a way as to enable the recruitment and retention of persons with qualified skills and professional experience;

(c) shall not be related to the Fund's profits or revenues.

13. The Board of Directors shall meet as often as required by the operation of the Fund, and in each case at least once a month. The meetings of the Board of Directors are summoned by its Chairman, who shall also preside over these meetings. In case of absence of the Chairman, the meetings shall be summoned by one of the non-executive members of the Board of Directors, save for the representatives of the Ministry of Finance and the Bank of Greece, who shall be selected upon a decision of the Board of Directors for this purpose. Any summons for a meeting of the Board of Directors shall provide notifications on the timing, place and agenda of the meeting to all members and observers of the Board of Directors, at least three (3) working days before the date set for the meeting, except in case of urgency or upon the consent of all members, in which case the meeting may be summoned in a shorter period of time, as defined in the Internal Rules and the Organizational Structure (IROS) of the Fund. Meetings may be summoned at the request of four (4) members of the Board of Directors, upon notification to its Chairman. At the invitation of the Chairman of the Board of Directors, the Chief Executive Officer, the members of the Executive Board, the executives of the Fund, special and external advisors may participate in the meetings of the Board of Directors. In case the Chairman of the Board deems it necessary, the Board of Directors may be summoned, discuss and take decisions through a written procedure or through electronic means of communication, as defined in the Internal Rules and the Organizational Structure (IROS) of the Fund.

14. One (1) representative of the European Commission, one (1) representative of the European Central Bank and one (1) representative of the European Stability Mechanism or their deputies shall be invited to participate as observers and without the right to vote in the meetings of the Board of Directors. The representatives of the European Commission, the European Central Bank and the European Stability Mechanism as well as any other members of such bodies shall be invited to the meetings of the Board of Directors in accordance with par. 13. In case the above persons have been duly summoned, the absence of the representatives of the European Commission, the European Central Bank and the European Stability Mechanism or their deputies shall not affect the lawful composition of the Board of Directors.

15. The Board of Directors shall have quorum when at least five (5) members are present. Each member of the Board of Directors shall have one (1) vote. Unless otherwise provided in this law, the decisions of the Board of Directors shall be taken by a majority of any members present. In the event of a draw, the Chairman shall have the casting vote.

16. All meetings of the Board of Directors shall be held in privacy. The Board of Directors may decide to publish the outcome of its meetings on any matter.

17. All actions by any member of the Board of Directors remain valid despite the finding of a defect concerning the appointment, suitability or qualifications of such Member. Without prejudice to par. 15, no act or procedure of the Board of Directors shall become invalid due to a position of the Board of Directors becoming vacant. In case of inability to appoint a member of the Board of Directors within the deadline provided in par. 5, the body shall be constituted and operate lawfully until the appointment of the new member, provided that during its meetings the quorum of par. 15 is maintained.

18. The Secretary of the Board of Directors, who is an executive of the Fund, shall be appointed by the Board of Directors, upon the proposal of the Chief Executive Officer. The minutes of the meetings of the Board of Directors shall be signed jointly by any person, presiding over the meeting concerned and the Secretary of the Board of Directors.

Article 4 A

Selection Panel

1. A Selection Panel is established for the selection of the members of the Board of Directors of the Fund, whose composition is endorsed by decision of the Minister of Finance. The Selection Panel is composed of six (6) independent expert members, of recognized integrity, of which three (3), including the Chairman, will be appointed by the European Commission, the European Central Bank and the European Stability Mechanism, accordingly, two (2) by the Minister of Finance and one (1) by the Bank of Greece. The above five appointing institutions and authorities will each have an observer to the Selection Panel. The term of the Selection Panel is for two (2) years, which can be renewed.

2. No person shall be eligible to be a member of the panel if he:

(a) has been convicted by final judgement of an offence which carries a sentence of imprisonment with or without the option of a fine;

(b) has been a debtor in a bankruptcy or insolvency proceeding;

(c) has, on the grounds of personal misconduct, been disqualified or suspended by a competent authority from practicing a profession or has been prohibited from being a director or officer of any public or commercial entity;

(d) is member of the Parliament, or of the Government or, official, employee or advisor of any ministry or any other public authority, or the Bank of Greece, or an official, employee or advisor of any appointing institutions or ministry or of any financial institution operating in Greece or is a beneficial owner of Euro 100.000 or more of an equity interest in such an institution or any financial interest directly or indirectly linked to the equity of such institution for an amount equal to Euro 100.000 or more. The same criteria apply for the above individual if he has been in any of the above positions or has been beneficial owner of Euro 100.000 or more of an equity interest or had any financial interest directly or indirectly related to the share capital of such a credit institution of equal value of Euro one hundred thousand (100,000) or more in the last three (3) years before taking up his position as member in the Selection Panel of this article 4A. The above criteria apply for the officials, employees or advisors of any of the appointing institutions of paragraph 1.

Transitional Provision

The amendment of case (d) of par. 2 of article 4A of Law 3864/2010 made through paragraph 4 of article 126 of Law 4537/2018 (Government Gazette A' 84) does not apply to the existing members of the Selection Panel of article 4A of L. 3864/2010 who have been appointed until 15.05.2018.

3. All costs and expenses, including remuneration and allowances, arising from the operations

of the Selection Panel will be covered within the budget of the Fund. Travel, accommodation and similar expenses shall be covered according to the Fund's internal policies. Remuneration of members of the Selection Panel shall be proposed by the Fund, endorsed by the EWG and shall be included in the ministerial decision of their appointment.

4. The quorum for the conduct of business at any meeting shall consist of at least four (4) members of the Selection Panel, provided that the one is the Chairman. Decisions shall be adopted by a majority of the members present at the meeting. In the event of a tied vote, the Chairman shall cast a tie-breaking vote. Meetings of the Selection Panel shall be called and chaired by its Chairman, who will set the agenda, the time and the place of the meeting.

The members of the Selection Panel may adopt further rules for its internal operations and procedures.

5. The role of the Selection Panel is:

a) the selection of the members of the Fund's Board of Directors without prejudice to paragraphs 2 and 4 of Article 4 , the proposal of their remuneration, as well as other conditions of employment as per paragraph 6.

b) the annual evaluation of the members of the Board of Directors as per paragraph 7, including the assessment under the eligibility criteria of paragraphs 6 and 7 of article 4. To this end they have the right to ask for any report and information from the Fund, that the Fund may hold, which could relate to those criteria. In particular, the Fund's staff responsible for compliance and internal audit shall provide such information to the Panel as the Panel requests in relation to those criteria and shall be obliged to report to the Panel if they become aware of a breach or potential breach.

The Selection Panel may request from a member of the Board of Directors such information as it considers necessary for the purposes of the assessment, provided that such requests must not be unreasonable or place a disproportionate burden on the member of the General Council or Executive Board.

c) the removal of any member in accordance with the process under paragraph 8.

6. The Selection Panel shall select candidates for the Board of Directors and shall be assisted by an international recognized recruitment consultant which will be selected by the Selection Panel and will be hired by the Fund. The qualifications and the selection criteria required for the appointment of the members of the Board of Directors shall be elaborated by the Selection Panel. Following its establishment, the Selection Panel reviews the remuneration of the members of the Board of Directors and determines a range of remuneration with the support of the advisor in step with international norms, within the remuneration framework of similar entities within the EU, such as International Public Financial Institutions or other national asset management agencies and which is appropriate to their role and responsibility in the HFSF, with the aim to attract and retain appropriately high quality international candidates. In case any in force remunerations fall outside the established range, the Selection Panel shall decide on the required remuneration adjustment, shall inform the Minister of Finance, who shall issue the corresponding Ministerial Decision. After the completion of each selection process, the Selection Panel will propose to the Minister of Finance a short list of candidates which shall include at least three candidates for the specific position and exact

remuneration for each candidate within the pre-determined range above. The Minister of Finance shall appoint a person with the remuneration determined by the Selection Panel from the shortlist within five (5) days following the receipt of the shortlist. The above shortlist is valid for six (6) months of its submission. If, according to the above, the Selection Panel fails to select candidates within the period of paragraph 5 of Article 4, it has to submit to the Minister of Finance a report for the reasons of that failure, which is accompanied by a binding timetable for the completion of the selection process within the absolutely necessary time. Within the six-month period, before the expiry of the term of office for each Member of the Board of Directors, the Selection Panel selects candidates to fill this position of such member of the Board of Directors.

