

INVITATION FOR EXPRESSIONS OF INTEREST FOR TWO (2) INDEPENDENT VALUERS TO THE HELLENIC REPUBLIC ASSET DEVELOPMENT FUND IN RELATION TO THE PRIVATISATION OF DESFA S.A.

October 27, 2017

1. Introduction

Pursuant to:

- I. the provisions of the Law 4336/2015 (Government Gazette A'94/2015), which approved the Memorandum of Understanding of 19.08.2015 ("MoU"), and
- II. the "Asset Development Plan" of the Hellenic Republic Asset Development Fund ("HRADF") as amended, attached to the MoU;

the Privatisation Program of HRADF includes, inter alia, the sale of 31% of the shares of the "Hellenic Gas Transmission System Operator S.A." ("DESFA"), a 100% subsidiary company of the "Public Gas Corporation S.A." ("DEPA").

By virtue of the decision no 206/25.04.2012 (Government Gazette B' 1363/26.04.2012) of the Inter-ministerial Committee for Asset Restructuring and Privatisations ("ICARP") of the Hellenic Republic ("HR"), all the shares of DEPA which the HR held (i.e. 65%) were transferred to HRADF. The "Hellenic Petroleum S.A." ("HELPE") holds the remaining 35% of the shares of DEPA.

According to the Law 3986/2011 on "Emergency Implementation Measures for the Medium-Term Fiscal Strategy Framework 2012-2015" (Government Gazette A' 151/2011), HRADF was established with the sole objective of developing assets belonging to the HR.

By virtue of the decision no 51/01.03.2017 of the Governmental Council of Economic Policy ("GCEP Decision"), it has been decided, inter alia, that:

- the previous privatisation tender held by HRADF, following an Invitation for the Expression of Interest dated as from 29.02.2012, shall be terminated;
- HRADF proceeds with the sale of (a) the 31% of the shares of DESFA currently held, through DEPA, by HRADF ("HRADF Shares") and (b) the 35% of the shares of DESFA currently held, through DEPA, by HELPE ("HELPE Shares") ("**Transaction**");
- HRADF Shares and HELPE Shares will be tendered through a process organised by HRADF, on the basis of an MoU between the two shareholders; and
- the remaining 34% of the shares of DESFA will be transferred to the HR.

On the 26th of June 2017, HRADF published an Invitation for the submission of Expressions of Interest for the Transaction ("**Invitation**"). On the 22nd of September 2017, two interested investment schemes prequalified to participate in the second phase of the tender process ("**Qualified Parties**").

The second phase of the tender process, leading up to the submission of binding offers, commenced on the 10th of October 2017.

Alantra Greece Corporate Advisors S.A. and Alpha Bank A.E. act as HRADF's financial advisors and Koutalidis Law Firm, Clifford Chance LLP and HFW LLP act as HRADF's legal advisors for the Transaction.

2. Scope of work

According to Article 6 (3) of Law 3986/2011, as currently in force prior to the privatisation by HRADF of any asset, an independent valuation of such asset must be carried out. Regarding the Transaction, HRADF has decided to perform two independent valuations for DESFA.

In this context, HRADF considers the appointment of two (2) leading investment banks and /or leading professional / financial services firms (the "**Independent Valuers**"), to carry out two separate independent valuation studies of DESFA.

The Independent Valuers are expected to submit, directly to HRADF, a report with their independent valuation of DESFA (the "**Valuation Report**"). The Independent Valuers are required to provide all necessary analysis and substantiation of the Valuation Reports to HRADF's Board of Directors and HRADF's Council of Experts.

The Valuation Report and the supporting documentation including an executive summary should be prepared in English together with an executive summary in English and in Greek.

The Independent Valuers may be requested to liaise with HRADF's Advisors in the context of implementing the task of the independent valuations of DESFA.

HRADF will make available to the Independent Valuers any studies, information and/or other material relevant to the Transaction.

3. Duration and Budget

Duration of the Engagement: The maximum duration of the engagement should be up to five (5) weeks. If needed and according to HRADF's regulation, an extension of the duration may be necessary.

Maximum Budget: The maximum available budget for each assignment is one hundred ninety thousand euros (**€190,000**) plus VAT. The available budget includes any and all required expenses to complete the assignment.

4. Qualifications and Criteria

The Interested Parties should be able to demonstrate their standing and professional experience in relation to the assignment. In particular, the Interested Parties should be able to demonstrate:

- 4.1. Track Record & Experience:** Proof of relevant experience in the delivery of valuation or similar assignments in particular of companies operating in regulated markets and the gas sector. The Dossier should include obligatorily a catalogue of all the relevant projects in which the interested party has participated in the last ten (10) years (**DOSSIER A'**).
- 4.2. Project Team:** Proposed team composition and its proposed structure, including the definition of the engagement leader and of the senior members of the team. The Dossier should also include the CVs and a list of any relevant project experience, of all the members of the proposed project team during the past five (5) years. The suggested

senior members of the project team may be replaced only with HRADF's prior consent, which shall not be unreasonably withheld (**DOSSIER B'**).

