

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 codified law (cl) 2190/1920, 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 to contribute to the maintenance of the stability of the Greek banking system, for the sake of public interest.

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.

f) Facilitates the management of the non-performing loans of the credit institutions.

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 hold shares or other capital instruments 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

¹Art. 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.

administrative bodies of the said entities, according to this Law and special agreements entered into with the above entities for this purpose.

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 and the Non-Performing Loans (NPLs) management, 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 2022. By decisions of the Minister of Finance, the duration of the Fund may be extended, if deemed necessary for the fulfilment of its scope .

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 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, 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, can only be invested in accordance with the provisions of article 15 par 11 (g) 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. Such

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 Bodies of the Fund

1. The decision-making bodies of the Fund shall be the General Council and the Executive Board.
2. The General Council shall consist of seven (7) non-executive members. Five (5) of its members, including the Chairman, shall be persons with international experience in banking matters. The other members of the General Council shall be, a representative of the Ministry of Finance and a person nominated by the Bank of Greece.
3. The Executive Board shall consist of three (3) members. Two (2) of the members including the Chief Executive Officer, shall be persons with international experience in banking matters or in matters relating to the resolution of credit institutions. One of the members shall be a person nominated by the Bank of Greece. One executive member will be assigned the task to enhance the role of the Fund in facilitating the resolution of NPLs of the credit institutions in which the Fund participates.
4. The members of the General Council and the Executive Board shall be selected, following a public call of interest, by the Selection Panel of article 4A.
5. The members of the General Council and the Executive Board shall be appointed by a decision of the Minister of Finance, according to the procedure stipulated in article 4A. Their appointment is for three years and may be renewed but cannot exceed the term of the Fund as stipulated in paragraph 6 of article 2 of this Law. Any vacancy on the General Council or the Executive Board shall be filled within sixty (60) days, that can be extended if needed for another thirty (30) days, by the appointment of a new member, under the provisions of article 4A. With the exception of the representative of the Ministry of Finance and the nominee from the Bank of Greece in the General Council, any appointment, and any renewal of the term of members of the General Council and the Executive Board, including their respective remuneration shall require the prior agreement of the Euro Working Group Working Group, If the term of office of the members of the General Council and the Executive Board expires

before the end of the Fund's duration, the term of the above members is automatically renewed in accordance with the second sentence of this paragraph and subject to paragraph 8 of this Article. In case of vacancy in the General Council and the Executive Committee while the period for the expiry of the duration of the Fund is less than three (3) months, both governing bodies operate legally even without the filling of this vacant position, provided that during their meetings the remaining members are sufficient for the quorum referred to in paragraphs 16 and 17.

5a. In case of parallel vacancies in the Executive Board, in a way that the quorum required in paragraph 17 does not exist, the relevant vacancies are filled by virtue of a decision of the Minister of Finance, notwithstanding the provisions of paragraphs 4 and 5, in the following way: a) the position of the Chief Executive Officer is covered by a member of the General Council of the second subparagraph of paragraph 2, b) the position of the other member of the second subparagraph of paragraph 3 is covered by a senior officer of the Fund and c) the position of the member of the third subparagraph of paragraph 3 is covered by a person nominated by the Bank of Greece. For the above positions under (a) and (b) the Minister of Finance appoints the persons proposed by the General Council. For all three appointments the prior agreement of the Euro Working Group and a non-binding opinion of the Selection Panel of article 4A is provided within an exclusive term of 24 hours, otherwise there is a presumption of their tacit agreement. The above appointments last until the appointment of the new members in accordance with paragraphs 3, 4 and 5, or until the assumption of their duties in case this takes place after their appointment due to significant reasons but within a reasonable time. During this period, the said member of the General Council participates in the meetings with no voting right. The members of the Executive Board who are appointed according to this paragraph may select to receive either the remuneration of the positions they cover, which is proposed by the Selection Panel within the exclusive term of 24 hours and is within the existing at that time range of paragraph 6 of article 4A, otherwise they receive the remuneration of their predecessors, or the remuneration of their normal positions in the Fund.

6. Persons eligible to serve on the General Council and the Executive Board shall be of recognized integrity. No person shall be eligible to serve on the General Council or the Executive Board 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) has been employee of or advisor to credit institutions operating in Greece or beneficial owner 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 higher in such an institution in the last three (3) years before taking up his position.