7. The Selection Panel shall perform evaluation of the candidates and the members of the Board of Directors based on criteria that will be determined by the Selection Panel. The criteria shall ensure the proper implementation of the objectives of the Fund, and regarding the evaluation of independent non-executive members or candidates for independent non-executive members, they shall include at least the following:

- a) limitation of the term of office of the Fund's governing bodies (i.e., the Board of Directors or, previously, the General Council), to a total of seven (7) years, upon completion of which membership is automatically suspended,
- b) an assessment of a potential conflict of interest due to any employment of members in other positions or activities;
- c) previous service and work experience in positions relevant to the purposes of the Fund, as defined in paragraph 1 of Article 2.

After the above evaluation, the Selection Panel may propose to the Minister the renewal of the term of office of such members, in case the latter shall expire in less than six (6) months, in accordance with the second subparagraph of paragraph 5 of Article 4.

8. The Selection Panel, following the review of the performance of the members, may propose to the Minister the removal of a member of the Board of Directors. In this case, the reasons for the dismissal of the members shall be defined in the proposal of the Selection Panel. The Minister of Finance shall adopt a decision for the dismissal of the member provided that an evaluation under this paragraph 8 has been conducted by the Selection Panel and the reasons are defined in the proposal of the Selection Panel. A dismissal according to this paragraph is not compensated.

9. The procedures of paragraphs 6 to 8 shall apply also to the existing members of the Board of Directors, after the establishment of the Selection Panel.

10. A summary of the annual evaluation of the members of the Board of Directors shall be published in the annual report of the Fund.

11. The Selection Panel shall report to the European Commission, the European Central Bank, the European Stability Mechanism, the Ministry of Finance and the Bank of Greece its activities as needed. A copy of the said report shall be submitted to the Euro Group Working Group.

12. The members of the Selection panel do not have third party civil liability for acts or omission other than for gross negligence and willful misconduct.

13. [Removed]

Article 5

Staff of the Fund

1. The Fund may hire staff under fixed-term three-year private-law employment contracts, which can be renewed.

The staff of the Fund shall be hired by decision of the Chief Executive Officer following an invitation to express interest and an assessment of candidates' qualifications, without prejudice to the provision of article 4 paragraph 9d.

Lawyers can also be hired under mandate contracts in accordance with the provisions of the Lawyers' Code.

The hiring of the Fund's staff and of lawyers under mandate contracts shall be effected by way of derogation from the provisions of Cabinet Act 33/2006, as currently in force, and law 3833/2010.

2. The Fund's staffing requirements may also be covered through secondment of tenured employees, lawyers under mandate contracts and staff employed on open-ended private-law contracts in the Greek government, public-law and private-law legal entities of the public sector, as well as employees of the Bank of Greece.

The staff referred to in the first sentence shall be employed at the Fund in tasks of their specialty. Their official status at or labour relation with the originating organization need not correspond to the post they occupy at the Fund.

Secondments shall be effected by decision of the competent minister on a recommendation of the Chief Executive Officer of the Fund, or by decision of the Governor of the Bank of Greece, as the case may be. Secondment shall last for two (2) years and shall be renewable without limitation by way of derogation from the applicable provisions on secondments.

The secondment period shall, for all consequences, be considered a period of actual service in the originating agency or body.

Staff of European or other international organizations may also be invited to work for the Fund, by decision of the competent minister on a recommendation from the Chief Executive Officer of the Fund.

The staff seconded to the Fund shall choose, by filing an application, whether to be paid their wages by the originating organization or the wages payable for the post they occupy at the Fund. The wages of the staff referred to in this article shall be determined by decision of the Chief Executive Officer.

3. The staff of the Fund shall be under the loyalty and strict confidentiality requirement of Article 16B.

Article 6

Procedures for the Activation of the Fund

1. Where a credit institution has a capital shortfall determined by the competent authority, as defined in article 2 par. 1 (5) of (art.2) of law 4335/2015, it may submit a request for capital support to the Fund, up to the amount of the capital shortfall determined by the competent authority.

2. The request as per paragraph 1, shall be accompanied by the letter of the competent authority determining the capital shortfall, the date by which the credit institution needs to meet the said shortfall and the capital raising plan submitted to the competent authority

2a. For credit institutions with an existing restructuring approved plan by the European Commission at the time of such request, the request shall be accompanied by a draft amended restructuring plan.

2b. For credit institutions that do not have a restructuring plan approved by the European Commission, at the time of such request, the request shall be accompanied by a draft restructuring plan.

The draft restructuring plan or draft amended restructuring plan shall describe by what means the credit institution shall return to sufficient profitability in the next three (3) to five (5) years under prudent assumptions.

3. The Fund may request from the credit institution under consideration to revise the draft restructuring plan or draft amended restructuring plan or to include additional elements. Following approval by the Fund, the draft restructuring plan or draft amended restructuring plan is communicated to the Ministry of Finance and submitted by the Ministry of Finance to the European Commission for its approval.

4. For the realization of the objectives and the exercise of the rights of the Fund, the Fund determines the framework of the relationship framework agreement or of the amended relationship framework agreement, as the case may be, with all credit institutions that are or have been beneficiaries of financial assistance provided by the European Financial Stability Fund (EFSF) and the European Stability Mechanism (ESM), and also with any credit institution which emerges due to the transfer of the banking activities of the original credit institution which takes place via partial demerger or spin off, in the context of a corporate transformation provided in law 4601/2019.

The credit institutions shall sign the above-mentioned relationship framework agreement. The above credit institutions shall provide to the Fund any information reasonably required to be transmitted to the EFSF or ESM, unless the Fund requires them to provide such information directly to the EFSF or ESM.

5. The Fund may provide a credit institution under paragraph 2a with a letter stating that it shall participate in the increase of the share capital, following the procedure in article 6a and pursuant to article 7, up to the amount of the capital shortfall determined by the competent authority, provided that the credit institution falls within the exception of the last subparagraph of article 32 paragraph 3d of (article 2) law 4335/2015 (precautionary recapitalization). The Fund grants this letter without following the procedure laid down in Article 6a. The Fund may only provide capital support after receipt of the European Commission's decision approving the aid, following the issuance of the Cabinet Act referred to

in paragraph 1 of article 6a and pursuant to article 7. The above commitment of the Fund does not apply if the operational license of the credit institution is withdrawn for any reason under Article 19 of law 4261/2014, or if any resolution measures are taken under paragraph 1 of article 37 of law 4335/2015.

6. Upon approval of the restructuring plan or amended restructuring plan referred to in paragraph 3 by the European Commission, the Fund shall provide capital support as provided for in article 7, according to articles 6a or 6b, in compliance in any case with the EU legislation pertaining to State-aid and the relevant practices of the European Commission.

7. The Fund shall monitor and evaluate the proper implementation of the restructuring plan and any amended restructuring plan, as the case may be, and shall also provide all necessary information to the Ministry of Finance, so that the European Commission will be kept informed.

Article 6A

Prerequisites of capital support for purposes of precautionary recapitalization

1. Should the voluntary measures provided for in the restructuring plan referred to in article 6 paragraph 12, fail to address the total capital shortfall of the credit institution as identified by the competent authority, and in order to avoid serious disturbances in the economy with adverse effects upon the public and to ensure that the use of public funds remains to the minimum necessary, the Cabinet, following a recommendation by the Bank of Greece, shall issue an Act for the mandatory application of the measures provided for in paragraph 2 of this article, aiming at allocating the residual amount of the capital shortfall of the credit institution to the holders of its capital instruments and other subordinated liabilities, as may be necessary. The allocation is completed by the publication of the above Cabinet Act in the Government Gazette. The above allocation will, subject to paragraph 2, respect the following hierarchy of claims, which is to be applied according to REG 575/2013 and article 145A (1) of law 4261/2014:

- a. common shares and other Tier 1 instruments that fall under Article 26 of Regulation (EU) 575/2013 of the European Parliament and the Council dated June 26th, 2013 (L 176);
- b. if necessary, other Tier 1 instruments that fall under Article 31 of Regulation (EU) No 575/2013 of the European Parliament and the Council dated June 26th, 2013;
- c. if needed, additional Tier 1 instruments;
- d. if needed, Tier 2 instruments and
- e. if needed, all other subordinated liabilities;
- f. if needed, unsecured senior liabilities non-preferred by mandatory provisions of law.

