



## INVITATION FOR EXPRESSION OF INTEREST TO ACT AS STRATEGIC AND FINANCIAL ADVISOR IN CONNECTION WITH HRADF'S PARTICIPATION IN HELLENIC PETROLEUM S.A.

5 April 2017

### 1. Introduction

Pursuant to decision 206/25.04.2012 of the Interministerial Committee of Assets Restructuring and Privatizations (the "ICARP"), 108,430,304 shares in Hellenic Petroleum S.A. (the "Company" or "HELPE"), representing a 35.477% shareholding in HELPE, owned by the Hellenic Republic (the "HR"), were transferred to the Hellenic Republic Asset Development Fund S.A. (the "HRADF" or the "Fund"), a legal entity entrusted with the implementation of the privatization program of the HR. The Fund is established by and is operating according to the provisions of Law 3986/2011. Pursuant to article 188 par. 1 of Law 4389/2016, the Fund became a direct subsidiary of the "Hellenic Corporation of Assets and Participations S.A." (the "HCAP"). In accordance with the Fund's Asset Development Plan (the "ADP") and pursuant to a decision of the Board of Directors of the Fund as of 31.03.2017, the Fund is seeking to appoint a financial advisor (the "Advisor") with significant strategic advisory and investment banking experience in the Oil & Gas sector, and in particular downstream and marketing operations, in Europe and internationally, to advise the Fund on its strategic options with respect to the monetization of its shareholding in HELPE ("the Transaction").

For the award of the services, the Fund's Procurement Regulation shall apply (Greek Government Gazette, Bulletin B', nr. 476/26.02.2014).

### 2. Scope of Work

The engagement is envisaged to be implemented in two Phases, namely Phase I and Phase II, as follows:

#### Phase I

The Advisor is expected to undertake a comprehensive assessment of the strategic options available to the Fund, with respect to the Fund's shareholding in HELPE, and form a recommendation to the Fund's Board of Directors and Counsel of Experts, presenting the different options available and recommending the optimal monetization approach to be pursued by the Fund for attaining the Fund's objectives, including, *inter alia*, the following:

- Evaluate the full spectrum of strategic alternatives for the Fund's participation in HELPE, with consideration to the corporate and shareholding structure of HELPE, taking into account HELPE's corporate participations, any existing shareholders' agreements regulating the relationships between shareholders in HELPE and any other pertinent legal arrangements in place, as well as HELPE's market, business, operating and financial, and share price performance;

- Present and analyze current trends and challenges in the Oil & Gas sector, at an international level and EU level, with consideration to HELPE's strategic positioning;
- Identify and assess any material legal, regulatory, ownership, corporate, business, commercial, and market issues as well as any key underlying assumptions, in coordination with the Fund's other professional advisors, that may impinge on or influence the strategic review and assessment and the investment recommendation of the Advisor;
- Analyze the different transaction structuring alternatives available to the Fund and recommend the preferred transaction structure for the Fund to pursue for its investment holding in HELPE, while assessing critical factors and potential issues entailed in the execution and successful completion of the proposed transaction structure;
- Explore, identify, review, evaluate and present potential investor interest, and, in consultation with the Fund, coordinate and advise on a proposed strategy for communications and discussions with potential investors and the Fund's existing strategic partner in HELPE, with a view to soliciting and verifying investor interest, in support of formulating and implementing the proposed transaction structure;
- Develop and propose a strategic approach, addressing the key transaction parameters, assumptions and considerations that underpin the implementation of the proposed transaction structure, followed by a detailed process plan and timeline.

Upon the Fund's request, the Advisor's final recommendation and advice shall be addressed and presented (in the form of a comprehensive written report and presentation) to the Fund's Board of Directors and Council of Experts. It is acknowledged that the decision to proceed with any recommended transaction for the monetization of the Fund's stake in HELPE remains with the Fund's Board of Directors.

## **Phase II**

Following a decision by the Fund's Board of Directors to proceed with a transaction for the monetization of the Fund's stake in HELPE (the "**Transaction**"), the Fund shall invite the Advisor to act as its financial advisor, in connection with the execution of the contemplated Transaction. The scope of work of the Advisor under Phase II shall include, *inter alia*, the following:

- Advise and assist the Fund in the implementation of the preferred Transaction and the coordination of the Transaction process, including the coordination of the working group consisting of the Fund's other professional advisors involved in the Transaction;
- Evaluate and present investor interest in the Transaction, based on market screening of the potential investor universe;
- Based on evaluation of investor interest following market screening, make a presentation to the Fund's Board of Directors and Council of Experts and form a recommendation, in conjunction with the Fund's other professional advisors, as to the preferred Transaction to be pursued by the Fund in terms of objectives, criteria and rationale as well as process plan and timetable, identifying key underlying assumptions and considerations for successfully implementing the Transaction and maximizing Transaction proceeds;

