

**INVITATION FOR EXPRESSION OF INTEREST TO ACT AS A FINANCIAL ADVISOR REGARDING HRADF'S
PARTICIPATION IN THE PUBLIC GAS CORPORATION ("DEPA")**

22 January, 2018

1. Introduction

"Hellenic Republic Asset Development Fund S.A." ("HRADF") is the legal entity entrusted with the implementation of the privatisation program of the Hellenic Republic ("HR") and the sole objective of developing assets belonging to the HR. HRADF is established by and is operating under Law 3986/2011, as amended and in force. Pursuant to article 188 par. 1 of Law 4389/2016, HRADF is a direct subsidiary of the "Hellenic Corporation of Assets and Participations S.A." ("HCAP"). By virtue of decision no 206/25.04.2012 of the Inter-ministerial Committee for Asset Restructuring and Privatisations S.A. ("ICARP") of the Hellenic Republic all DEPA shares held by the HR (i.e. 65%) were transferred to HRADF. The "Hellenic Petroleum S.A" ("HELPE") holds the remaining 35% of DEPA shares.

DEPA ("DEPA") is a group of companies with a dynamic presence in the natural gas sector. DEPA holds 100% of the Hellenic Gas Transmission System Operator S.A. ("DESFA"), 100% of the Gas Distribution Company Rest of Greece and 50% of IGI Poseidon, an indirect shareholder also of the ICBG.

Further to the above, DEPA currently holds, 51% of Attiki Gas Supply Company S.A. ("EPA Attikis") and Attiki Gas Distribution Company ("EDA Attikis") and 51% of Thessaloniki-Thessaly Gas Supply Company S.A. ("EPA Thess") and Thessaloniki-Thessaly Gas Distribution Company ("EDA Thess") accordingly. The remaining 49% of the aforementioned companies belongs to private investors.

Solely for the purposes of the present Invitation for Expression of Interest ("Invitation") and the assignment of the scope of work as described in Section 2 below, DEPA shall be defined as per above comprising only of the said assets, excluding DEPA's shareholding in DESFA.

In accordance with the draft Supplemental Memorandum of Understanding between the European Commission (acting on behalf of the European Stability Mechanism), the HR and the Bank of Greece, the HR will adopt a roadmap (the "Roadmap") for the further reform of the national natural gas retail market including *inter alia* any necessary action to eliminate any existing horizontal or vertical conflict of interest between DEPA and the supply companies (the "EPAs").

Following the recruitment of a Strategic Advisor, who assisted HRADF in the strategic planning and in proposing alternative scenarios for the strategic development of its participation in DEPA, and in order to implement the relevant provisions of Law 4336/2015 (Government Gazette A'94/2015), which approved the Memorandum of Understanding of 19.08.2015 ("MoU"), and the Asset Development Plan of HRADF, as currently stands and being endorsed by KYSOIP on 15.01.2018, HRADF is seeking to appoint a leading investment bank ("Advisor") to advise HRADF on its strategic options with respect to the monetization of its shareholding in DEPA ("the Transaction") and provide financial advisory services for the structuring and the implementation of the Transaction.

For the award of said services HRADF's Procurement Regulation (recently amended and codified by Decision 2/16128/0025 of the Minister of Finance published in Government Gazette B/476/2014) shall apply (the "Regulation").

2. Scope of Work

The Advisor is expected to provide the following services:

- Review any relevant available data, including, *inter alia*, all existing historical financial, strategic and operational work done to date relating to DEPA, as well as any information memoranda, studies, reports, business plans, etc.
- Review and assess legal and regulatory material, as well as ownership, business and market issues associated with the Transaction from a financial point of view, and co-ordinate with other professional advisors, as deemed necessary, in identifying any issues that may affect the privatisation process.
- Follow, review and assess, from a majority shareholder's point of view, the developments regarding the Roadmap's implementation, including *indicatively* the proposed transaction structures for the elimination of any existing horizontal or vertical conflict of interest between DEPA and the EPAs, the Roadmap's implementation progress and any related information (i.e. valuation results, shareholders agreements, share and purchase agreements, etc) as prepared by DEPA.
- Assess the impact of the above developments on DEPA's business case and privatisation process and identify any potential value leakages and other critical considerations, and recommend where appropriate alternative course of action.
- Propose optimal alternatives for the Transaction and recommend an appropriate Transaction structure after evaluating and presenting potential investor interest per each alternative (pre-marketing).
- Based on the evaluation of potential investor interest, form, propose and present a recommendation to HRADF's Board of Directors and Council of Experts in collaboration, where appropriate, with HRADF's other professional advisors, as to the preferred Transaction to be pursued by HRADF in terms of objectives, criteria and rationale as well as process plan and timetable.
- Design, prepare and coordinate, together with the other professional advisors of HRADF, all the necessary procedures required for the formulation and implementation of the Transaction.
- Advise and assist HRADF in the implementation of the preferred Transaction structure and the coordination of said process, including the coordination of HRADF's other professional advisors involved in the Transaction.
- In collaboration with the other professional advisors, draft and review all the Transaction related documentation, as necessary and customary for soliciting investor interest and executing transactions of similar nature (including, *inter alia*, if applicable, the invitation for the expression of interest, confidentiality agreements, process letters, head of terms documentation, share purchase agreements, shareholders' agreements, announcements and any other document(s) required for the Transaction, provide support for the VDR set up, etc).
- If applicable, evaluate from a financial point of view the binding offers submitted by interested investors and make a written recommendation to the BoD of HRADF, in accordance with the Transaction's criteria and objectives.
- Assist HRADF, in conjunction with its other professional advisors, in seeking the relevant approvals and consents and in the fulfillment of any other conditions necessary for the closing of the Transaction.

- Provide to the BoD of HRADF any required presentations and recommendations justifying the proposed course of action in the different steps of the implementation of the Transaction up to its closing.

3. Duration and Budget

Duration. The duration of the engagement shall be twenty four (24) calendar months or until the completion of the Transaction (whichever event occurs first). An extension of the duration of the engagement may be agreed upon if such is deemed necessary for the completion of the Transaction.

Retainer Fee. The maximum available budget for retainer fees for the assignment is Euro 30.000 per month (excluding VAT).

Success Fee. Upon successful completion of the Transaction, the Advisor will be entitled to a success fee (the "Success Fee") calculated on HRADF's total proceeds. The Success Fee shall be payable upon successful completion of the Transaction. Any Retainer Fee shall be fully off-settable against the Success Fee.

4. Qualification and Criteria

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

- 4.1. Track Record & Experience:** Proof of relevant experience in the provision of expert advisory services and financial services in recent transactions in the energy sector and particularly in the gas sector (preferably within the EU). Experience in the Greek market will be highly appreciated. The Dossier should include obligatorily a catalogue of all the relevant projects in which the interested party has participated in the last five (5) years (**DOSSIER A'**).
- 4.2. Project Team:** Proposed team composition for the Transaction 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. 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 identify the business, regulatory and other critical issues related to the Transaction and submit in their proposal a description of the proposed approach to the assignment, specify the deliverables, and include an indicative timetable (**DOSSIER C'**).
- 4.4. Budget:** The Dossier should include a detailed budget analysis and structure for the fees quoting and analyzing separately the following: a) retainer, b) percentage of success fee, c) maximum success fee and d) expenses capped at a fixed amount. The kind of expenses and their settlement will have to comply with the Project Expense Policy of HRADF (**DOSSIER D'**).
- 4.5.** The Interested Parties and each member of their proposed project team must declare in writing that they do not have a conflict of interest at the time of the Submission of the Expression 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 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 Advisor must observe and abide by the rules provided for in art. 7 of the Law 3049/2002 and particularly their professional code of conduct and 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 2.4 of the Regulation, 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'	20%
Project Team - DOSSIER B'	25%
Methodological Approach - DOSSIER C'	20%
Budget - DOSSIER D'	
Maximum success fee (Budget cap)	15%
Percentage success fee	20%

- 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.
- 5.5. The Expression 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 **"INVITATION FOR EXPRESSION OF INTEREST TO ACT AS A FINANCIAL ADVISOR REGARDING HRADF's PARTICIPATION IN DEPA"**.
- 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 Expressions of Interest are submitted **no later than the 1st of March, 2018, 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 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 Expressions of Interest to be submitted and this Invitation, as well as the Advisor's engagement letter for the assignment, are 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. The Interested Parties accept hereby the Project Expenses policy of HRADF on the reimbursement of the expenses of its Advisors.
- 6.3. 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.
- 6.4. 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.
- 6.5. Any dispute arising under, or out of, or in connection with the present Invitation including the Expressions of Interest submitted and the Advisor's engagement letter for the Transaction, shall be subject to the exclusive jurisdiction of the Courts of Athens, Greece.