In case that the preference shares issued under article 1 of law 3723/2008 (A' 250) are converted in common shares of the respective credit institution according to this article, the ownership of those common shares shall be transferred ipso jure to the Fund. Without prejudice to the following sentence, claims of the same rank will be treated *pari passu*.

Differences in ranking, based on article 145A (1) of law 4261/2014 and the respective contracts, among claims falling under the same case in the hierarchy above are taken into account in the above allocation. Departures from both the above hierarchy of claims and the pari passu principle can however be justified when there are objective reasons to do so, in line with paragraph 5.

2. Such measures shall include:

a. the absorption of losses by the existing shareholding to ensure that the net asset value of the institution is equal to zero, where appropriate, by means of decrease of nominal value of shares following a decision of the competent body of the credit institution.

b. the decrease of the nominal value of preference shares and other CET 1 instruments and then, if needed, of the nominal value of additional Tier 1 instruments, and then if needed, of the nominal amount of Tier 2 instruments and all other subordinated liabilities, and then if needed, of the nominal amount of unsecured senior liabilities non-preferred by mandatory provisions of law in order to ensure that the net asset value of the credit institution is equal to zero; or

c. if the net asset value of the credit institution is above zero, the conversion of other CET Tier 1 instruments, and then, if needed, of the additional Tier 1 instruments, and then, if needed, of the Tier 2 instruments and then, if needed, of all other subordinated liabilities and then, if needed, of unsecured senior liabilities non preferred by mandatory provisions of law, into common shares, in order to restore the target level of regulatory capital of the credit institution required by the competent authority .

3. Subject of the above measures may also be:

a. any liabilities undertaken through the provision of guarantees granted by the credit institution with regard to debt or equity instruments issued by legal entities included in the consolidated financial statements of the credit institution, and

b. any claims against the credit institution under arrangements between the credit institution and such legal entities;

Article 17 paragraphs 2 and 2a of cl 2190/1920 does not apply to the present case.

4. The Cabinet Act of paragraph 1 determines, upon the recommendation of the Bank of Greece, by class, kind, allocation ratio and amount, each specific instrument or liability falling within the measures to be implemented according to the previous paragraphs on the basis, if needed, of a valuation conducted by an independent expert appointed by the Bank of Greece. This valuation is deemed to satisfy any existing requirement for independent valuation under any applicable law, other than the present. A valuation that meets the requirements of article 36 of (article 2) of law 4335/2015 may serve as the valuation required under this paragraph.

The above instruments or liabilities are mandatorily converted into capital instruments, in connection with a capital increase that is decided by the credit institution under the provisions of article 7 of this Law.

5. By way of derogation and subject to a positive decision of the European Commission in accordance with articles 107 to 109 of the Treaty on the Functioning of the European Union, the above measures may not apply either fully or to individual instruments in the event that

the Cabinet concludes upon recommendation by the Bank of Greece that:

- a. said measures would endanger financial stability, or
- b. said measures would lead to disproportionate results, such as when the capital support of the Fund to be received is small in comparison to risk weighted assets of the credit institution, and/or a significant portion of the capital shortfall has been covered through private sector measures.

The final assessment of these exceptions rests with the European Commission on a case by case basis.

6. The measures that apply to credit institutions as described in paragraphs 1 to 4 and paragraph 7 of this article, shall be treated for the purposes of recapitalization under the present Law, as reorganization measures of article 3 of law 3458/2006 (A' 94) transposing law of dir 2001/24/EC).

7. The application of the measures of paragraphs 1 to 4, either voluntary or mandatory, under no circumstances a) shall trigger any default or cross-default clauses that are to be activated upon liquidation or insolvency or occurrence of any other event, which may be characterized or treated as a credit event, or lead to the breach of any contract of the credit institution, and b) the above measures may not be treated as breach of contract performed by the credit institution in order to legitimize any third party's right for early termination or cancellation of any contract concluded with the credit institution. Contractual arrangements that would be in contravention of this provision shall have no legal consequences. The previous sentences also apply to the insolvency or default vis-a-vis third parties of a group member, when it is caused by the application of this article to its claims against another member of the same group.

8. The holders of any capital instrument or other liability, including unsecured senior liabilities non-preferred by mandatory provisions of law of the credit institution subject to recapitalization measures provided for in the present article, shall not, following the implementation of said measures, be in a worse financial position than in the one where they would be, should the credit institution be placed under liquidation (no creditor worse-off principle). In the event that the previous principle is not observed, the above holders of capital instruments and other instruments including unsecured senior liabilities non-preferred by mandatory provisions of law are entitled to compensation from the Greek State, provided that they prove that their damage, arising directly due to the implementation of the mandatory measures, is larger than it would be in case the credit institution was put under special liquidation. In any case, their compensation cannot be larger than the difference between the value of their claims after the implementation of the provisions of the present article and the value of their claims in case of liquidation, such value to be determined according to the provisions of paragraph 9 of this article.

9. For the fulfilment of the provision of paragraph 8, a valuation is conducted in order to determine the losses that the holders of capital instruments and other liabilities, including unsecured senior liabilities non-preferred by mandatory provisions of law, referred to in this article would have assumed if instead of exercising the mandatory measures of paragraph 2, the credit institution was put in special liquidation. Any form of public financial support to the credit institution should be disregarded for the purposes of such evaluation. The

abovementioned valuation shall be conducted after the implementation of the measures of paragraph 2 by an independent valuator to be appointed by the Bank of Greece with a view to assessing whether shareholders and subordinated liability holders would have received better treatment in the case where the credit institution had entered into special liquidation proceedings immediately prior to the implementation of said decision.

10. The Cabinet Act of paragraph 1 is published in the Government Gazette. Said Cabinet Act should also be published in the form of a summary in the Greek language in the Official Journal of the EU and in two daily newspapers circulated throughout the territory of the Member State in which the credit institution has a branch or in which the bank directly provides banking and other mutually recognized financial services, in the official language of such Member State.

The summary shall include the following:

- a. grounds and legal basis for issuing the Cabinet Act of paragraph 1;
- b. available legal remedies and their deadlines for lodging legal remedy against the Cabinet Act;
- c. the competent court before which legal remedy against the Cabinet Act of paragraph 1.

11. The necessary details for the implementation of this article, including in particular the procedure of appointing the independent valutors, the content of the independent valuation and the recommendation of the Bank of Greece, the methods for evaluating the claims or instruments to be converted, the possibility of substitution of the issuer of the instruments, completing the conversion and the details for the compensation of the holders of the instruments under paragraph 8 shall be provided for by means of a Cabinet Act published in the Government Gazette.

12. The provisions of the present article aim at the protection of the overriding public interest constitute provisions of mandatory and direct effect and override any provision to the contrary.

Article 6b

Implementation of measures of public financial support

1. In case that the Minister of Finance decides, according to paragraph 4 of article 56 (of article 2) of law 4335/2015, the use of the public financial support tool, the Fund shall be designated as the means for the implementation of article 57 of law 4335/2015 by decision of the Ministry of Finance. In this case, the Fund participates in the recapitalization of the credit institution and receives in exchange the capital instruments that are set out in paragraph 1 of article 57 (of article 2) of law 4335/2015.

2. The Fund participates in the capital increase and receives in exchange the relevant capital instruments after the implementation of any actions decided according to article 2 of law 4335/2015.

Article 7

Supply of Capital Support – Issuance of Shares

1. The Fund provides capital support only for the purpose of covering the capital shortfall of the credit institution, as set by the competent authority and up to the amount remaining uncovered, after the application of the measures of the capital raising plan referred to in article 6, any participation of private sector investors, and after the European Commission's approval of the restructuring plan and:

(a) either any mandatory measures of article 6a, where the European Commission confirms as part of the approval of the restructuring plan that the credit institution falls within the exception of the last subparagraph paragraph 3d of article 32 (4) of law 4335/2015, or

(b) or where the credit institution has been placed in resolution, and any measures taken under law 4335/2015, and

in any case the relationship framework agreement must be duly signed before any capital support is provided.