7. No person shall serve on the General Council or the Executive Board while he is a member of the Parliament, the Government, an official of a Government ministry or other public authority, or an official, employee or advisor of a 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. For the purpose of the previous sentence, an officer or employee of a university or any organization or institution having operational autonomy from the Government shall not be deemed to be an official or employee of the Government or of a Government ministry or other public authority. Without prejudice to paragraph 5, this paragraph shall not prevent an official or the general secretary of the Ministry of Finance to sit on the General Council as the Ministry of Finance's representative pursuant to paragraph 2. The Governor, the Deputy Governors, Members of decision making bodies, advisors or employees of the Bank of Greece may not serve as members on the General Council or the Executive Board, except for the member of the General Council appointed by the Bank of Greece.

Transitional Provision

The amendment of the last sentence of par. 7 of article 4 of Law 3864/2010 made through paragraph 2 of article 126 of Law 4537/2018 (Government Gazette A' 84) does not apply to the existing members of the Governing Bodies of the Hellenic Financial Stability Fund who have been appointed until 15.05.2018.

8. Members of the General Council and Executive Board may be removed prior to the expiry of their term of office by decision of the Minister for Finance, either a) when any of the conditions of paragraphs 6 and 7 render them non-eligible or b) upon justified proposal from the Selection Panel for the reasons and according to the procedures set out in article 4A.

9. The General Council shall decide on its own initiative or upon proposal of the Executive Board, on matters specified below and shall be charged with the oversight over the proper operation and fulfilment of the objective of the Fund. The General Council:

(a) is informed by the Executive Board for its actions and monitors the compliance of the Executive Board with the provisions of the present Law and with the principles enshrined in Article 2;

(b) decides on the matters related to the provision of capital support, the exercise of voting rights, and the disposal of the Fund's participation;

(c) approves the general policies and, the by-laws and internal rules and the organizational structure (IROS) applicable to the administration and operations of the Fund, including the Fund's code of conduct for its members, the conflict of interest's policy, the insider trading policy and the information barriers policy;

(d) approves the appointment of the senior management of the Fund, including the Chief Financial Officer, the Chief Operations Officer, the Chief Internal Auditor, the Chief Risk Officer, the Chief Investment Officer, and the Chief Legal Counsel;

(e) approves the Fund's general terms and conditions of personnel's employment and the remuneration policy. The remuneration policy has to be competitive so as to attract and retain

high - quality and expert candidates. When approving the remuneration policy, the General Council shall take into account the remuneration levels of staff of similar qualification in the Greek banking system;

(f) approves the annual budget of the Fund;

(g) approves the annual report and other formal reports and the financial statements of the Fund;

(h) approves the appointment of the external auditors of the Fund;

(i) approves the establishment of one or more advisory bodies, determine their terms and conditions of appointment of their members, and determine the terms of reference of such bodies;

(j) establishes one or more committees consisting of members of the General Council and/or other persons, and defines their responsibilities;

(k) adopts the rules of procedure of the General Council and the Fund's Procurement Regulation which regulates the procurement of goods and services, for any procurement falling within the values provided in article 23 par. 2 case I.a) and par. 4 of law 4281/2014, as an exception from the relevant provisions and subsequent procurement rules of the said law; and

(l) takes the decisions and exercises such other powers and tasks as explicitly granted to the General Council by the present Law or any other law.

10. The Executive Board shall be charged with the preparation of the Fund's tasks and the implementation of the decisions of its competent bodies and conduct of the operations necessary for the administration and operation, as well as, for the fulfilment of the Fund's objective. The Executive Board has indicatively the following powers and tasks:

(a) the Executive Board proposes to the General Council on the issues under the paragraph 9 here above;

(b) the Executive Board implements the decisions of the General Council taken either upon or without proposal from the Executive Board;

(c) the Executive Board takes all actions required or deemed advisable for the administration or operations of the Fund, including the Fund's powers and responsibilities under Article 2, procurement of goods and services, entering into contractual commitments on behalf of the Fund, appointing the staff and advisors of the Fund, and generally representing the Fund;

(d) the Executive Board delegates any of his powers or tasks to any of its members or to the Fund's cadres, in accordance with the general terms and conditions adopted by the General Council and with due consideration to the avoidance of conflicts of interests, provided that the Chief Executive Officer shall primarily exercise his powers pursuant to paragraph 11. The Executive Board appoints a group to assist the tasks of the member of the Executive Board

who has been assigned the task to enhance the role of the Fund in facilitating the resolution of Non-Performing Loans;

(e) the Executive Board has such other powers and tasks as explicitly granted by this Law or any other law;

(f) the Executive Board represents judicially and extra-judicially the Fund and binds the Fund towards any third party; and

(g) the Executive Board exercises any other power which is not expressly granted to the General Council.

