



HELLENIC REPUBLIC ASSET
DEVELOPMENT FUND

**REQUEST FOR PROPOSALS
TO ACT AS FINANCIAL ADVISOR TO HRADF
FOR THE PRIVATISATION OF PORT AUTHORITIES**

Athens, February 4th, 2020

1. Introduction

1.1. Pursuant to:

- I. the provisions of the single article of Law 3985/2011 “Medium Term Fiscal Strategy 2012-2015” (Government Gazette A’/151/2011), which approved the Medium Term Fiscal Strategy 2012-2015 and the “Privatisation Programme 2011-2015” (Chapter B’, Part II “Privatisations”),
- II. the provisions of Law 3986/2011 on “Emergency Implementation Measures for the Medium-Term Fiscal Strategy Framework 2012-2015” (Government Gazette A’/151/2011), on the basis of which the Hellenic Republic Asset Development Fund SA (“**HRADF**” or “**Fund**”) was established with the sole object of developing assets of the Hellenic Republic, which are included in the Privatisation Programme,
- III. the provisions of Law 4046/2012 (Government Gazette A’/28/2012) “Approval of the Draft Agreements for Financial Assistance Facility between the EFSF, the Hellenic Republic and the Bank of Greece, of the Memorandum of Understanding between the Hellenic Republic, the European Commission and the Bank of Greece and other provisions for the reduction of the public debt and the salvage of the national economy” which updated the Privatisation Programme included in Annex IV,
- IV. the provisions of paragraph 4.4 (Structural Policies for the enhancement of competitiveness and development - Privatisation) of Law 4336/2015 (Government Gazette A’/94/2015) “Ratification of the draft agreement for the Financial Support from the European Stability Mechanism and provisions for the implementation of the Financing Agreement”,
- V. the Joint Ministerial Decision No 222/5.11.2012 issued by the Inter-ministerial Committee for Asset Restructuring & Privatisation (ICARP) (Government Gazette B’/2996/12.11.2012), transferring shares corresponding to the 100% of the share capital of the following 10 Port Authorities S.A. to the Fund (Alexandroupolis, Kavala, Volos, Patras, Igoumenitsa, Corfu, Heraklion, Lavrion, Elefsina and Rafina, each hereinafter referred to as a “**Port Authority**”),
- VI. the provisions of the Procurement Regulation of the HRADF (hereinafter referred to as the “**Regulation**”) as recently amended and codified by the Decision No 2/16128/0025 of the Minister of Finance (Government Gazette B’/476/2014),

HRADF intends to exploit all the 10 Port Authorities through sub-concessions, master concessions or sale of shares. This assignment is solely for the exploitation by sale of shares of

up to (4) Port Authorities within the timeframe of this engagement – it should be noted that other advisors have been onboarded for the other type of exploitation methods. This assignment encompasses the sale of a majority of the shares in those Port Authorities which effectively means the necessity for a shareholders' agreement with the investor as well as a revision of the underlying concession agreement between the Hellenic Republic and the Port Authority (each referred to hereinafter as the **"Port Transaction"** and collectively as the **"Project"**).

- 1.2. Within the above framework, HRADF is seeking to employ a specialised and highly experienced Financial Advisor (**"Advisor"**) in order to offer its services and the necessary assistance for the appropriate preparation and execution of the Project. The Advisor should have a full understanding of the operational, commercial, financial and transactional dynamics and drivers of ports in Europe and particularly in Greece.

2. Scope of Work

Within the framework of the Project, the Advisor is expected to provide, inter alia, the following services per each Port Authority (the **"Services"**), following a previous written request by HRADF:

- 2.1 Review any relevant available data including, without limitation, all the existing historical financials, strategic and operational work done to date as regards the 4 Port Authorities to be selected, any studies, reports, business plans and forecasts relating to the Port Authorities to be selected and more particularly the ports infrastructure;
- 2.2 Review and assess the current status of the 4 Port Authorities to be selected and the infrastructure which they operate from a financial point of view, taking into account all the issues outstanding (e.g. capital expenditures required, access to financing, relationship and commercial agreements with key customers and existing operational restrictions);
- 2.3 In conjunction with other advisors of HRADF, submit a recommendation to the Fund in respect to structure of the envisaged individual Port Transactions, which shall include the respective transaction timeline and a set of options from business, financial and operational point of view in relation to the proposed course of action in order for HRADF to best implement and complete the Project, taking into account, inter alia, value maximization and potential investor interest optimization. The Advisor shall prepare and present the optimal methodology for implementing the Project and each Port Transaction with its key assumption parameters and respective time-lines for its execution, in line with the relevant legislation as in force (the **"Recommendation"**);
- 2.4 Develop, along with the other advisors of HRADF, and regularly update the appropriate financial forecasts and models, as well as perform valuation and financial analysis (including sensitivity analysis) required for the implementation of the Project;
- 2.5 Identify the universe of the potential investors, explore and evaluate potential interest for the Project and provide to HRADF respective reports and updates;
- 2.6 In cooperation with the legal advisors of HRADF, liaise with the relevant competent regulatory bodies, assist in analyzing and examining the financial implications of any possible issues relating to competition, state-aid and/or other legal issues identified by the legal advisors of HRADF, suggest and propose the appropriate means for the solution of said issues.

- 2.7** Together with the other advisors of HRADF, assist, *inter alia*, in the co-ordination of each Port Transaction process from its initial preparation, the formation of the transaction documentation, to the final negotiation and consummation of each Port Transaction, which will include the following:
- 2.7.1** Advise and, where appropriate, provide its expert services and assist HRADF to develop the appropriate equity story, identify any key potential investor requirements, attract proposals, offers or bids from potential investors, assess any such proposals, offers or bids and advise the HRADF on their relative merits;
 - 2.7.2** Following decision and appropriate notification by HRADF, for each Port Transaction, design, prepare and coordinate, together with other advisors of HRADF, all necessary procedural steps or actions required for the implementation of the tender for the Port Transaction such as, indicatively, due diligence process, tender data room establishment and administration, assessment of each Port business plan, preparation, support and coordination of presentations by the management of each Port to potential investors, coordination and preparation of site visits by potential investors and their advisory teams to the Port premises and/or any other action required to implement the Port Transaction;
 - 2.7.3** In conjunction with other advisors of HRADF where appropriate, evaluate from a financial/business point of view any proposal made by any potential investor, and submit their written recommendations to HRADF;
 - 2.7.4** Work with other advisors of HRADF to prepare all the appropriate and customary Project documentation and organize all the relevant procedures required for each Port Transaction, including, but not limited to, the Invitation for the Expression of Investor Interest, the Request for Investor Proposals, the draft Port Transaction Documentation (share purchase agreement, shareholders' agreement, revised concession agreement), the financial model of the Port Authority and the concession;
 - 2.7.5** Plan and design together with the management of HRADF, the project team of HRADF and the rest of HRADF advisors, the negotiation strategy for each Port Transaction, co-ordinate and participate physically or by teleconference (as requested) in the relevant negotiations with potential investors, assess the proposed financial terms and propose appropriate conditions for the Port Transaction documents and assist legal advisors in drafting the relevant parts of said Port Transaction documents with financial and economic aspects;
 - 2.7.6** Support for the incorporation of necessary amendments into the existing transaction documents, in order to reflect any changes following negotiations with the candidates.
 - 2.7.7** Assist, in cooperation with HRADF's other advisors, in the preparation of the submission to the Court of Auditors, in order to obtain clearance for the relevant Port Transaction;
 - 2.7.8** Assist and advise HRADF in relation to the execution and closing of the Port Transaction and the fulfillment of any and all conditions precedent thereof,

including any approvals and clearances from the competent national and European authorities and institutions, as deemed necessary;

- 2.7.9** Provide to the Board of Directors of HRADF and/or HRADF Counsel of Experts (in English and Greek) any required presentations and recommendations justifying the proposed course of action in the different steps of implementation of the Port Transaction up to Closing; Such materials shall be available to be shared on a non-reliance basis with any Ministries involved.

