

**Law 4727/2020 (Official Journal A' 184)**

**“Digital Governance (Transposition to the Greek legislation of Directive (EU) 2016/2102 and of Directive (EU) 2019/1024) – Electronic communications (Transposition to the Greek Law of Directive (EU) 2018/1972) and other provisions.”**

**CHAPTER IE'**

**DEVELOPMENT OF A DIGITAL 5G ECOSYSTEM IN GREECE VIA INNOVATIVE INVESTMENT TOOLS**

**Article 92**

**Radio spectrum 5G for pilot applications**

1. The Greek State is blocking the radio frequency band of 3400-3410 MHz for ten (10) years as of the entry into force of this Law, with the aim of its exclusive use for purposes of research or/and development or/and innovation to networks, products or/and services operating on 5G infrastructure or related as per the present Law.
2. The Greek State may block 200 MHz into the radio frequency band of 26 GHz, which might remain unallocated, after the completion the procedure of granting of rights, by a decision of the Minister of Digital Governance, which is issued after the end of this procedure, for a time period of ten (10) years as of the publication of this decision to the Official Journal, with the aim of its exclusive use for the purposes of par. 1.
3. The Greek State may use for the purposes of par. 1, part of spectral zones of 733-736 MHz and 788-791 MHz, which have been allocated for another primary use, according to Joint Decision of Ministers of Digital Policy, Telecommunications and Media, National Defense “Adoption of a National Frequency Band Regulation” No. Oik. 93/F211/26.02.2019 (B' 751), for the time period of par. 1, without prejudice to their primary use, which has priority.
4. In case that other frequency bands become technically available in the future for 5G networks, the Greek State may then block part of these for their use for the purposes of par. 1. For the blocking of these parts of spectral zones for the purposes of the present Law, a relevant decision of the Minister of Digital Governance is issued, and the blocking is valid for ten (10) years as of the publication of this decision to the Official Journal.
5. Rights of use to segments of spectral zones of par. 1 to 4 for a limited time period, which may not exceed twelve (12) months, may also be granted to universities or/and research centers of Greece, wishing to develop pilot networks, products or/and services on 5G infrastructures or related to them in Greece, after the expression of interest to the Minister of Digital Governance.
6. For the granting of rights of use to radiofrequencies which are described under par. 1 to 4 to the entities of par. 5 no payment is required.
7. Any other permits or approvals required by applicable law, such as those relating to antenna construction, shall remain in force regardless of the granting of the right to use radio frequencies, in accordance with the provisions hereof. During the licensing process of Law 4635/2019 (A' 167), the applications of the entities of par. 5, to which a right of use of radiofrequency is granted, are examined as a matter of priority.
8. Entities of General Government and other entities of the public sector, universities and research centers may become pilot users of products or/and services on 5G

infrastructures for the time period of their development as per the provisions of the present Law, after the expression of interest to the Minister of Digital Governance.

9. After the completion of pilot projects for the development of products or/and services 5G as per the provisions of the present Law, the entities of par. 8 may become users of these products or/and services free of charge and for a maximum period of time of one (1) year, after a relevant agreement with the entity which has developed this product or/and service 5G.

### **Article 93**

#### **Establishment of company “5G Ventures S.A.”**

1. A société anonyme under the registered name “5G Ventures S.A.” and the trading name “5G Participations S.A.” (hereinafter the “*Company*”) is established. In the international transactions, the registered name of the Company shall be referred in English as “5G Ventures S.A.”. The Company seat is in a municipality of the Prefecture of Attica, which is defined in its Articles of Association.
2. The duration of the Company shall be twenty (20) years as of the entry into force of this Law.
3. The Company shall constitute a subsidiary of the “Hellenic Corporation of Assets and Participations S.A.” (HCAP S.A.) of Article 184 of Law 4389/2016 (A' 94). The Company belongs to the “direct subsidiaries” of HCAP.
4. The Company operates in public interest in accordance with the rules of private economy in order to serve a specific public purpose, it is governed by the provisions of this Law, additionally, by the provisions of Part D of Law 4389/2016 (A' 94) and Law 4548/2018 (A' 104) with regard to issues not explicitly provided by this Law. A change of purpose of the Company may be made only by law.
5. The sole purpose of the Company is the establishment and management of “Phaistos Fund” of Article 94 hereof, pursuant to Article 7 of Law 2992/2002 (A' 54) as in force, in accordance with the prevailing market conditions and with guarantees for full transparency and accountability and in compliance with International Financial Reporting Standards (IFRS).
6. The share capital of the Company is one hundred thousand (100,000) euros, divided into one thousand (1,000) common registered shares each with a par value of one hundred euros (100) each. The share capital of the Company is undertaken and fully paid in by HCAP. The shares of the Company are non-transferable. The operational expenses of the Company are covered with a loan granted by HCAP, until the establishment of “Phaistos fund” of Article 94 hereof.
7. The organs of the Company are the General Assembly, the Board of Directors, the Advisory Committee, the Investment Committee, and the auditors.
  - A. The General Assembly of the sole shareholder shall constitute the supreme organ of the Company. It shall be the only competent organ to decide on matters, which, in accordance with the applicable legislation, fall under the exclusive competence of the General Assembly of the shareholder, with the exception of the appointment and the revocation of the appointment of the members of the Board of Directors of the Company, and the amendment of the Articles of Association, matters that are decided in accordance with the provisions of this Law. Furthermore, the General Assembly of the Company shall be competent to decide on the matters mentioned in Law 4548/2018 and, in addition, to approve the Internal Rules of the Company and amendments thereto following a proposal of the Board of Directors.