All powers under this Law and any other law that are vested in the Fund shall be deemed vested in the Executive Board, unless specifically reserved for the General Council.

11. The Chief Executive Officer shall be responsible to the General Council for the execution of General Council's decisions and for control of the administration and operations of the Fund. The Executive Officer or in his absence the other member that replaces him shall report, as often as required to the General Council and not less than ten times each year.

12. The remuneration and compensation of members of the General Council and the Executive Board:

(a) shall be determined by the Selection Panel decision and shall be stated in the legal instruments relating to their appointment and shall be disclosed in the Fund's annual report;

(b) the remuneration or compensation received by members of the General Council and Executive Board shall be such that qualified and expert persons can be recruited and retained;

(c) no remuneration or compensation shall be based on the Fund's profits or any of its revenues.

13. The General Council shall meet as often as the business of the Fund may require but not less frequently than ten times per calendar year. Meetings of the General Council shall be called and chaired by its Chairman. In his absence, the meetings shall be called and chaired by a member of the General Council, other than the representative of the Ministry of Finance and the person appointed by the Bank of Greece. The member who replaces the Chairman is selected by the General Council in accordance with the internal rules and organizational structure (IROS) of the Fund.

General Council meetings shall be convened by communicating the time, venue and agenda of the meeting to all General Council members and the observers at least three (3) business days before the date set for the meeting, except in the event of an emergency, or by consent of all its members, in which case a meeting may be convened at shorter notice as determined in the internal rules and organizational structure (IROS) of the Fund. Any four (4) members of the General Council shall also have the right to request the Chairman to call for a meeting of the General Council. At the invitation of the Chairman of the General Council, the Chief Executive Officer or all members of the Executive Board, any staff member or any other expert

and advisor may attend the meetings of the General Council. In case the Chairman considers it appropriate, the General Council may convene, discuss and decide by written or electronic means of communication as determined in the internal rules and organizational structure (IROS) of the Fund.

14. The Executive Board shall meet as often as the business of the Fund may require but not less than once a week. Meetings of the Executive Board shall be called and chaired by the Chief Executive Officer or in his absence by the person replacing him, who is the other member of the Executive Board, referred to in the second sentence of paragraph 3 of article 4. Executive Board meetings shall be convened by communicating the time, venue and agenda of the meeting to all Executive Board members and the observers at least three (3) business days before the date set for the meeting, except in the event of an emergency, or by the mutual consent of all members, in which case a meeting may be convened at shorter notice as determined in the internal rules and organizational structure (IROS) of the Fund. The other two (2) members of Executive Board shall also have the right to request the Chief Executive Officer to call for a meeting of the Executive Board. At the invitation of the Chief Executive Officer, any staff members or any other expert and advisor may attend the meetings of the Executive Board. In case the Chief Executive Officer considers it appropriate, the Executive Board may convene, discuss and decide by written or electronic means of communication as determined in the internal rules and organizational structure (IROS) of the Fund.

15. One (1) representative of the European Commission, one (1) representative of the European Central Bank and one (1) representative of the European Stability Mechanism, together with their alternates, may attend the meetings of the General Council and Executive Board as Observers without voting rights. The observers from the European Commission, the European Central Bank and the European Stability Mechanism shall be notified in the same manner as the members of the Executive Board and the General Council, according to the above paragraphs 13 and 14. Insofar as they have been duly invited, any absence of the observers from the European Commission, the European Central Bank and the European Stability Mechanism or their alternates shall not affect the lawful constitution of the General Council or Executive Board meetings.

16. A quorum for the conduct of business at any meeting of the General Council shall consist of at least five (5) members of the General Council. Each member of the General Council shall have one vote. Save as otherwise provided in this Law, decisions shall be adopted by a majority of the members present at the meeting. In the event of a tied vote, the person chairing the meeting shall cast a tie-breaking vote.