3. Duration and Fees

- 3.1.** The Duration of the engagement shall be twenty four (24) calendar months or until the closing of the Project (whichever event occurs first). By the end of the initial contract period an extension of the duration of the engagement may be agreed upon if it is deemed necessary for the closure of the Project, under the terms provided for in the Procurement Regulation of HRADF.
- 3.2.** HRADF reserves hereby the right to extend or amend the engagement with the Advisor in order to include complementary services, which may be required and cannot be identified today, but they shall prove either to be inseparable from the original engagement without causing a major issue or because they are absolutely necessary for the completion of the Project, in accordance with the provisions of the Procurement Regulation of HRADF.
- 3.3. Retainer Fee:** The maximum available budget for retainer fees for each Port Transaction is EUR 180.000 (EUR 7.500 / month for 24 months) (excluding VAT).
- 3.4. Success Fee:** Upon successful completion of each Port Transaction, the Advisor will be entitled to a success fee calculated on HRADF's total proceeds. The Success Fee must be an expression of a percentage of the total proceeds received by HRADF, as per. par. 4.4 below and shall be payable upon successful completion of the Port Transaction. Any Retainer Fee shall be fully off-settable against the Success Fee.
- 3.5.** The Advisor should be aware of the expenses policy as regards the reimbursement of the Advisors expenses by HRADF.

4. Necessary Qualifications

The Interested Parties should be able to demonstrate their standing, international reputation and professional expertise and experience in relation to privatisations in general and, in particular, in transactions related to infrastructure. Experience in the Greek market will be highly appreciated. Interested Parties should be able to demonstrate:

- 4.1. Track Record & Experience:** Proof of relevant experience in the provision of expert financial advisory services in (a) mergers & acquisitions. Experience in transactions whereby the existing shareholder retains a minority stake and a shareholders' agreement is executed shall be highly appreciated; (b) in the granting of concessions related to infrastructure. The Proposal should include obligatorily a catalogue of all 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 relevant experience of the leader and senior members of the team. The Dossier should

also include the CVs and the list of any relevant project experience of all the members of the proposed project team. The suggested senior members of the project team may be replaced only with HRADF's prior consent, which shall not be unreasonably withheld or delayed. (**DOSSIER B'**).

4.3. Methodological Approach: The Interested Parties should identify the critical issues and submit in their proposal a brief description of the proposed approach to the assignment, specify the methodologies to be applied as well as its deliverables, including an indicative timetable (**DOSSIER C'**).

4.4. Fees: The Dossier should include a detailed budget analysis and structure for the fees quoting and analyzing separately the following: a) monthly retainer for the entire duration of the engagement, fully off settable by the success fee; b) percentage of success fee, c) expenses, capped at a fixed amount. The Success Fee for each Port Transaction should be calculated on the basis of the Net Present Value (NPV) of the total consideration included in the Preferred Investor's financial offer. The Success Fee and the Retainer Fee shall be the same and shall not differentiate for each Port Transaction; Proposals which do not include a Retainer Fee shall be deemed inadmissible. The kind of expenses and their settlement will have to comply with the expenses policy of HRADF (**DOSSIER D'**).

4.5. The Interested parties and the members of their proposed teams must formally declare in writing that they do not have a conflict of interest. Such a declaration confirming the absence of any conflict of interest shall be in effect throughout the term of the engagement of the Advisor with HRADF.

4.6. The Interested Parties must meet all the qualifications as described above under 4.1 through 4.5. Interested Parties who fail to submit Proposals fully compliant to the qualifications required under 4.1 through 4.5. of this Invitation, shall be disqualified from the Tender.

4.7. The Advisor 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 Art. 2.4 of the Procurement Regulation of HRADF, as currently in force.

5.2. The Interested Parties are assessed and evaluated in accordance with the table below. The tender will be awarded at the Interested Party with the highest score.

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'	25%
M&A Experience	20%
Concessions/Infrastructure Experience	5%

Project Team - DOSSIER B'	40%
Methodological Approach - DOSSIER C'	15%
Fees - DOSSIER D'	20%
Retainer Fee (for all Port Transactions)	5%
Success Fee (for all Port Transactions)	10%
Expenses (for all Port Transactions)	5%

- 5.4.** HRADF may request additional documents and/or clarifications and/or any information from the Interested Parties in connection with any issue related to their Proposals, as deemed necessary.
- 5.5.** The Proposals, 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 email at the e-mail address: tender@hraf.gr (for the attention of Mrs. Chrysoula Rallia), marked **"PORT AUTHORITIES: REQUEST FOR PROPOSALS FOR FINANCIAL ADVISOR"**.
- 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 (regarding DOSSIER A', B', and C') 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 Proposals must be submitted no later than **Monday 9th March 2020, 17:00, Athens time**. Proposals submitted after the aforementioned deadline shall be deemed inadmissible and thus immediately rejected. In the case of a late receipt, the Proposal shall not be evaluated.
- 5.8.** HRADF reserves the right to ask from the Interested Party with the highest score to improve its financial bid, prior to the final award of the assignment.
- 5.9.** The award of the assignment is subject to the conclusion of a written contract.