2. Subject to the prerequisites and procedures referred to in articles 6, 6a and 6b, as the case may be, capital support shall be provided through the participation of the Fund in the share capital increase of the credit institution by the issuance of common shares with voting rights or the issuance of contingent convertible bonds or other convertible instruments which shall be subscribed by the Fund. A Cabinet Act specifies the breakdown of the above participation of the Fund between common shares and contingent convertible bonds or other convertible instruments. The Fund may exercise, dispose or waive its pre-emption rights with respect to share capital increases or issues of contingent convertible bonds or other convertible instruments of credit institutions that submit a request for capital support.

3. Capital increase shall be paid by the Fund in cash or, ESM bonds. The valuation made by the Fund of such ESM bonds for their registration in its books constitutes the valuation that may be required under article 9 of cl 2190/1920. Capital support shall be provided in compliance with State aid rules.

4. The decisions of the credit institutions for the capital increases referred to in paragraph 2 above, including the decisions on the issuance of contingent convertible bonds or other convertible instruments, shall be passed by the General Assembly of Shareholders, by the quorum and majority referred to in article 29 paragraphs 1 and 2 and article 31 paragraph 1 of cl 2190/1920, as currently in force, and shall not be revocable.

In any case, the decision of the General Assembly on the share capital increase or on the issuance of the contingent convertible bonds or other convertible instruments or on the provision of authorization to the board of directors to decide on the above or the decision of the board of directors, must explicitly mention that it is made within the framework of this law. The aforementioned decision of the General Assembly may provide instead of maximum number of shares a maximum amount of capital to be injected and give to the Board of Directors of the credit institution the power to decide, among others, the residual amounts after the implementation of the measures set out in article 6a, on the exact number of shares and the allocation of the shares.

The minimum time limits provided in article 13 paragraph 1 of cl 2190/1920 are shortened to seven (7) days. The time limit for calling a General Assembly meeting which shall decide on the capital increase for the issue of common shares, contingent convertible bonds or other convertible instruments is ten (10) calendar days as provided under paragraph 2 of article 115 of article 2 of law 4335/2015. The time limit for calling any adjourned General Assembly, as well as for the submission of documents to the supervisory authorities, shall be shortened to one third of the time limits provided for in cl 2190/1920, as currently in force. The previous subparagraph applies to every General Assembly undertaken or convened within the framework of this Law or is related to this Law. The three days in the last sentence of article 28a paragraph 4 of cl 2190/1920 is reduced to two (2) days, the six (6) days and the seven (7) days provided in article 39 paragraph 2a of cl 2190/1920 are reduced to three (3) and four (4) days, respectively, the thirty (30) days provided in article 39 paragraph 3 of cl 2190/1920 is reduced to three (3) days and the five (5) days provided in article 39 paragraph 4 first sentence is reduced to three (3) days. Pending capital increases or decreases that have been decided by decisions of General Assemblies of credit institutions are revoked with the GAs convened under the present article and within the deadlines provided hereby

5. a) Without prejudice to the provisions of paragraph 2 of article 35 of Law 4548/2018 (A' 104) on sociétés anonymes, the subscription price of the shares is the price as such price derives from a book building process carried out by each credit institution. By decision of the Board of Directors, the Fund accepts this price, provided that the Fund has commissioned and obtained an opinion from the divestment advisor described in Article 8 hereof whoopines that the book building process complies with international best practice in the particular circumstances.

The offering price of the new shares to the private sector shall not be lower than the subscription price of those shares subscribed of by the Fund in the context of the same issuance. The offer price may be lower than the price of the shares already subscribed by the Fund or than the current stock market price.

b) Subparagraph 5a does not apply in cases where the Fund is called to cover the remaining amount that has not be covered from private placement in share capital increases of credit institutions of article 6 paragraph 6b or upon application of article 6B of this Law.

c) A Cabinet Act, issued upon an assessment of the competent authority on compatibility with article 31 of Reg 575/2015 and upon the Fund's opinion, shall define the terms under which contingent convertible bonds or other convertible instruments may be issued by the credit institution and subscribed by the Fund, the conditions for the conversion of the above mentioned bonds and other convertible instruments, the denomination and any other necessary detail, if needed, for the implementation of this article.

The transfer of the above contingent convertible bonds or other convertible instruments is subject to the approval of the competent authority. The Cabinet Act is published in the Government Gazette.

6. The participation of the Fund in the capital increase of a cooperative bank is effected by subscription of cooperative units with voting rights or bonds convertible to cooperative units with voting rights or other convertible financial instruments. The general assembly of a cooperative bank may delegate to the Board of Directors competency upon capital increase by means of issuance of cooperative units or contingent convertible bonds to cooperative

shares with voting rights or other contingent convertible financial instruments, to be subscribed by the Fund or other persons/entities, within the framework of the banks' recapitalization. The Board of Directors may be empowered by the general assembly to determine the final offering price of the cooperative units to private investors, within the framework defined by the general assembly. The provisions of the above paragraphs of the present article shall apply accordingly to cooperative banks.

Article 7A

Voting rights

1. The Fund shall exercise without limitation the voting rights corresponding to the common shares which it undertakes in any way, including the case of a capital support pursuant to article 7.
2. [Removed]
3. [Removed].
4. [Removed]
5. [Removed]

6.

(a) The Fund must notify any change in the number of shares and voting rights it holds in the credit institutions to which it has granted capital support under this Law, at the end of each calendar month during which the Fund acquired or disposed of the shares as well as the total number of voting rights it holds; The issuer notifies the information of the previous sentence immediately and, in any case, at the latest within two trading days from the date of the receipt according to the provisions of article 21 of law 3556/2007.

(b) The Fund does not fall into the scope of application of articles 9 par. 6, 10 and 11 of law 3556/2007 (A 91), and

(c) The persons who acquire or dispose major participations or percentage of voting rights with respect to credit institutions to which capital support has been granted by the Fund, must also notify, pursuant to law 3556/2007 and to decisions issued by virtue of the said law, any changes in the voting rights they hold, in the event of change of the thresholds provided for in article 9 of law 3556/2007, on the basis of the total number of voting rights of the credit institution excluding those held by the Fund, as notified pursuant to the previous case (a). Such notification concern only changes in the voting rights on shares and not on warrants.

In case of violation of the provision of this paragraph the penalties may be imposed in accordance with the provisions of article 26 of law 3556/2007.

7. In case that the preference shares issued under article 1 of law 3723/2008 (A' 250) are converted in common shares, such shares will have full voting rights. From the time of their conversion, the rights of exercising voting rights are transferred ipso jure to the Fund.

Article 8

Disposal of own participation

1. The Board of Directors of the Fund shall decide on the way and the procedure for disposing shares ("divestment strategy") issued by the credit institution held by the Fund, as a whole or partially, taking into account the provisions under paragraphs 3 and 4. The disposal may take place gradually or one-off, at the Fund's discretion and in compliance with State aid rules. The disposal of shares may not be done towards any entity directly or indirectly belonging to the State according to the legislation.

1a. The Board of Directors of the Fund shall draw up a well-reasoned divestment strategy, which shall include the general program for the disposal of shares or other financial instruments of credit institutions held by the Fund, as well as specific guidelines for any credit institution concerned, for which the relevant features of the Fund's shareholding in it shall be taken into account. The divestment strategy shall adhere to the principles of free competition and shall be governed, indicatively and not exhaustively, by the following principles: (a) the financial and operational viability of the credit institution; (b) market conditions, macroeconomic conditions, and conditions governing the credit sector industry, (c) the reasonably anticipated implications of the divestment strategy for the country's financial sector, market and wider economy; (d) adherence to the principle of transparent action (e) the need to draw up a timetable for the implementation of the divestment strategy, taking into account, among others, the duration of the Fund, (f) the need to dispose the shareholding in a reasonable and timely manner, (g) the need to return the Greek financial sector to a purely private equity structure. The divestment strategy shall include provisions, indicatively of the following: (a) the appropriate competitive bidding procedures and conditions for participation in them, (b) the requirements of transparency and compliance with capital market legislation, and (c) any potential disposal methodologies.