- 4.3. Methodological Approach:** The Interested Parties should present their approach to the assignment, critical issues and methodologies, including a timeline (**DOSSIER C'**).
- 4.4. Budget:** The Dossier should include the proposed fees. The proposed fees should include any and all required expenses to complete the assignment (**DOSSIER D'**).
- 4.5.** Interested Parties and each member of their proposed project team must perform a non-conflict check and declare in writing in their offers that they are acting independently and they do not have a conflict of interest and are not involved with DEPA and DESFA as well as with the Qualified Parties and their respective advisors, in relation to the contemplated Transaction. Such a declaration confirming the absence of any conflict of interest shall be in effect throughout the term of the engagement with HRADF.
- 4.6.** Interested Parties must meet all the qualifications as described above under 4.1 through 4.5. Interested parties, who fail to submit their Expressions of Interest fully compliant to the qualifications required under 4.1 through 4.5 of this Invitation, shall be disqualified from the Tender.
- 4.7.** The Independent Valuer must observe and abide by the rules provided for in art. 7 of the Law 3049/2002 and in particular their professional code of conduct and the relevant confidentiality rules, even after the conclusion of their engagement.

5. Selection Process

- 5.1.** The assignment will be awarded in accordance with the provisions of the Law 3986/2011 and article 2.3 of the Procurement Regulation of HRADF (Min. Finance Decision 2/16128/0025/2014, Governmental Gazette B' 476/26.02.2014), as in force.
- 5.2.** The Interested Parties are assessed and evaluated in accordance with the table below. The two assignments will be awarded at the two Interested Parties with the two highest scores.
- 5.3.** The Interested Parties are evaluated on the basis of the following criteria and their respective weighting:

Criterion	Weighting
Track Record & Experience - DOSSIER A'	30%
Project Team - DOSSIER B'	30%
Methodological Approach - DOSSIER C'	25%
Budget - DOSSIER D'	15%

- 5.4. HRADF may request additional documents and/or clarifications and/or information from the Interested Parties in connection with any issue related to their Expression of Interest, as deemed necessary. The Interested Parties may be also requested to present their approach for the assignment following the submission of their Expressions of Interest.
- 5.5. The Expressions of Interest, consisting of DOSSIERS A', B, C' and D', the declarations confirming the absence of any conflict of interest and any other supporting documentation which proves the required experience and expertise of the Interested Parties as well as of the individual members of their proposed team, are permissibly submitted **only** electronically by e-mail at the e-mail address: info@hraf.gr (for the attention of Mr Yiannis Zapantis), marked "**INDEPENDENT VALUER FOR DESFA**". In addition, the Interested Parties may also submit to HRADF, at their discretion, a hard copy of DOSSIERS A', B', and C', in a sealed envelope, at the premises of HRADF, (1 Kolokotroni & Stadiou Str., 7th floor, Athens 10562, Greece). In case of any discrepancy or any other inconsistency between the hard copy and the electronic submission via e-mail, the e-mail submission shall prevail.
- 5.6. DOSSIER D' must be protected with a password; if not, the Interested Party shall be automatically disqualified. Following the assessment of DOSSIERS A', B', C', and provided that the declarations confirming the absence of any conflict of interest are included, only the Interested Parties which comply with the requirements under para. 4.6 will be invited via e-mail to send the password for DOSSIER D'. The Interested Parties who fail to comply with the above requirements will be notified accordingly. Following the assessment of DOSSIER D', the Interested Parties (invited to send the password for DOSSIER D') will be notified about the outcome of the process.
- 5.7. The Expressions of Interest are submitted no later than November 7, 2017, 17:00, Athens time. Expressions of Interest submitted after the aforementioned deadline shall be deemed inadmissible and thus immediately rejected. In the case of a late receipt, the Expression of Interest shall not be evaluated.
- 5.8. HRADF reserves the right to enter into discussions and negotiations with the two Interested Parties with the highest scores, prior to the final award of the assignments.

6. Terms and Conditions

- 6.1. The Expressions of Interest to be submitted and this Invitation, as well as the Independent Valuers' engagement letter for the Transaction, are (will be) governed by and construed in accordance with the laws of the HR, taking also into consideration the prevailing market's levels, the practice of HRADF and its internal policy, including terms and conditions customary in the circumstances.
- 6.2. HRADF or any of its advisors, or agents, or employees, or officers are not to be held responsible or liable in respect of any error or misstatement/misrepresentation in, or omission from, this Invitation. No person acquires against HRADF and its officers, agents, employees and officers, or the HCAP or the Advisors any right or claim for compensation, or indemnification, or other, for any reason or cause related to this Invitation and/or the Expression of Interest and/or the participation in the Tender. No representation, warranty or undertaking, expressed or implied, is, or will be made, in relation to the accuracy, adequacy or completeness of this Invitation and the Tender Process in general.

- 6.3. HRADF reserves the right, at the fullest extent possible and at its exclusive discretion, to cancel, suspend, amend or postpone this procedure, without any prior notice or update, as well as to terminate any negotiations or discussions at any stage of the process, without incurring any liability whatsoever as against any participant and/or any third party.
- 6.4. Any dispute arising under, or out of, or in connection with the present Invitation including the Expressions of Interest submitted and the Independent Valuers' engagement letter for the Transaction, shall be subject to the exclusive jurisdiction of the Courts of Athens.