

**Request for Proposal for the selection of an advisor
to provide strategic advisory services to
Hellenic Corporation of Assets and Participations S.A.
in relation to the Public Holdings Company ("EDIS")**

Athens, 22 August 2017

I. INTRODUCTION

A. Pursuant to Article 185 of Law 4389/2016 (Government Gazette A'94):

1. The Hellenic Corporation of Assets and Participations ("HCAP" or "Corporation") operates in the public interest in accordance with the rules of private industry. In particular, the Corporation manages and uses its assets in order to:
 - (a) contribute resources for the implementation of Greece's investment policy and to make investments that contribute to strengthening the development of the Greek economy, and
 - (b) contribute to reducing the financial obligations of the Hellenic Republic, in accordance with Law 4336/2015.
2. In order to fulfil its purpose, the Corporation shall act in an independent and professional manner with a long-term vision in achieving its results, in accordance with its rules of procedure; it shall also act to guarantee full transparency, with a view to enhancing the value and improving the performance of the abovementioned assets as well as generating revenue which is distributed in accordance with Law 4389/2016. Furthermore, the Corporation shall promote reforms of public undertakings, inter alia, through restructuring, good corporate governance and transparency and by fostering accountable administration, social responsibility, sustainability, innovation and good corporate practices.
3. The Corporation may take any action necessary to achieve its purpose within the framework laid down by this Law.

B. Pursuant to Article 188 of the Law 4389/2016 par. 1 and 8, from the legal establishment of the HCAP, the Public Holdings Company ("EDIS") is to be established and to become a direct subsidiary of the HCAP.

C. Within the framework and for the purposes of Law 4389/2016, the purpose of the EDIS shall be to hold the State's shareholdings in public undertakings, professionally manage and increase the value of these shareholdings and exploit them according to international best practice and the OECD guidelines on corporate governance, corporate compliance and supervision and transparency of procedures, and in accordance with best practice with regard to socially and environmentally responsible entrepreneurship and consultation with the parties concerned by the public undertakings. Public undertakings that are controlled by the EDIS shall (a) be subject to appropriate monitoring in accordance with the rules of Greek and European legislation; (b) implement and support the Government's applicable sectorial policies; (c) when commissioned, undertake the provision of services of general and general economic interest, for example by fulfilling public service obligations, in accordance with EU law and the Union's common values contained therein.

D. Annex I (hereby attached) includes a list of the companies in which EDIS will hold a participation.

II. OBJECTIVES

Provide to the Hellenic Corporation of Assets and Participation's information, as well as market and strategic analysis that would allow for the formulation of a strategy to better manage the EDIS portfolio and its participation in different SOEs across different sectors (portfolio management), improve the effectiveness of their operations and increase the long term value of the portfolio.

III. SCOPE OF SERVICES

The Hellenic Corporation of Assets and Participations is seeking to retain an internationally reputable organization or consortium of companies, able to demonstrate and provide undisputable evidence of their profound knowledge and relevant experience in assignments of this nature ("Advisor") and particularly in providing insightful strategic advisory services in relation to EDIS and the SOEs under EDIS and towards fulfilling the objectives of the Law 4389/2016 and the Rules or Procedure of HCAP. The analysis will be based on a portfolio assessment and cluster segmentation (based on relative weight, financial performance, ownership structure (mixed or purely state-owned), sectorial analysis, obligations and terms for provision of Services of General Interest, etc.)

The advisor is expected to provide the following services ("Services"):

- A. Review and analyze current trends, opportunities and challenges facing the companies and sectors under EDIS at EU level as well as in Greece (i.e. in relation to regulatory framework, competition, technologies and innovation, human capital, environmental issues, etc.), taking into consideration relevant objectives as per Law 4389/2016 and the Internal the Rules of Procedure.
- B. Analyze the Greek Market in sectors relevant to EDIS subsidiaries and present all important factors that could affect their performance, including:
 - a. SWOT Analysis, and
 - b. Risk Factor Analysis.
- C. Set of indexes and benchmarks for SOEs and/or similar enterprises, defining realistic performance success drivers that will allow an objective and transparent evaluation of existing portfolio vs. optimum, while indicate the areas of focus and of priority.
- D. Provide target returns of well-balanced and comparable companies under the different sectors in other EU countries; critical success factors and scenario/strategies and practices for optimum exploitation, including investment or divestment strategies. Identify success models through case studies and provide an overview of best practices that are currently used in relevant sectors or by similar SOEs in other EU countries.
- E. Make a first tabulation of information and conclusions for EDIS subsidiaries vis-à-vis suggested Best Practices that should be taken into consideration for forming an optimum strategy.
- F. Based on the above present informed recommendations to the Hellenic Corporation of Assets and Participations Board of Directors:
 - a. Tabulate EDIS subsidiaries on the basis of suggested indices and indicate opportunity areas.
 - b. Identify key problem areas and remediation solutions.

- c. Outline the available options to be pursued by HCAP, and its subsidiary EDIS, for attaining its objectives and propose a top lines cohesive strategic approach.
- d. Suggest prioritization (short/medium/long term) of actions taking into consideration critical factors and potential issues that will need to be addressed at an early stage.

