

29th GREEK ECONOMY CONFERENCE

**GREECE FACING THE FUTURE
THE NEW GROWTH MODEL AND GLOBAL CHALLENGES**

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**OPPORTUNITIES AND CHALLENGES IN THE GREEK
MARKET:
INVESTORS' POINTS OF VIEW**

MODERATOR:

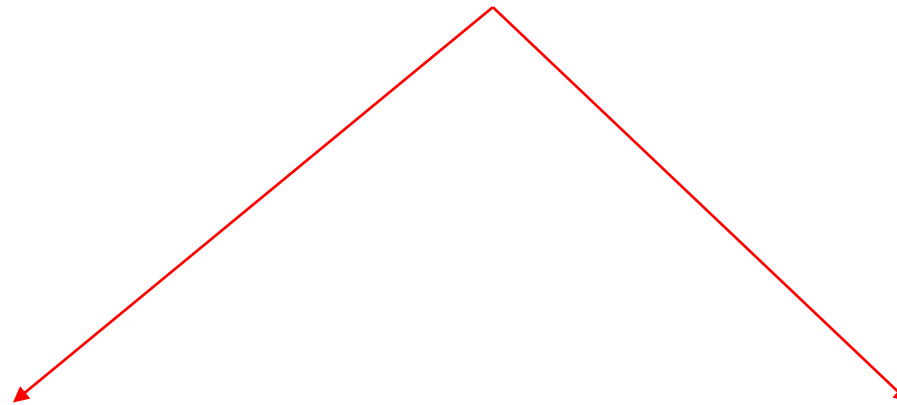
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OPPORTUNITIES AND CHALLENGES IN THE GREEK MARKET: INVESTORS' POINTS OF VIEW

GREEK MARKET: A CHANGING CORPORATE LANDSCAPE



Modernization and simplification of Greek Company Law

New Financing Tools

OPPORTUNITIES AND CHALLENGES IN THE GREEK MARKET: INVESTORS' POINTS OF VIEW

- New corporate law comes into force on 01.01.2019;
- Discussion of the bill at the House of Parliament was particularly consensual and of a high standard;
- New Law comes to replace Law 2190/1920 which (with various amendments) served Greek entrepreneurship for almost a century;

OPPORTUNITIES AND CHALLENGES IN THE GREEK MARKET: INVESTORS' POINTS OF VIEW

Aim of the new Law is to assist with the “... better and more efficient operation of the companies, take advantage of technology, improve shareholders' position, simplify corporate everyday life... and introduce innovations which were deemed of particular interest to the business world”.

(Explanatory Memorandum to Law 4548/2018)

OPPORTUNITIES AND CHALLENGES IN THE GREEK MARKET: INVESTORS' POINTS OF VIEW

- We will focus on some of the amendments, innovations, improvements of the New Law and the establishment of new funding tools.

Common Theme:

- Simplification of provisions for local entrepreneurs.
- Aiming to attract foreign investors.

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✓ Simplification of incorporation:

A Société Anonyme (“SA”) may also be incorporated by means of a private instrument;

✓ Simplification of company name (may be unrelated to specific scope or it may include an internet address, not mandatory to describe the object of the SA);

✓ Duration of a SA may be indefinite;

✓ The corporate seal is explicitly abolished;

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✓ Payment of initial Share Capital (or SC increases):

Account may be kept outside Greece, with a credit institution in the EEA.

✓ Payment of Share Capital may also be made through set-off (debt/equity swap) relieving thus the company from certain debt liabilities.

✓ As of 1.1.2020 bearer shares shall be abolished, in an effort to provide further AML tools.

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✓ Electronic Register of Shareholders:

It is possible for the shareholders book to be maintained electronically with any central securities depository, credit institution or investment firm.

✓ For small SAs: appointment of a single director-administrator is allowed;

OPPORTUNITIES AND CHALLENGES IN THE GREEK MARKET: INVESTORS' POINTS OF VIEW

- ✓ New Financing Tools
- ✓ The SA can issue certain *types* of securities (e.g. shares, bonds, warrants), in different *classes* which may be issued in different *series*. In addition, the practice of “*stapling*” is introduced (i.e. issuance of securities which may only be purchased and transferred together);
- ✓ It is highlighted that a SA will now have the right to issue *warrants* which will grant their owners with a preemption right to purchase shares of the company against a specific consideration;
- ✓ All in all, the new framework facilitates shareholders' relations and financing of the company (since – in effect – some kind of *hybrid securities* may be issued);

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- ✓ Introduction of *omnibus accounts* (i.e. accounts for the collective keeping of securities);
- ✓ GM operation is facilitated: (e.g.) the possibility of a virtual meeting is also introduced and, for non-listed companies, possibility of adopting a majority resolution without a meeting is enabled. In addition, signatures of shareholders may be replaced by electronic means of communication;
- ✓ Transfer of shares: no need for the transfer to be signed in the shareholders book (under certain conditions);
- ✓ BoD operation is facilitated: (e.g.) minutes may be signed by present directors (not the Chairman) and the signatures of the directors may be replaced by electronic means of communication;

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- ✓ Legal framework on bond loans/bonds has been reformed:
 - Facilitation of procedure: The BoD has the power to decide the issuance of a bond loan (the GA still for convertible bonds);
 - Bonds may also be listed in foreign regulated markets;
 - Issue of a single note bond loan is allowed;
 - A single bondholder may hold the bonds;
 - In case of a single bondholder, it may also act as bondholder agent (even if it is not a credit institution);
 - Interest rate is freely agreed;
 - Issue of *perpetual bonds* is allowed;
 - In case of a bond loan governed by foreign law, security *in rem* may be taken in the name of the bondholder agent acting on behalf of the bondholders.

Thank you for your attention!

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