17. Two (2) members shall constitute a quorum for Executive Board meetings. Each member of the Executive Board shall have one vote. Save as otherwise provided in this Law, decisions shall be adopted by a majority of two (2) members present at the meeting.

18. The proceedings of the meetings of the Executive Board and of the General Council shall be confidential. The General Council may decide to make the outcome of their deliberations on any matter public.

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19. All actions of any member of the General Council and the Executive Board shall remain valid notwithstanding any defect regarding the member's appointment, eligibility, or qualifications. Subject to paragraphs 16, and 17 no act or proceedings of the General Council or of the Executive Board shall be invalidated merely by reason of the existence of a vacancy at the Executive Board or of vacancies at the General Council. In case of failure to appoint a member of the General Council or the Executive Board within the prescribed period provided in paragraph 5, both governing bodies are convened and legitimately operate until the appointment of new members, provided that during their meetings they maintain the quorum provided in paragraphs 16 and 17 of this Article.

20. The Secretary of the General Council and of the Executive Board, who shall be both members of the Fund's cadres, are appointed by the General Council on a proposal from the Chief Executive Officer. The minutes of each General Council and Executive Board meeting shall be signed by the person chairing that meeting and the Secretary of the General Council and the Executive Board.

Article 4 A

Selection Panel

1. A Selection Panel is established for the selection of the members of the General Council and the Executive Board 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 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 General Council and the Executive Board, 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 General Council and the Executive Board 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 General Council of Executive Board 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 General Council and the Executive board 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 General Council and Executive Board members shall be elaborated by the Selection Panel. Following its establishment, the Selection Panel reviews the remuneration of the EB and GC members 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 for the specific post 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.

7. The Selection Panel shall perform evaluation of the members of the General Council and the Executive Board based on criteria that will be determined by the Selection Panel. The criteria shall ensure the proper implementation of the objectives of the Fund, in accordance with each body's mandate. The Selection Panel, following the above evaluation, may propose to the Minister the renewal of the term of the members, provided it expires 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 General Council or the Executive Board. 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 General Council and the Executive Board, after the establishment of the Selection Panel.

10. A summary of the annual evaluation of the members of the General Council and the Executive Board 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. The selection panel will be established by end December of 2015.

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 Executive Board 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 Executive Board.

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). 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;
- b. if needed, preference shares and other CET 1 instruments;
- 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 valuers, 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 14 of cl 2190/20 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 General Council, the Fund accepts this price, provided that the Fund has commissioned and obtained an opinion

from an independent financial advisor which opines 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 subscribed to by it in the context of a capital support pursuant to article 7.
2. The Fund exercises its voting rights subject to the limitations set out in paragraph 3 in the following cases:

(a) For the shares with respect to which such limitations were applicable, in accordance with paragraph 7 of article 9 of law 4051/2012 (A' 40) at the moment of the subscription of the shares by the Fund.

(b) For the shares acquired in the context of a capital support provided under the provisions of paragraph 7 of article 9 of law 4051/2012, whereby limitations of the above provisions were not applicable due to the non- achievement of the private sector participation threshold as described thereto. The limitations of paragraph 3 shall apply to the above mentioned shares held by the Fund provided that the private sector participation in the new share capital increase transaction which takes place for the first time after the entry into force of law 4254/2014 (A' 84) is at least equal to 50%.

3. In the cases envisaged in paragraph 2, the Fund shall exercise its voting rights in the General Assembly only for decisions regarding charter modifications, including capital increase or reduction or providing proxy powers to the executive board to that effect, merger, division, conversion, revival, extension of duration or dissolution of the company, material asset transfers, including sales of subsidiaries, or any other matters that requires an increased majority as explicitly provided in law 2190/1920 on Sociétés Anonymes. For the purposes of calculating the quorum and majority in the General Assembly, the shares referred to in the present article shall not be taken into account in the adoption of decisions on matters others than the ones referred to in the previous sentences of the present paragraph.

4. The Fund fully exercises its voting rights corresponding to the shares envisaged in paragraph 2, without the restrictions of paragraph 3 if it is ascertained by a decision of the General Council of the Fund that material obligations of the credit institution, which are provided for in the restructuring plan or which promote its implementation, or which are prescribed in the relationship framework agreements mentioned in article 2, are violated.