1b. The Board of Directors of the Fund may consult on matters related to the divestment strategy with institutions it deems appropriate, including credit institutions, ensuring the confidentiality of information and the rules of preferential information under current legislation. In order to take the decision to adopt the divestment strategy, the Fund's Board of Directors shall assign the preparation of a report to an independent financial advisor, enjoying an internationally acclaimed prestige and experience on relevant matters ("divestment strategy advisor"). The capacity of a divestment strategy advisor is incompatible and constitutes an obstacle for the acquisition of the capacity of the disposal advisor set out under par. 1c. The divestment strategy, according to par. 1a, shall receive the previous consent of the Ministry of Finance, which may previously request the opinion of the Bank of Greece. The divestment strategy shall be kept up to date. The Ministry of Finance shall notify the Fund on a quarterly basis, after receiving the report of case (g) of par. 10 of article 4 and in any other case deemed necessary, its views on the divestment strategy and its implementation by the Fund. The Fund is obliged to inform the Ministry in writing, within ten (10) working days, of any reservations regarding the above views.

1c. In order to take the disposal decision, the Fund shall receive a report from an independent financial advisor, enjoying an internationally acclaimed prestige and experience in related transactions ("disposal advisor"). The report shall be prepared in view of a planned disposal for a specific credit institution and shall include at least the recommendations of the disposal

consultant addressed to the Fund on the following: (a) proposal of a specific disposal transaction in accordance with the divestment strategy (b) reflection and evaluation of conditions prevailing in the market, (c) a reasoned proposal of the most appropriate transaction structure. The report shall be accompanied by a reference schedule for the disposal of shares or other financial instruments. The report shall adequately justify the conditions and manner of disposal of the shares or other financial instruments held by the Fund, as well as the necessary actions for the completion of the process and the observance of the schedule. The disposal advisor shall provide advisory support to the Fund after the submission of its report, as well as at all stages of the transaction. The allocation of the Fund's participation to each credit institution shall be made in a manner consistent with the purposes of the Fund as set out in Article 2. The fact that the disposal price of the shares held by the Fund may or is projected to fall short of the current stock exchange price or the most recent acquisition price paid by the Fund shall not constitute a sufficient condition for the postponement of the adoption or implementation of the disposal strategy by the Fund, subject however to any other provisions hereof.

1d. For the selection of the disposal advisor, the Ministry of Finance shall provide its opinion to the Fund on the basis of a list of at least three (3) candidate advisors, which has been submitted to it by the Fund. The Fund shall ensure, by taking all reasonable measures, that any conflicts of interest between the advisor and the Fund have been avoided. The disposal advisor shall enter into a contract that includes, among others, liability clauses in case of non-execution or improper execution of its consulting work. Within a period of one (1) year from the expiration of the above contract, the disposal advisor shall not provide consulting services to any third party or entity on any issue related to the content of the divestment strategy.

2. Subject to the provisions of law 3401/2005, the disposal of shares may occur by the sale of shares of the credit institution to the market or to specific investor(s) or group of investors via i) open tender procedure or calls for expressions of interest to eligible investors, ii) market orders, iii) public offer of the shares for cash or in exchange of other securities and iv) book building.

3. The Fund may decrease its participation to credit institutions through an increase of share capital of the credit institution, by waiving from the exercise or by disposing its pre-emptive rights.

4. The disposal price of the shares or preemptive rights by the Fund in the cases referred to in paragraph 2 and the minimum share cover price for private investors in the cases referred to in paragraph 3 shall be determined by the Board of Directors , on the basis of the valuation report filed to the Fund by the disposal advisor in the context of its obligation to provide consulting support to the Fund at all stages of the transaction, as well as another valuation report filed by an independent financial advisor, enjoying prestige and experience on relevant matters and in particular the evaluation of credit institutions and in accordance with the reports of par. 1a and 1b. The capacity of the independent financial advisor of the previous sentence is not incompatible with the capacity of the strategic divestment advisor of par.1b. The disposal price or the acquisition price determined in accordance with the previous subparagraph may be lower than the most recent acquisition price of the shares by the Fund or the current stock market price, provided that they are consistent with the purpose of the Fund and the reports referred to in par. 1a and 1b and for this reason they constitute a diligent management of its assets, the Fund being subject to Article 405 para. 1B of the Criminal Code

(Law 4619/2019) otherwise. In the case of sale of blocks of shares by the Fund, the Minister of Finance shall receive the relevant reports and valuations and has the right of veto if the proposed disposal price is outside the range of these valuations. The provisions of this Decision and of paragraph 5 shall also apply to increases in share capital carried out under Law 4548/2018 (GG A' 104).

5. In the event that shares of the credit institution held by the Fund are acquired by a particular investor or group of investors or where there is a reduction in the Fund's participation as referred to in paragraph 3 in favor of a particular investor or group of investors:

a) The Fund may invite the interested investors to submit their offers, by setting the procedure, the deadlines, the content of the offers and any other term, including the provision of proof of funds and guarantee letters by the interested investors, in any stage of the procedure it may be deemed necessary, in the respective call.

b) The Fund may enter into a shareholders' agreement, subject to its judgment, which sets the relations between the Fund and the investor or group of investors, as well as to proceed to any amendment of the relationship framework agreements referred under paragraph 2 of article 2 of this Law. Within this framework, a restriction to the investors, group of investors or the Fund to maintain their participation for a specific time may be provided in the shareholder agreement.

c) The Fund may grant rights of first offer and rights of first refusal to investors identified in line with the assessment criteria referred to under subparagraph d) below.

d) The investor or group of investors is selected by following assessment criteria such as the experience of the investor with respect to the main activity of the enterprise and to the restructuring of credit institutions, its credibility, its ability to complete the transaction and the price to be offered. The assessment criteria applicable to each process shall be notified to the interested investors prior to the submission of their binding offer.

6. With respect to the warrants exchange of paragraph 2 (iii) of this article and the adjustment of these warrants issued under article 3 of Cabinet Act 38/2012, a Cabinet Act shall determine the methodology to adjust their terms and conditions in the following cases of corporate actions, i.e. a split, a reverse split, and a rights issue without abolition of pre-emption rights. In the case of a rights issue without abolition of the pre-emption rights, only the warrant strike price may be adjusted, and the adjustment may take place only ex post and only up to the amount of the realized proceeds from the sale of pre-emption rights of the Fund. The above Cabinet Act shall determine any other detail for the implementation of the present paragraph.

7. The Fund may decide in connection with a capital increase:

a) to exercise some or all of its pre-emption rights; or

b) to subscribe in such capital increase in any manner (including capital increases whereby the pre-emption rights have been waived or restricted) up to its existing shareholding percentage by participation in the issuance of new shares or in issues of other instruments of ownership, as defined in Article 2, internal Article 2 (107) of Law 4335/2015 (GG A' 87); or

c) in the case of its participation in a credit institution which has been subject to corporate transformation or group restructuring, to participate up to its existing shareholding percentage

in the issuance of new shares or other instruments of ownership by the relevant holding entity and/or the credit institution which shall carry on the banking operations of the group as the case may be; or

d) to participate in one or more unallocated shares distributions resulting from an increase in capital or other instruments of ownership, if such distributions are provided,

The participation of the Fund to the above-mentioned share capital increases under a), b), c) and d), which are carried out by credit institutions or in case of corporate transformation or group restructuring by the holding entities and/or the credit institutions which shall carry on the banking operations of the group, within the framework of Greek Law 4548/2018, is permitted under the condition that these share capital increases:

(a) do not constitute capital support within the meaning of Articles 6, 6a, 6b and 7 of the present Law; and

(b) are alongside private participation of real economic significance, who participate under the same terms and conditions and, therefore, with the same level of risk and rewards (“*pari passu*” transaction).

In any case the Fund may, at its discretion by decision of the General Council, exercise the special veto rights referred to in Article 10 (2) in order to prevent the issuance of shares or other instruments of ownership by the credit institutions in which it retains a holding or the legal entities which shall carry on the banking operations of the group or the holding entities of the credit institutions, in case the latter have been subject to corporate transformation or group restructuring, to the extent the issuance is expected to take place with waiver or restriction of the pre-emptive rights of the existing holders of shares or other instruments of ownership. The exercise of the special veto rights of the Fund to oppose the issue of shares or other title deeds without pre-emption right of existing holders of shares or other instruments of ownership referred to in the previous subparagraph shall not entail an obligation on the Fund to exercise the pre-emption rights in whole or in part, if subsequently a decision to effect a capital increase with pre-emption rights is adopted.