- B.** The Board of Directors shall consist of seven (7) members that are appointed with a term of office of four (4) years. The seven (7) members, four (4) out of which are also members of the Investment Committee, are appointed by HCAP. At least three (3) members shall be independent, based on the independence criteria of article 9 of Law 4706/2020 (A' 136).
- The Board of Directors shall be competent for the management of the Company and the fulfilment of its purpose under par. 4. The Board of Directors shall decide on all matters related to the management of the Company, except for those matters that belong to the competence of the General Assembly pursuant to the provisions of this Law. The Board of Directors shall have the powers mentioned in articles 86 et seq. of Law 4548/2018.
- Provided that the decisions of the Board of Directors are made in accordance with the provisions of the present Code, the Internal Regulation and the applicable legislation, they shall be deemed to comply with the purpose of the Company as the latter is defined in this Article. The members of the Board of Directors shall not bear civil liability vis à vis third parties for acts or omissions in the performance of their duties except in case of intent or gross negligence.
- C.** The Advisory Committee shall consist of seven (7) members, which are designated by the Company, based on criteria for their scientific knowledge, proven high know-how regarding matters of the Company's management and the experience in international setting. The Advisory Committee shall have a purely advisory role, and it shall give opinions on matters which are addressed to the Advisory Committee by the Investment Committee or the Board of Directors and may be specified in the Internal Regulation. The opinions of the Advisory Committee shall not be binding on the Investment Committee and the Board of Directors.
- D.** The Investment Committee is established by a decision of the Board of Directors. It constitutes an internal organ of the Company, comprised by four (4) to five (5) members, and its competences are defined in its Internal Regulation. The managers of the "Phaistos Fund" shall participate in the Investment Committee, whereas four (4) of the Members of the Investment Committee will be also Members of the Board of Directors, including the executive Members of the Board of Directors.
- E.** Any audit firm of international reputation shall be appointed by the General Meeting as auditor of the Company. The auditors of the Company shall have the powers set out in the applicable legislation for sociétés anonymes. The same auditor or audit firm may not be elected for more than five (5) consecutive years. The internal audit is carried out pursuant to the applicable legislation.
- 8.** The Company acquires legal personality as of the registration of its Articles of Association into the General Commercial Registry (G.E.MI.) and the constitutions of its first Board of Directors into a governing body.
- 9.** The audited annual company financial statements and reports of the Company shall be approved by the General Assembly thereof, which shall be also competent for the discharge of the auditors from any liability, in accordance with the provisions of Law 4548/2018. The semi-annual interim financial statements of the Company are approved by the Board of Directors of the Company, and they shall be accompanied by a review report of the certified auditors - accountants. The annual financial statements shall be subject to publication formalities, in accordance with the provisions of the applicable legislation.
- 10.** Within three (3) months as of the initiation of the operation thereof, the Board of the Company shall approve the "Regulation for Assessment of Investment Proposals", following a suggestion of the Investment Committee. This [the Regulation] shall

specify the procedure for submission of applications, the criteria for assessment of the investment proposals submitted to it for approval and financing as well as the approval procedure thereof. This Regulation shall be published on the website of the Company.

The interested enterprises may request, in the investment proposals submitted for approval to the Company, the granting of a right of use of a spectral zone segment for the pilot development of a product and/or a service operating on 5G (or related) infrastructure for a limited time-period according to Article 92 [of this Law]. In the latter case, if the investment program is approved by the Company based on the investment criteria of the Regulation of this paragraph, the Company shall inform and submit a proposal to the Minister of Digital Governance who will issue a relevant decision in accordance with Article 92 par. 5 and Article 107 par. 61 of this Law.