6. Terms and Conditions

- 6.1.** The Proposals to be submitted and this Request for Proposals, as well as the engagement letter, are and shall be governed by and construed in accordance with the laws of the Hellenic Republic, 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.** The interested parties accept hereby the approved expenses policy of HRADF on the reimbursement of expenses to be incurred by them in case of award of the tender.

- 6.3.** HRADF or any of its advisers, or agents, or employees, or officers is not to be held responsible or liable in respect of any error or misstatement/misrepresentation in, or omission from, this Request for Proposals. No person acquires against HRADF and its officers, agents, employees and officers, or the Hellenic Corporation of Assets and Participations (HCAP) or the advisers, any right or claim for compensation, or indemnification, or other, for any reason or cause related to this Request for Proposals and/or the Proposal 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 Request for Proposals and the Tender Process in general.
- 6.4.** The Fund reserves the right to amend the engagement in order to include complementary services that shall be deemed required and cannot be identified today but shall prove to be of real importance for the engagement and their separation from the engagement would cause a significant problem or delay for the Project, or services that shall be deemed absolutely necessary for the completion of the Project.
- 6.5.** 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.
- 6.6.** Any dispute arising under, or out of, or in connection with the present Request for Proposals, including the Proposals submitted and the engagement letter, shall be subject to the exclusive jurisdiction of the Courts of Athens, Greece.

7. INFORMATION FOR PERSONAL DATA PROCESSING

I. Information

The Hellenic Republic Asset Development Fund which is based in Athens, 1 Kolokotroni and Stadiou Str, 105 62, Phone: +30 210 3274400, e-mail: info@hraf.gr, informs, in its role as controller, the natural person that the Fund itself (or Hellenic Corporation of Assets and Participations S.A., public entities and judicial authorities within their competence) will process the following data:

A. Type and source of data

The personal data included in the present Request for Proposals (the “RfP”) (indicatively as per Qualification & Criteria in paragraph 4 of the RfP), which is submitted to the Fund in the context of this tender process by a natural person.

B. Purpose of Processing

Processing purpose is the evaluation of the proposals, the implementation of the Tender Process, as well as of the engagement letter, and their monitoring, the safeguarding of the Fund’s rights and the security and protection of transactions in general, the fulfillment of the Fund’s legal obligations, the prevention of fraud against the Fund, as well as informing Interested Parties with regard to the evaluation of their submitted Proposals as per section 5 of the RfP.

C. Recipients of Data

The recipients of the above (under para. A) data with whom data may be shared are the following: Hellenic Corporation of Assets and Participations S.A., public entities and judicial authorities within their competence.

II. Retention period

The data under para. A may be retained for a period starting from the date of their receipt and lasting: (a) for 20 years in case no engagement letter is concluded (b) for 20 years after the termination of the engagement letter, in case an engagement letter is signed. After the expiration of the above periods the personal data will be destroyed.

III. Rights enforcement

1. The natural person has the right to know which of their personal data are or have been processed, to oppose and to object to the processing of data which concern them for purposes other than those described above in par. I B, as well as to transmit their data to another controller, without the objection of the Fund. For the enforcement of said rights persons concerned may address the Fund in writing (email: dpo@hraf.gr). The enforcement of said rights regarding the processing of personal data of the above para. A. concerns exclusively their correction or update in order for those to be complete and accurate.

2. The enforcement of said rights does not relieve Interested Parties from their obligations deriving from their participation in the tender process.

3. The Fund has the right to deny the request for erasure of any natural person's data if their retention is necessary for compliance with a legal obligation, for the performance of a task carried out in the public interest, for archiving purposes in the public interest, or for the establishment, exercise or defense of legal claims or third-party claims.

IV. Obligations of the Fund

The Fund has the obligation to take every reasonable measure to ensure the confidentiality and the security of personal data processing and the protection of said data from accidental or unlawful destruction, accidental loss, alteration, unauthorised disclosure of, or access to, personal data by anyone, as well as from any other form of unlawful processing. Capitalised terms herein shall have the meaning attributed to them in the RfP.