8. When applying para. 7:

(a) The participation of the Fund shall take place by a decision of the Board of Directors, taken following a report by two independent financial advisors confirming that the proposed participation in the issue of new shares or other titles of ownership contributes to maintaining, protecting or improving the value of the Fund’s existing shareholding in the capital of the issuer or the prospects for divestment from it, taking into account market conditions and the prospects of the business plan of that credit institution at the time of the credit institution’s decision to increase share capital or issue other securities of ownership.

(b) The subscription, cover and taking up of shares or other titles of ownership by the Fund shall be at an acquisition price no higher and at no more onerous terms than the other shareholders of the issuer, without affecting existing rights of the Fund arising from the framework agreements referred to in Article 6 (4).

(c) The coverage and subscription of new shares or other titles of ownership shall be financed exclusively from own funds held by the Fund or from reinvestment resulting from a previous asset disposal.

(d) The new shares or other titles of ownership thus acquired shall confer on the Fund full shareholder or ownership rights, including voting rights, but shall not confer the special rights referred to in Article 10 or be counted towards the application of Article 16C (1) and the determination of the duration and other terms of the corresponding framework agreements referred to in Article 6 (4) of this Law. In the event of a partial divestment of its holdings by the

Fund, the ordinary shares or securities of ownership acquired in pursuance of the present paragraph shall be deemed to be the first, among instruments of ownership of the same category, to be disposed of ('last in, first out'), thus ensuring that the special rights of the Fund provided for in Article 10 shall be maintained in full for as long as it retains a participation in the relevant credit institution.

Article 9

[Article 9 about the procedure of the conversion of preference shares into common shares has been deleted by par 7 article 50 of the law 4021/2011 (A' 218)].

Article 10

Special Rights of the Fund

1. The common shares, contingent convertible bonds and other convertible instruments acquired under Article 7, in addition to the rights granted to the Fund under the provisions of general company law (Law 4548/2018, A' 104 and any other relevant provision) shall confer the special rights referred to in the present article.

2. The Fund is represented with one member in the credit institution's Board of Directors. The capacity of representatives of the Fund under this law shall be incompatible with that of representative of the Greek State under Article 1(3)(b) of law 3723/2008 (A' 250). Conflict of interest and loyalty obligations, as prescribed in article 16B, are applicable to the representatives of the Fund. The Fund's representative in the Board of Directors shall have the right:

(a) [Removed]

(b) to veto any decision of the credit institution's Board of Directors:

(i) regarding the distribution of dividends and the benefits and bonus policy concerning the Chairman, the Chief Executive Officer and the other members of the Board of Directors, as well as whoever exercises general manager's powers and their deputies for any credit institutions whose ratio of non-performing loans to total loans, as calculated in accordance with subsection f(ii), of paragraph 2 of Article 11 of Commission Implementing Regulation (EU) 2021/451, exceeds 10%, or;

(ii) [Removed];

(iii) regarding decision to amend the articles of association, including the increase or decrease of capital or the granting of relevant authority to the board of directors, merger, division, conversion, revival, extension or dissolution of the company, transfer of assets, including the sale of subsidiary or for any other issue for which an increased majority is required according to the provisions of Law 4548/2018 and which decision may significantly affect the participation of the Fund in the Share Capital of the credit institution

(c) to request an adjournment of any meeting of the credit institution's Board of Directors for three (3) business days, until instructions are given by the Fund's Chief Executive Officer . Such right may be exercised by the end of the meeting of the credit institution's Board of

Directors.

(d) to request that the Board of Directors of the credit institution be convened,

(e) [Removed]

In exercising his rights, the Fund's representatives in the Board of Directors shall respect the credit institution's business autonomy.

3. As long as the above ratio of non-performing loans to total loans exceeds ten percent (10%), or for the financial years referring up to 2022, the fixed remuneration of the chairman, the chief executive officer and the other members of the Board of Directors, as well as those who hold the position or perform the duties of general director, and their deputies, may not exceed the total remuneration received by the Governor of the Bank of Greece. Any additional variable remunerations (bonuses) of such persons shall be abolished throughout the duration of the restructuring plan of the credit institution submitted to the European Commission in the context of the approval procedure for the capital assistance program and until its completion or as long as the ratio of non-performing loans to total loans exceeds ten percent (10%), or for the financial years referring up to 2022. Similarly, for the period of participation of the credit institution in the capital enhancement program of Article 7 of this Law, variable remuneration may only take the form of shares or stock options or other instruments within the meaning of Articles 52 or 63 of Regulation 575/2013, in accordance with Article 86 of Law 4261/2014 (A' 107)..

4. For the purpose of subsection (b) of para.1 of Article 2 herein the Fund shall have free access to the credit institution's books and records for the purposes of this Law with employees and consultants of his its choice.

5. [Removed]

6. [Removed]

7. Subject to Article 83 of Law. 4261/2014, the evaluation of the members of the board of directors and its committees shall include at least the following criteria as set out below:

(a) The member shall not exercise and shall not have been entrusted in the last four (4) years before its appointment, with any prominent public functions, such as Head of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations, important political party officials.

(b) The member shall declare all its financial affiliations with the credit institution before appointment. The competent authority shall have confirmed that the individual is fit and proper to act as a member. Additionally, any conviction or prosecution by final judgment for offences relating to financial crime shall constitute grounds for such person's termination of the Member's term of office.

8. [Removed]

9. [Removed]

10. Any provisions hereof shall not affect the obligation of shareholders to ensure that the board and board committees are staffed by members with an appropriate level of experience and competence and acting in the best interests of the bank and all stakeholders.

10a. The criteria set out by the Fund shall be complementary to the criteria for the board of directors provided by Laws 4548/2018, 4261/2014, and, where applicable, Law 4706/2020 (A' 136), and shall not contradict them.

11. (paragraph 11 has been deleted)

12. The Fund retains all its rights stemming from the present article also over the beneficiary credit institutions which emerge due to the corporate transformation (taking place according to law 4601/2019) of the credit institution which received capital support according to the provisions of this law (3864/2010).

Article 11

Reporting – Reviews – Confidentiality

To fulfil its mandate under this Law, the Fund may request, including before any submission of application for capital support:

(a) that credit institutions provide any relevant data and information; such information shall be forwarded to the Fund by the Bank of Greece subject to the confidentiality requirement laid down in article 54 of law 4261/2014 and shall not be divulged to any third party without the prior consent of the Bank of Greece; and

(b) that field reviews be carried out by the Bank of Greece with the participation of a representative of the Fund or experts and/or qualified external auditors or auditing offices referred to in law 3693/2008, which shall be appointed by the Fund and shall be required to observe strict confidentiality, by way of analogical application of the relevant provisions of Article 16B.

Article 12

Financial Results – Distribution of Profits

1. The Fund shall establish valuation differences accounts.

2. The net profits and losses of the Fund shall be accounted for in accordance with the International Financial Reporting Standards, adapted to the special objective of the Fund.

3. Distributed profits shall be calculated as follows:

a. total unrealized profits from valuation differences shall be deducted from net profits and the resulting amount shall be transferred to the appropriate valuation differences account; and

b. any unrealized profits deducted from the net profits of one or more past years and realized during the current year shall be deducted from the appropriate valuation differences account and added to the distributed profits referred to in (a) above.

4. Unrealized losses from valuation differences shall be transferred to the appropriate valuation differences accounts until these accounts have a zero balance. Afterwards, these losses shall be covered by the profits of the current year and then by the capital.
5. Within thirty (30) days from the publication of its annual financial statements, the Fund shall transfer all its distributed profits to the Greek State as revenue of the Government General Budget.
6. Amounts received by the Fund by way of reimbursement or redemption, and the proceeds of sale or repayment of any loan, bond, debt security, shares or capital or other instrument realized by the Fund, are recorded to a special dedicated account and may be transferred to the Greek government irrespectively of the existence of distributable profit, upon the request of the Minister of Finance, provided that the Minister of Finance has received a request from the European Financial Stability Facility or the European Stability Mechanism to transfer the amount of such proceeds. The amount requested by the Minister of Finance from the Fund shall not exceed the amount requested by the European Financial Stability Facility or the European Stability Mechanism from the Greek State.
7. Any revenue received by the Fund in connection with the common shares or the cooperative shares of credit institutions transferred to it pursuant to the provision of the last subparagraph of paragraph 6 of article 27 A of Law 4172/2013, including but not limited to dividends, distribution of profits, revenues from their sale, as well as the proceeds from liquidation, are recorded to a special dedicated cash management account in the Bank of Greece, which is separate from the one referred to in paragraph 6 above, and shall be transferred in total to the State, including any interests, irrespectively of the existence of distributable profit, upon the request of the Minister of Finance. The Fund shall notify without delay the Minister of Finance for any amounts recorded to the above special account. The revenues of this par. are not included in the amounts and proceeds referred to in par. 6.