- Identify and assess critical issues and milestones with reference to the process and timetable of the preferred Transaction and recommend appropriate strategy and course of action for addressing them in order to successfully implement the Transaction;
- In cooperation with the other professional advisors of the Fund, review, advise, assist, draft and propose to the Fund, with regard to the Transaction, appropriate documentation structure and terms, as necessary and customary for soliciting investor interest and executing transactions of similar nature to the Transaction, (including, *inter alia*, 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), taking into account the existing contractual relationships and commitments, already in place, and all requirements deriving from such existing contractual commitments;
- Organize and coordinate, in cooperation with the other professional advisors of the Fund, the due diligence process, where appropriate, and all communication and meetings with potential investors and their professional advisors (including management presentations), and any other party involved in the Transaction, as deemed necessary by the Fund;
- Organize and assist, together with the Project Management team of the Fund, a strategy for any required communication and cooperation with HELPE and their management team;
- Review and evaluate investor interest and proposals in developing and advising the Fund on the strategic approach to be followed, in connection with the contemplated Transaction;
- Advise, draft and assist the Fund, in cooperation with the other professional advisors of the Fund, in formulating, negotiating and finalizing all necessary Transaction documentation and other related documentation necessary for submission of binding investor interest;
- Evaluate binding offers submitted by investors, present any required analysis and make a recommendation to the Fund's Board of Directors and Council of Experts of the preferred investor, in accordance with the Transaction terms and conditions and objectives;
- Assist the Fund, in cooperation with the other professional advisors of the Fund, in applying for any required approvals, fillings and consents and the fulfillment and satisfaction of any other conditions necessary for the closing and execution of the Transaction.

### **3. Duration and Budget**

The fees will consist of a Retainer Fee for Phase I and a Success Fee for Phase II.

#### **Phase I**

Phase I of the engagement will commence upon the Advisor receiving relevant written instructions by the Fund. The duration of Phase I of the engagement shall be 6 months.

Phase I of the engagement will be based on a monthly retainer fee (the "Retainer Fee") with a maximum budget of EUR 25,000 per month, excluding VAT.

It is agreed that the duration of Phase I of the engagement can be extended in accordance with the Fund's Procurement Regulation.

## **Phase II**

Phase II of the engagement will commence upon the Advisor receiving relevant written instructions by the Fund to proceed with the Transaction. The duration of Phase II of the engagement shall be 24 months.

Upon successful closure of the Transaction, the Advisor will be entitled to a success fee (the "**Success Fee**") that would differentiate depending on whether the Transaction is implemented through a merger and acquisition route or the capital markets. The Success Fee shall be payable upon successful completion of the Transaction and any payable Retainer Fee under Phase I shall be fully creditable without duplication against the Success Fee.

It is agreed that the duration of Phase II of the engagement can be extended to allow for the consummation of the Transaction.

## **4. Qualifications and Criteria**

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

- 4.1. Track Record & Experience:** Proof of international strategic advisory and investment banking experience in the Oil & Gas sector, and in particular cross-border downstream and marketing Oil & Gas transactions, internationally and in Europe. The Dossier should include obligatorily a catalogue of all the relevant projects in which the interested party has participated and the specific capacity it has participated with 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 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 and other critical issues related to the Transaction and submit in their proposal a brief description of the proposed approach to the assignment, specify the deliverables, and include an indicative timetable and work plan (**DOSSIER C'**).
- 4.4. Budget:** The Dossier should include a detailed budget analysis and structure for the fees. The proposed Success Fee should be quoted and analyzed separately. Similarly, expenses should be calculated and quoted separately at a capped amount. The kind of expenses and their settlement will have to comply with the approved 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, as well as that they do not have any relationship of economic or of any other nature with HELPE and that they are not retained by the latter. 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 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 Law 3986/2011 and article 2.4 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 tender will be awarded to 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'	20%
Methodological Approach - DOSSIER C'	20%
Budget - DOSSIER D'	40%

- 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 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 "**HELLENIC PETROLEUM S.A.: INVITATION FOR EXPRESSION OF INTEREST FOR STRATEGIC AND FINANCIAL ADVISOR**". 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 (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 must be submitted **no later than May 15<sup>th</sup>, 2017, 17:00, Athens time**, irrespectively of the means of their submission. 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 Preferred Bidder for the improvement of its bid, prior to the final award of the assignment.

## **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 Transaction, are 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 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 the 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.