



HELLENIC REPUBLIC ASSET
DEVELOPMENT FUND

HELLENIC REPUBLIC ASSET DEVELOPMENT FUND S.A.

1 Kolokotroni & Stadiou Str., 105 62, Athens, Greece

**INVITATION TO SUBMIT A PROPOSAL FOR AN
INDEPENDENT VALUATION OF HRADF PROPERTY IN ARMENIA**

Athens, April 15th 2016

A. Introduction

Law 3986/2011 prescribes that any assets to be exploited by the Hellenic Republic Asset Development Fund SA (the **HRADF**) shall be evaluated by an independent valuer (the **Valuer**), appointed by means of a tender procedure provided in HRADF's Procurement Regulation (recently amended and codified by Decision 2/16128/0025 of the Minister of Finance, Government Gazette B/476/2014) (the **Regulation**).

In the above context, HRADF hereby invites experienced and specialized domestic and international valuers to submit a proposal in relation to the scope of work described below (the **Invitation**).

B. Scope of Work

The property is located in Yerevan (Armenia) at 22, Moskovyan Street. It consists of one main building of about 1,160 sqm and 4 separate ancillary buildings of a total area of about 360 sqm on a land plot of 2,000sqm.

The Valuer is expected to deliver an independent opinion on the value of the aforementioned asset. The Valuation Report and the supporting documentation shall be prepared in English language, and shall include, inter alia, the following:

- I. A full description of the property, its location and other relevant information.
- II. Valuation

A valuation in accordance with the RICS Valuation Standards (The Red Book) and the International Valuation Standards, on the basis of market value as described below.

Estimate of Market Value: estimate of the amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion, taking into consideration the current market and economic conditions.

Valuation Analysis

This constitutes an explanation of the reasons and thinking behind the methods used in the valuation, with a view to prepare the Client for the appraisal techniques that can/shall be applied in the process, as described below.

As a general principle, all conventional valuation approaches must be considered in the Valuation report. If any approach (es) is (are) not used, the Valuer must provide reasonable explanations for exclusion.

- If Direct Comparison Approach is used, the suggested values should be supported with sufficient amount of comparable evidence, use adjustments that are quantitative and qualitative as appropriate, analyze differences, fully explaining and supporting adjustments.
- When other methods of valuation are being applied, the Valuer must provide sufficient justification of all key elements to the application of the method selected. Adjustment or other comparison charts, if appropriate, should be used to assist the reader in following the valuation analysis.
- Where two or more approaches to value have been used, the Valuer must:
 - Discuss the merits of each method
 - Discuss the weighting given to each method and the corresponding rationale
 - Provide the final conclusion

The Valuation Report shall be presented by the Valuer to the HRADF's Committee of Experts and to the Board of Directors, as well as to any other entity as required by HRADF.

C. Timetable and proposed fees

The maximum duration of the engagement should be thirty (30) days from delivery of all relevant documents. If needed and according to HRADF's regulation, an extension may be agreed.

The maximum available amount to be paid by HRADF to the Valuer for the assignment described herein is EUR 9,000 (plus VAT). The above amount includes any and all expenses for the completion of the assignment.

D. Qualification Criteria

HRADF invites specialized firms to submit their proposals in writing, and provide, inter alia, the following:

1. Proof of experience in Armenia or knowledge of the property for which the valuation is needed.
2. Proof of experience in valuation assignments in particular in connection to or specializing in investment property valuation.
3. Presentation of the proposed approach to be applied with regards to the prospective assignment, associated critical issues and methodologies, including a timeline.
4. Proposed team composition including relevant experience of the senior members of the team during the past five (5) years. Emphasis will be placed on the qualifications and experience of the project manager and team members assigned to the project. At least one (1) leading member of the Valuer's team that will undertake the valuation must be a Certified Valuer from another EU Member State. The certification of the Valuer must be according to RICS or TEGOVA standards. Also the signatory or one of the co-signatories of the valuation must be a Certified Valuer as described above.
5. Professional Indemnity Insurance of an annual minimum of EUR 1 million. The Professional Indemnity Insurance certificate should also be provided.
6. The Valuer and the members of its team that will perform the valuation must be independent in accordance with the provisions of Law 3986/2011. The Valuer and the members of its team that will perform the valuation must provide a solemn declaration of their independence and their lack of conflict of interest.
7. Proposed fees.