Article 13

Financial Statements – Audit

1. The financial year shall start on 1 January and end on 31 December of every year. By way of exception, the first year shall last for more than 12 months, ending on 31 December 2011.
2. Within one (1) month from the publication of the annual and quarterly financial statements of credit institutions to the share capital of which the Fund participates or which the Fund funds, according to the provisions of the present Law and I. 3601/2007, the Fund shall, respectively, approve its annual and quarterly financial statements prepared in accordance with the International Financial Reporting Standards, and these shall be published on its website. A copy of the annual financial statements, together with the report prepared by the auditor referred to in the next paragraph, as well as activities report of the of the governing bodies concerned (i.e. the Board of Directors and, until its constitution, the General Council and the Executive Board) and the statements of the Chairman and the Chief Executive Officer regarding the Fund's governance, shall be sent to the Hellenic Parliament, the Minister of Finance, the Governor of the Bank of Greece, the European Commission ,the European Central

Bank, the European Stability Mechanism and the International Monetary Fund. The present paragraph comes into force and effect as of March 30, 2012 regarding the annual financial statements and as of March 30, 2014 regarding the quarterly financial statements.

3. The regular audit of the annual financial management of the Fund shall be conducted by qualified auditors or a recognized auditing office, according to the provisions of law 3693/2008, chosen by decision of the Board of Directors with the consent of the Minister of Finance for a five-year term, extendable until 30 June 2017. The auditors shall enjoy full independence and shall have access to all the books, records and accounts of the Fund. They

shall report to the Board of Directors on any issue of financial management and audit. Early termination of the auditors' term is possible by way of analogical application of the provisions

of article 4 paragraph 5 above.

4. An extraordinary audit of the Fund may be conducted at any time by decision of the Minister of Finance. The findings of the extraordinary audit shall be submitted to the Hellenic Parliament.

Article 14

Internal Audit

1. A person of recognized standing and professional expertise in auditing shall be appointed Chief Internal Auditor by proposal of the Chief Executive Officer and by decision of the Board of Directors and shall head the Internal Audit Function. His term shall be five years, which may be renewed; no appointment shall extend beyond the date set in paragraph 6 of Article 2. The Chief Internal Auditor shall not be subordinated to any other division or unit of the Fund. In exercising his duties, the Chief Internal Auditor shall enjoy full independence; have access to the books, records and accounts of the Fund; and report directly to the Board of Directors, where necessary through the Internal Audit Committee.

2. The Internal Auditor shall be subject to the disqualifications of article 4 paragraph 2 (e) of this Law and article 7(3)(b) of law 3016/2002, and shall maintain loyalty and strict confidentiality. Early termination of the Internal Auditor's term is possible by way of analogical application of the provisions of paragraph 5 of article 4 above.

3. The responsibilities and duties of the Internal Auditor shall be laid down in the Internal Audit Charter, approved by decision of the Board of Directors, and shall include at least those referred to in article 8 of law 3016/2002, insofar as they are compatible with the operation and objective of the Fund.

4. The Internal Audit Function shall be overseen by the Internal Audit Committee, established by a decision of the Board of Directors and composed of two (2) non-executive members of the Board of Directors and one external expert of recognized standing and experience in auditing. The provisions of paragraph 2 of this article shall apply to the external expert's term, early termination of his term, obligations and disqualifications.

5. The Internal Audit Committee shall in particular (a) supervise the internal audit function;

(b) make recommendations on the appointment of external auditors and the scope of external audits; (c) consult with the external auditors on the findings of their audits; (d) audit, together with the external auditors, the end-of-year financial statements; (e) submit reports to the Board of Directors and the Internal Audit Committee on a regular basis; and (f) regulate any issue concerning its operation.

6. The executive members of the Board of Directors or members of the Fund's staff may be invited to attend the meetings of the Internal Audit Committee.

Article 15

Tax Exemptions

The Fund shall enjoy all the administrative, financial and judicial immunities applicable to the government, being exempted from any direct or indirect taxes, contributions in favor of third parties and duties of any nature, excluding VAT.

Article 16

Resolution loan

The Fund may grant resolution loan as defined in the Financial Facility Agreement of 19.8.2015 to the Hellenic Deposits and Investments Guarantee Fund (HDIGF) for the purposes of funding bank resolution costs, subject to the provisions of the above said Financial Facility Agreement in line with EU state aid rules.

For the repayment of the loan the credit institutions participating in HDIGF are held liable as guarantors based on their participation ratio which is determined by law, either to the Resolution Fund or the Deposit Guarantee Fund.

By decision by the Minister of Finance, following a request by the HDIGF and upon recommendation by the Bank of Greece, all the necessary details for the application of this article are determined, including the amount, the time and method of disbursement of the loan.

Article 16A

Autonomy and Accountability of the Fund

1. The members of the governing bodies concerned (i.e., either the General Council and the Executive Board or the Board of Directors, following its constitution, except for the representative of the Ministry of Finance in the General Council, shall, in the performance of their duties, enjoy full autonomy and shall not seek or receive instructions from the Greek State or any other state body or institution, or financial institution supervised by the Bank of Greece, and shall not be subject to influence of any nature. Likewise, the Greek State or any other State body and institution shall refrain from giving instructions of any kind to the members of the governing

bodies of the Fund, unless otherwise specifically provided under this Law.

2. The Board of Directors shall inform the Hellenic Parliament, the Minister of Finance, the European Commission, the European Central Bank and the European Stability Mechanism about the course of achievement of its objectives, as a minimum twice a year and at such additional times as may be necessary.

3. Every two months, the Board of Directors shall inform the Minister of Finance, by submitting activities reports; at the request of the latter, the Chairman of the Board of Directors and the Chief Executive Officer shall inform the Minister further.

4. The Fund will publish annually a report of its operational strategy. The provision of the above subparagraph is applicable from March 2016.

5. The Fund will publish semi - annually a report of its performance against the above strategy. The provision of the above subparagraph is applicable from June 2016.

6. The Minister of Finance and the Board of Directors may conclude a Framework Agreement detailing further reporting frequencies, strategic decision-making by the Fund and the modalities for the involvement of the Ministry of Finance therein, the Fund's investment policy and business plan, and the Fund's remuneration policy, in a manner that the autonomy of the Fund is not affected.

7. Provisions of paragraphs 4, 5 and 6 of article 2 of l. 4111/2013 (A' 18) do not apply to the Fund.

Article 16B

Conflict of interest and fiduciary duty

1. The members of the governing bodies concerned (i.e., either the General Council and the Executive Board, or the Board of Directors, following its constitution and the staff of the Fund shall have a fiduciary duty to the Fund to place its interests before their own interest.

2. The members of the governing bodies concerned and the staff of the Fund shall avoid any situation likely to give rise to a conflict of interest. A conflict of interest arises where members of the governing bodies and of the staff have private or personal interests which may influence the impartial and objective performance of their duties. Private or personal interests of the members of the governing bodies shall mean any potential advantages for themselves, their families or other relatives up to the second degree, or for their circle of friends and acquaintances, provided that they are aware of such advantages.

3. The executive members of the Fund's governing bodies shall perform their duties on a full-time basis. None of these members may engage in any other occupation, whether remunerated or not, except in those exceptional cases where an exemption from this restriction shall have been granted for an individual member by the non-executive members of the Board of Directors.

4. No member governing bodies concerned or the staff shall receive or accept any promise for, from any source whatsoever, any benefits, rewards, remuneration or gifts in excess of a customary or negligible amount, whether financial or non-financial, which are connected in any way whatsoever to their activities within the Fund.