#### **Article 94** **Venture Fund “Phaistos Fund”**

1. “Phaistos Fund” shall be setup by the company “5G Ventures S.A.” of Article 93, in the form of a Venture Fund (A.K.E.S.) of Article 7 of Law 2992/2002 (A’ 54).
2. The assets of “Phaistos Fund” shall derive from an amount corresponding to a percentage of 25% (twenty-five per cent) of the [Greek] State’s revenues derived **from the tender** which will be conducted for the granting of rights of use of radio frequencies in low (L, <1GHZ), medium (M, 1GHz-6 GHz) and high (H, >6GHz) frequency zones, immediately upon completion of the relevant tender procedure. The relevant financing of assets of “Phaistos Fund” concerns exclusively and restrictively the framework of the tender for the granting of rights of use for the above 5G radio frequencies. In any other case, the provisions of Law 3986/2011 shall apply. In the event that “Phaistos Fund” is established prior to the conduct of the relevant tender for the granting of rights of use of radio frequencies pursuant to the above, the minimum amount of assets necessary for the formation of “Phaistos Fund” shall be covered by a loan of three million euros (€ 3,000,000) from the “Hellenic Corporation of Assets and Participations S.A. (HCAP S.A.)”. In such case, the amount of three million euros (€ 3,000,000) shall be returned to HCAP S.A. at the time of the first asset increase of the “Phaistos Fund” after the tender for the granting of rights of use of above 5G radio frequencies.
3. Private and professional investors may participate in the assets of “Phaistos Fund”.
4. The exclusive purpose of “Phaistos Fund” is the investments in enterprises, which are seated in Greece or in another EU Member State or in a third country, provided that they are active in research and/or development of products and/or services operating on 5G (or related) infrastructure in Greece, indicatively in the following sectors: transport/logistics, manufacturing, industry (including, among others, defence industry), utility goods and networks, healthcare, tourism, telecommunications & media.
5. For the fulfilment of its purpose, “Phaistos Fund” may:
  - (a) participate, at time of formation or at a later stage, in the capital of enterprises via securities that are not listed on an exchange or traded in a Multilateral Trading Facility (MTF), as well as it may invest warrants or other securities granting an acquisition right of said securities;
  - (b) participate in the capital of enterprises via securities already listed on an exchange or traded in a MTF, as well as it may invest in warrants or other securities granting an acquisition right of said securities, on the condition that, at the time of

- acquisition of the participation, the percentage of the Fund would, amount, at least, to 15% (fifteen percent) of the share capital of such enterprises;
- (c) invest in all kinds of bonds of enterprises subject to the limitations of case b of this paragraph, on the condition that these are listed bonds or convertible bonds of listed companies;  
provided that, in all abovementioned cases under a, b and c, such companies are active in the research and/or development of products and/or services operating on 5G (or related) infrastructure in Greece; and
- (d) place its cash in deposits.
6. The provisions of article 7 of Law 2992/2002 (A' 54), as in force, shall otherwise apply, to the extent that this Law does not contain a more specific provision.

## **Article 107**

### **Empowering provisions for the Minister of Digital Governance**

[...]

**61.** By decision of the Minister of Digital Governance the time period provided in par. 1, 2 and 4 of Article 92 [of this Law] may be extended for another ten (10) years. By decisions of the Minister of Digital Governance the rights of use to segments of spectrum zones of par. 1 to 4 of Article 92 may be granted for a limited time period, not exceeding twelve (12) months, to companies wishing to develop pilot networks, products or/and services operating on 5G infrastructure (or related) in Greece, provided that they include such request for the granting of right of use of spectrum segment to their investment proposals, which are already chosen for investment by the Company of Article 93.

**62.** By a decision of the Minister of Digital Governance the right of use to segments of spectral zones, according to par. 5 of Article 92, may be granted to universities or/and research centers of Greece, wishing to develop pilot networks, products or/and services on 5G infrastructure, defining the related part of spectral zone and the time period of this granting; he [the Minister] may refuse [such granting] only if there is a reason for national security or defense or other special reason of public interest. A similar decision defines the procedure of expression of interest by universities or/and research centers for the granting of rights to use as per the provisions of the present paragraph and of par. 5 of Article 92 [of this Law].

**63.** By decision of the Minister of Digital Governance the procedure of expression of interest of entities provided in Article 92 par. 8 for their participation to the pilot programs of the above paragraph, as well as any other detail.

**64.** By decision of the General Assembly of the sole shareholder of "5G Ventures S.A.", following a proposal by its Board of Directors, the share capital may be increased via the issue of registered shares, which are wholly owned by HCAP S.A..

**65.** The Articles of Association are drawn up by a decision of HCAP S.A., comprising matters provided by the legislation with regard to sociétés anonymes and is registered to the General Commercial Registry (G.E.MI.).

[...]