IV. NECESSARY QUALIFICATIONS – SELECTION CRITERIA

Interested Parties may be organisations, firms or a consortium of legal entities and/or professionals and must, inter alia, possess and be able to demonstrate and provide undisputed evidence of their profound knowledge in assignments of this nature. The offers will be assessed on the basis of the following criteria and their respective weights:

- 1 **Track Record & Experience:** Proof of relevant international experience in assignments of this nature. The dossier of the offer should include a list of all material relevant assignments in which the Interested Party has participated in the last 5 years as well as a brief description of the relevant material assignments, the advisory services provided, the transaction value if applicable and the duration of the assignment (start date-end date) (**DOSSIER A**) (25%).
- 2 **Methodology & approach:** Presentation of the proposed approach to be applied in connection with the prospective assignment associated critical issues and methodologies, including a timetable (**DOSSIER B**) (30%).
- 3 **Project Team:** Proposed team composition (and its proposed structure), including years of relevant professional experience, academic background and expertise record. For this purpose, the offer should include CVs of all members of the Interested Party's project team, including relevant experience of the senior members of the team during the past five (5) years, as well as description of their specific added value in the team depending on their area of expertise. (**DOSSIER C**) (15%).
- 4 **Financial Proposal:** Proposed fees should refer to a fixed amount (**DOSSIER D**) (30%).

V. CONFLICT OF INTEREST AND FINANCIAL QUALIFICATIONS

Interested Parties must declare solemnly in writing that they do not have a conflict of interest to act for HCAP (**DOSSIER E**) and that in case the assignment is awarded to the Advisor, no conflict of interest for any party would be created. Such negative declaration as to the lack of conflict of interest will have to be repeated in its essence at the time of execution of the Engagement and will be in effect throughout the term of the Engagement.

Interested Parties must declare solemnly in writing that during the last three (3) fiscal years and according to their books and records their average annual turnover was at least four times the total budget of the framework agreement (**DOSSIER F**).

VI. DURATION

The term of the Engagement for the Services shall be maximum three (3) months beginning from the date of signing the relevant Engagement.

VII. BUDGET

The maximum available budget is € 140.000 (plus VAT, if applicable), including any administration, out-of-pocket and sundry expenses. Travelling and accommodation costs reasonably incurred shall be reimbursed separately with a cap of up to € 10.000 in total, provided that they have been submitted for pre-approval by the Corporation and proper invoices have been issued.

VIII. SELECTION PROCESS

1. Advisors will be selected in accordance with the provisions of the HCAP's Procurement Regulation. The assessment shall take into consideration the qualification criteria as set forth in Section III above. HCAP may require any clarification, addition or adjustment of the submitted offer as deemed necessary. Any clarification, or addition to documents shall refer exclusively to non-material discrepancies and omissions or mistakes of an obvious administrative error nature can be subject to correction or addition.
2. Interested Parties that do not fulfil the required minimum levels for participation- qualifications - experience as set above, will not be considered in the selection process.
3. HCAP reserves, at the fullest extent possible and at its exclusive discretion, the right to cancel, suspend, amend or postpone until a later time its intention to retain the advisor and award the requested services, without any prior notice, 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.
4. HCAP hereby reserves the right to extend or amend the engagement in agreement with the Advisor to include complementary services (if necessary), that may be required and cannot be identified today and from a technical, legal and financial perspective will prove to be inseparable from such engagement, in accordance with applicable law.
5. No responsibility or liability is or will be accepted by either the HCAP or any of its advisors, or any agents, employees, officers in respect of any error or misstatement in or omission from this document. No person acquires any right or claim for compensation or other from this Invitation or from their participation in the procedure described herein, against the HCAP or any its advisors for any reason or cause.
6. Following the assessment process, up to three (3) interested parties may be invited to present their proposals to the Board of Directors of HCAP, most probably within the week ending on the 4th of August 2017. In case the interested parties that fulfil the above selection criteria are less than three (3), HCAP may at its sole discretion continue the process by inviting only the interested parties that fulfil the above criteria.
7. Interested Parties shall be considered to have fully and irrevocably accepted the terms and conditions of this tender.
8. Any dispute arising under, or out of, or in connection with the present Request for Proposal including the offers submitted and the framework agreement, shall be subject to the exclusive jurisdiction of the Courts of Athens, Greece and the governing law will be Greek Law.

IX. SUBMISSION

Interested parties should submit their proposal/expression of interest (comprising DOSSIERS A, B, C, D, E) along with any other documents showing their experience and specialization in the relevant services,

with the indication “**Advisor for strategic advisory services to HCAP in relation to EDIS**”, only electronically by e-mail to the e-mail address: info@hcap.gr. The e-mail must be protected with a password; if not, the interested party shall be automatically disqualified. The financial proposal (DOSSIER D) should be protected with a different password. The interested parties will be invited via e-mail to send the password after lapse of the deadline for submission of proposals.

The offers of interested parties must be submitted not later than the 6th of September at 18:00 Athens time.

ANNEX I

Initial List of Companies included in EDIS

The official list of state undertaking included in EDIS are the following companies:

1. Public Power Corporation (PPC)
2. Water Supply & Sewerage Company of Athens (EYDAP)
3. Water Supply & Sewerage Company of Thessaloniki (EYATH)
4. Attiko Metro
5. Buildings' Infrastructures
6. Athens Urban Transport Organization (OASA)
 - 6.1. Urban Rail Transport SA (STASY) - subsidiary of OASA
 - 6.2. Urban Bus Transport SA (OSY) - subsidiary of OASA
7. National Railway (OSE)
8. Olympic Athletic Center of Athens (OAKA)
9. Hellenic Vehicle Industry (ELVO)
10. Hellenic Post (ELTA)
11. Athens International Airport (AIA)
12. Greek Saltworks
13. ETVA Industrial Parks (ETVA VIPE)
14. Corinth Canal SA (AEDIK)
15. Central Market and Fishery Organizations (OKAA)
16. Central Market of Thessaloniki (KATH)
17. National Exhibition Agency of Greece (HELEXPO)
18. Hellenic Duty Free Shops (KAE)

and a number of small regional airports.