5. Members of the Fund's governing bodies, members of the Selection Panel, as well as the Fund's staff shall not use confidential information to which they have access for carrying out private financial transactions, whether directly or indirectly via third parties, whether these are conducted at their own risk and for their own account or at the risk and for the account of a third party. The members of the Fund's governing bodies, the members of the Selection Panel, as well as the staff of the Fund are prohibited from disclosing in any way, directly or indirectly, to any third-party confidential information to which they have access. Violating the obligations of this paragraph implies an automatic loss of the status of the person who committed the breach, as well as the automatic termination of his/her term of office and his/her respective contract without compensation from the Fund.

6. Members of the governing bodies of the Fund shall, before January 31st of each year, disclose in full to the Board of Directors, any significant financial interests which such members, their second-degree family members or among their business or financial connections, may directly or indirectly have; such disclosures shall comply with any internal rules adopted by the Board of Directors, or previously, the General Council regarding such matters. The Board of Directors shall adopt similar rules for the staff of the Fund.

7. Whenever any matter related to a conflict of interests or a fiduciary duty of any member arises before the Fund's governing bodies concerned, the member concerned shall disclose his interest at the beginning of the discussion and shall not participate in the discussion and the decision-making on such matter. The presence of the member abstaining from discussion and decision-making shall be counted for constituting a quorum.

8. Any breach of the previous paragraphs by a member of the governing bodies concerned or of the staff shall constitute a serious misconduct, which may result in termination of office.

9. The members of the governing bodies, shall be pledged to secrecy about the affairs of the Fund and shall be subject to the professional secrecy rules. The representatives of the European Commission, the European Central Bank and the European Stability Mechanism shall be subject to the professional secrecy rules provided for in the respective regulations of the European Commission, the European Central Bank and the European Stability Mechanism. The secrecy obligation shall not apply vis-a-vis the Bank of Greece, the European Commission, European Central Bank and the European Stability Mechanism.

10. [Removed]

Article 16 C

Other Provisions

1. Throughout the participation of the Fund in the capital of a credit institution, the latter shall not be allowed to purchase its own shares without the Fund's approval.

2. The acquisition by the Fund of a holding in a credit institution through the issuance of "common" shares hereunder shall not result in the inclusion of such credit institution in the broader public sector according to Greek law, given the purely private-sector character of the Fund.

3. For a period of six (6) months after the expiry of their term or the termination of their appointment for any reason whatsoever, the members of the Fund's governing bodies concerned (i.e., either the General Council and the Executive Board, or the Board of Directors, as the case may be) may not take up any position in credit institutions supervised by the Bank of Greece or entities within the same group of said institutions. Likewise, they are obliged not to participate or provide services, either individually or by means of a middle person, to any kind of natural or legal persons having entered into business relationships with the Fund, providing services for the implementation of the objectives of the Fund when the total annual fees received from the Fund by these natural or legal persons in the last twenty four (24) months before the expiry of their term or the termination of their appointment exceed the amount of 100.000 euros. Likewise, the members of the Fund's staff shall be under the same prohibition for three (3) months from the expiry or termination of their contracts.

4. The decisions of the Fund's governing bodies concerned (i.e., either the General Council and the Executive Board, or the Board of Directors, as the case may be), if taken in accordance with the current law and in compliance with the existing legislation, are deemed consistent with the objectives of the Fund as defined in article 2 and in compliance with the rules of prudent management of the assets of the Fund. The members of the Board of Directors and its staff do not have third party civil liability for acts or omissions in the performance of their duties other than for gross negligence and willful misconduct. The above provision does not exempt the above members and staff from any liability towards the Fund. The Fund shall indemnify any member of the Fund's governing bodies, against all costs and expenses arising from legal actions filed against such persons, when the Board of Directors is satisfied that this person has performed its responsibilities relating to the scope of the Fund in good faith. The Fund shall recover from the relevant persons any payment made pursuant to the preceding sentence of this paragraph, when said persons are subsequently found liable according to the relevant court judgment.

5. The present Law shall be without prejudice to any of the tasks and responsibilities of the Bank of Greece under its Statute and the legislation in force.

6. In addition to its objectives set out in article 2 above, the Fund may also provide guarantees to states, international organizations or other recipients and, generally, take any action required for the implementation of decisions of euro area bodies concerning the support of the Greek economy. The Fund may provide guarantee to the credit institutions of paragraph 1 of article 2 of the present Law and grant security over its assets for the fulfillment of its obligations under such guarantee. A decision of the Minister of Finance may regulate any necessary detail for the implementation of the present paragraph.

7. The credit institutions which receive capital support according to the provisions of this law shall pay to the Fund, at once, an amount which in total shall be equal to the amount of five hundred fifty-five million six hundred thousand Euros (555.600.000 €), and which amount as well as the terms of its payment for each credit institution shall be determined in the relevant subscription agreement to be entered between each credit institution and the Fund until December 21, 2012.

8. The obligation of a mandatory public offering provided under paragraph 1 of Article 7 of L. 3461/2006 shall not apply in the event of direct or indirect acquisition by the Fund of voting rights, as a result of the capital support provided pursuant to this Law, either through

participation of the Fund in the share capital increase of a credit institution or through conversion of contingent convertible bonds or through the removal of any restrictions, if any, regarding exercise of the voting rights under article 7A by the Fund. The mandatory public offering provided under paragraph 1 of Article 7 of L. 3461/2006 shall not apply in cases the Fund acquires shares pursuant to the provisions of article 27A of L. 4172/2013.

9. The Fund's shares shall not be the target of a tender offer (takeover bid) but shall be taken into account for the calculation of the thresholds referred to in paragraph 1 of article 7 of L. 3461/2006.

10. Actions taken by the Fund and any rights obtained according to provisions that are amended or abolished under the present Law, continue to be subject to the legislation in force at that time.

Article 17

Transitional provision - Initial composition of the Board of Directors of HFSF and assumption of duties

1. Thirty (30) days following publication of this law the General Council and the Executive Board of the Fund shall be abolished and the term of office of the members of the General Council of the Fund shall cease automatically and without compensation. The members of the General Council and the Executive Board of the Fund shall notify the General Council by the previous day of its abolition, in accordance with the previous paragraph, the requirements provided in Art. 16b par. 6 of law 3864/2010.
2. On the above date the active members of the Executive Board of the Fund shall automatically become executive members of the Fund's Board of Directors, which shall be constituted thirty (30) days from the publication of this law, with the exception of the member of the Executive Board appointed by the Bank of Greece, who shall be replaced by a member nominated jointly by the Ministry of Finance and the Bank of Greece, and who shall assume the capacity of executive member of the Fund's Board of Directors, in accordance with Article 5 of this law. Of the above remaining members, the Chief Executive Officer of the Executive Board shall become the Chief Executive Officer of the Fund's Board of Directors, and the other member shall assume the duties of an executive member of the Fund's Board of Directors. The representatives of the European Commission, the European Central Bank and the European Stability Mechanism or their deputies as of the date of par. 1 shall automatically become observers at the meetings of the Board of Directors.
3. The independent non-executive members of the Fund's Board of Directors which shall be constituted thirty (30) days from the publication of this law, shall be appointed in due time from among the serving members of the General Council of the Fund on the date of publication of this Law, by the Selection Panel pursuant to Article 4A of Law No. 3864/2010 (A' 119), and shall be notified to the Ministry of Finance and the Fund. The aforementioned appointment shall be preceded by an evaluation by the Selection Panel of Article 4A of Law No. 3864/2010 within twenty (20) days from the publication of this Law, applying also the conditions of par. 7 of Article 4A of Law 3864/2010.
4. Provided that within thirty (30) days after this law enters in force any of the procedures for the selection of members of the Fund's Board of Directors has not been completed, the Fund's Board of Directors shall undertake its duties and operate legally, provided that the positions of at least five (5) of its members have been duly filled. If and as long as the number does not exceed the five members (5), the quorum of the Fund's Board of

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Directors shall be determined to be three (3) members. Any action or proceeding duly undertaken by the Executive Board or the General Council of the Fund and which has not been completed on the date the Board of Directors is constituted shall be continued by the Fund's Board of Directors from the next day of its constitution. Any legal procedural deadlines for action shall be suspended and restarted on the date of the constitution of the Board of Directors.

5. Any necessary details for the application of this article may be determined by decision of the Minister of Finance,