5. Any disposal of shares by the Fund to the private sector under the provisions of article 8 or the exercise of warrants referred to in paragraph 6 of article 8, shall be deemed as reducing the amount of the shares which are subject to the limitations of voting rights.

6. For so long as the Fund is restricted in the exercise of its voting rights pursuant to this article, apart from the notifications mentioned in article 9 of law 3556/2007 (A' 91):

(a) the Fund must also 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 Fund shall decide on the way and the procedure for disposing shares 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, so long as the shares are disposed of within five years of the entering to force of law 4340/2015 (A 134) and in compliance with State aid rules. The disposal of shares within the time limits stipulated in the second sentence may not be done towards any entity directly or indirectly belonging to the State according to the legislation. The deadlines of this article may be extended by a decision of the Ministry of Finance, following a proposal of the Fund.

To reach the above decision, the General Council shall take into account a report prepared by an internationally accredited financial expert. This report should be accompanied by a comprehensive time schedule for the disposal of shares. The prerequisites and the method of disposal of the shares as well as the acts necessary for the completion of the process and the compliance with the time schedule must be sufficiently explained in the report.

The disposal shall be carried out in compliance with the objectives of the Fund as they are determined under article 2.

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 price of disposal of the shares by the Fund according to paragraph 2 and the minimum entry price of private investors in cases stipulated in paragraph 3, is defined by the General Council based on two valuation reports conducted by two independent financial advisors with standing and experience in relevant issues and specifically in valuation of credit institutions and in line with the report referred to in article 8(1).

The disposal price or the subscription price determined as per the previous sentence may be lower than the price at which the shares were acquired most recently by the Fund or their current market price, as long as they are in line with the objectives of the Fund and the report referred to in article 8(1).

[In case of outright sale of shares by the Fund, the Minister of Finance receives all reports and valuations and has a veto right if, based on the above-mentioned reports and valuations, the suggested price of disposal is out of the ranges established by the valuations

Provisions of this paragraph and paragraph 5 of the present article apply also in cases of share capital increases based on cl 2190/1920.

5. In the event that shares of the credit institution held by the Fund are disposed to a specific investor or group of investors, or in the event that the participation of the Fund is decreased pursuant to paragraph 3 in favor of a specific 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.

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 referred to in Article 7 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) to call the General Assembly of shareholders;

(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;

(ii) where the decision in question could seriously compromise the interests of depositors, or impair the credit institution's liquidity or solvency or its overall sound and smooth operation (e.g. business strategy, asset/liability management, etc.);

(iii) related to corporate actions of paragraph 3 of article 7A which might substantially influence the Fund's participation at 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 Executive Board. 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) to approve the Chief Financial Officer

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

3. In any event, the remuneration of the persons referred to in paragraph 2(b)(i) above may not exceed the total remuneration of the Governor of the Bank of Greece. Any additional remuneration (bonuses) granted to the same persons shall be abolished for the period during which the credit institution participates in the capital support programme under this Law. The provision of article 1(3) of law 3723/2008 shall apply by way of analogy to the dividends referred to in the same provision.

4. 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. The Fund, with the assistance of an independent consultant of international reputation and established experience and expertise, shall evaluate the corporate governance arrangements of credit institutions with which the Fund has signed Relationship Framework Agreement. In particular, the evaluation will involve the size, organization, structure, and allocation of tasks and responsibilities within the board and its committees in view of the business needs of the credit institutions. The evaluation will extend also to the individual members of the boards and the committees concerned.

The above evaluation will involve all committees of the board of directors as well as any other committee of these credit institutions which the Fund deems necessary to evaluate for the fulfilment of its objectives under this Law.

6. The Fund with the assistance of an independent consultant will develop criteria for the evaluation of the above elements and the members of the boards and committees of these credit institutions along best international practices. Based on this evaluation the Fund will develop specific recommendations for improvements and changes, if needed, in the corporate governance of each credit institution. The members of the boards and committees shall cooperate with the Fund and its consultants in conducting the review and provide necessary information for the purposes of the review.