E. Required Proposal Content

All submitted proposals shall include the following:

- Presentation of the proposed approach to the assignment, critical issues and methodologies, including a timeline.
- Composition of the team that will perform the valuation:
 - I. brief CV of each team member;
 - II. description of each team member's relevant experience.
- A confirmation that neither the Valuer nor any members of its team that will perform the valuation have any conflict of interest with respect to the activities described in the scope of work and the qualification criteria above. Such declaration as to the conflict of interest will be in effect throughout the term of the Valuer's engagement.
- Initial list of documents the Valuer considers necessary to be provided for performing the valuation.
- Proof that the Valuer meets the qualification criteria set forth above.
- Proposed fees and fee structure.

F. Tender Process

The tender process for the award of the assignment described herein (the **Tender**) is governed by Article 2.3 of the HRADF's aforementioned Procurement Regulation and shall broadly take place as follows:

- Interested Valuers must submit their proposal to HRADF, together with any other necessary documentation, via e-mail, to info@hradf.gr, marked **“INDEPENDENT VALUER FOR PROPERTY IN ARMENIA”**, no later than April 29th, 17:00, Athens time, irrespective of the way of submission.
- Additionally, a hard copy of such offer may also, at the discretion of the interested valuers, be submitted, in a sealed envelope, at the offices of HRADF (1 Kolokotroni & Stadiou Str., 7th Floor, 105 62 Athens, Greece).
- HRADF reserves the right to request additional documents and/or clarifications and/or information from the interested Valuers in connection with any issues related to their proposals.
- HRADF reserves the right to enter into discussions and negotiations with the interested Valuers for the improvement of the bids received.

G. Evaluation of proposals

HRADF shall assess the duly submitted proposals from interested Valuers against the qualification criteria and their financial offer. Upon penalty of disqualification the professional indemnity insurance certificate should be provided, as well as proof of certification of the Valuers according to RICS or TEGOVA standards.

For the evaluation, the following criteria will be taken into account:

- Relevant experience (grading 1-4, 4 points being the highest)
- Team composition (grading 1-4, 4 points being the highest)
- Approach to the assignment, methodology, critical issues, timeline (grading 1-4, 4 points being the highest)
- Financial offer (points awarded as per the formula $4 \cdot (1 - ([\text{interested valuer's offer}] - [\text{lowest offer}]) / [\text{lowest offer}])$, 4 points being the highest, 0 points being the lowest)

The independent valuation will be awarded on the basis of the highest total score.

H. Disclaimers

HRADF reserves, at its absolute discretion, the right to repeat, cancel, suspend, amend or postpone without any prior notice the Invitation and/or the Tender, as well as to terminate any negotiations or discussions at any stage of the Tender, without incurring any liability whatsoever against any interested and/or participating Valuer and/or any third party.

The submission of a proposal constitutes full and unconditional acceptance of the terms and conditions of the Invitation and the Tender.

No person acquires any right or claim for compensation or other against HRADF from the Invitation and/or its participation in the Tender, for any reason or cause whatsoever. All proposals become property of HRADF after their submission. Participating valuers give HRADF the right to reproduce and disclose their proposals for any purpose in connection with the Invitation and/or the Tender and/or the fulfillment of HRADF's legal functions. HRADF may be required to disclose certain information and/or documents relating to the proposals to the Greek Parliament, within the powers and privileges of the latter or within the statutory functions of its officials, to a court during legal proceedings or to any administrative authority or body in relation to the fulfillment of its statutory functions. HRADF may be required to disclose information acquired in response to requests for information, subject to any related exceptions.

Any disputes arising out of or in connection with the Invitation and/or the Tender shall be subject to the exclusive jurisdiction of the competent courts of Athens, Greece, and Greek law shall apply.