7. Beyond the criteria established by the Fund with the assistance of the independent consultant, the evaluation shall include certain minimum criteria as set out below:

(a) With respect to the evaluation of the members of the board of directors and its committees at least the following must be satisfied:

“(i) The member must have at least ten (10) years of experience at senior managerial level in the areas of banking, audit, risk management or distressed asset management, of which the non-executive members must have been at least three (3) years as a board member of a credit institution or of a company of the financial sector or of an international financial institution.

(ii) The member is not and has not been entrusted in the last four (4) years before its appointment, with 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.

The member must declare all financial affiliations with the credit institution before appointment; the competent authority has confirmed that the individual is fit and proper to act as a member. Additional criteria defining specific skills needed for specific tasks within the board will be determined by the Fund in cooperation with the independent consultant under the corporate governance review. The criteria will be updated at least once every two years and more often if there is material change in the financial position of the credit institution.

8. The size and collective knowledge of the boards and committees shall reflect the business model and the financial condition of the credit institution and the review of the members should ensure the right size and composition. The evaluation of the structure and composition of the Boards and Committees shall have the following minimum criteria: (i) the Banks' Board of Directors include at least three experts as independent non-executive members with adequate knowledge and international experience of at least fifteen (15) years in relevant banking institutions of which at least three (3) years' experience on a board of an international banking group not operating on the Greek market. These experts should have no relationship over the previous ten years with credit institutions operating in Greece; (ii) the aforementioned independent non-executive members chair all Board committees; (iii) at least one board member shall have relevant expertise and international experience of at least five (5) years in the risk management or management of non-performing loans. This board member will focus on and will have sole responsibility for management of non-performing loans at board level and chair a specific board committee of the credit institution that deals with Non-Performing Loans.

9. In the case that a review or evaluation determines that the subject of the review does not meet the relevant criteria, the Fund will inform the board of directors and, if the board of directors does not take action to implements the recommendations, will call a General Assembly of shareholders to inform them and recommend the necessary changes. The Fund will send the findings of the review to the competent authorities. In the case of a board or committee member does not meet the relevant criteria, or if the board collectively does not satisfy the recommended structure with respect to the size, allocation of tasks and expertise within the board and the necessary changes cannot be achieved otherwise, these recommendations shall include that certain board or committee members need to be replaced. If the General Assembly of shareholders does not agree within three months to replace board members who fail to meet these criteria, the Fund shall publish a report on its website within four weeks naming the credit institution, the recommendations and the number of board members that do not meet the relevant criteria and specify the criteria the board and its individual members do not meet.

10. Nothing in the paragraphs 5 to 9 changes 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.

11. In the event of liquidation of the credit institution, the Fund, as long as it participates as a shareholder, shall be satisfied from the liquidation proceeds with priority over all other shareholders, jointly with the government in its capacity as beneficiary of the preference shares of law 3723/2008.

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 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 General Council 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 General Council 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 a decision of the Executive Board and the approval of the General Council 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 General Council and the Executive Board, 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 General Council, 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 General Council and composed of two (2) members of the General Council 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 General Council, the Executive Board and the Internal Audit Committee on a regular basis; and (f) regulate any issue concerning its operation.

6. The Executive Board 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 General Council and the Executive Board, 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 General Council and the Executive Board of the Fund.

2. The General Council 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 General Council shall inform the Minister of Finance, by submitting activities reports; at the request of the latter, the Chairman of the General Council 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 General Council 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 General Council, the Executive Board 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 General Council, the Executive Board 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 General Council, the Executive Board and of the staff have private or personal interests which may influence the impartial and objective performance of their duties. Private or personal interests 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 members of the Executive Board 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 General Council.
4. No member of the General Council, the Executive Board 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 General Council, the Executive Board or the 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.

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6. Members of the General Council and the Executive Board shall, before the last calendar day of January of each year, disclose in full to the General Council 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 General Council regarding such matters. The General Council shall adopt similar rules for the staff of the Fund.

7. Whenever any matter related to such interests as provided under this article is before the General Council or the Executive Board, 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 General Council or Executive Board 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 General Council, the Executive Board or of the staff shall constitute a serious misconduct, which may result in termination of office.

9. The members of the General Council and the Executive Board, 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.

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 Executive Board and the General Council of the Fund 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 General Council and the Executive Board, 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 General Council and the Executive Board members 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 wilful 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 General Council, the Executive Board and the staff of the Fund against all costs and expenses arising from legal actions filed against such persons, when the General Council 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 to launch the takeover bid 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.

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. -