

**INVITATION FOR EXPRESSION OF INTEREST
FOR THE PROVISION OF STRATEGIC ADVISORY SERVICES
REGARDING HRADF'S PARTICIPATION IN PPC**

10.05.2017

1. Introduction

“Hellenic Republic Asset Development Fund S.A.” (the **HRADF**) is the legal entity entrusted with the implementation of the privatization program of the Hellenic Republic (the **HR**). HRADF is established by and is operating under Law 3986/2011. Pursuant to article 188 par. 1 of Law 4389/2016, HRADF became a direct subsidiary of the “Hellenic Corporation of Assets and Participations S.A.” (the **HCAP**). In accordance with HRADF’s Asset Development Plan (the **ADP**), certain actions are provided therein with respect to a shareholding amounting to 17% of the existing fully paid share capital of the “Public Power Corporation S.A.” (the **PPC**).

PPC is currently the biggest power producer and electricity supply company in Greece with approximately 7.4 million customers. PPC currently has in its ownership assets in lignite mines, power generation, transmission and distribution. PPC’s current power portfolio consists of conventional thermal and hydroelectric power plants, as well as RES units.

Pursuant to decision nr. 249/08.04.2014 of Inter-ministerial Committee for Asset Restructuring and Privatisation (Government Gazette Bulletin B’, nr. 864/08.04.2014), the HR has transferred to HRADF, full ownership rights of 39.440.000 PPC shares corresponding to a percentage of 17% of the total share capital of PPC.

ADMIE is the Independent Power Transmission Operator of the Hellenic Electricity Transmission System (the **IPTO**) and is responsible for the Transmission System operation, maintenance and development. Pursuant to article 1 of Law 4389/2016, as amended by Law 4393/2016, provides for IPTO’s ownership unbundling, which is currently underway . In accordance with article 142 par. 2 of Law 4389/2016, as amended by article 14 par 2 of Law 4467/2017, HRADF will transfer its indirect participation in IPTO to DES ADMIE SA, a company fully owned by the HR. Against this background and in order to implement the relevant provisions of the ADP, HRADF is seeking to appoint an advisor (the **Advisor**) with the mandate of providing to HRADF strategic advisory services with respect to possible alternatives regarding HRADF’s participation in PPC (the **Asset**). For the award of the services HRADF’s Procurement Regulation (Greek Government Gazette, Bulletin B’, nr. 476/26.02.2014) will apply.

2. Scope of Work

The Advisor is expected to provide, *inter alia*, the following services to HRADF:

- Prepare and present a concise overview of the Greek electricity market including, indicatively and not exhaustively, overview of market structure characteristics of generation and supply, ownership and operation of the transmission and distribution system, demand and supply figures and projections, evolution of wholesale prices, etc.
- Review, analyze, assess and present to the Fund the Asset, its overall business environment and its current status taking into account undergoing market changes and challenges:
 - Present an overview and assessment of the Asset’s current status and corporate structure from a business, financial and operational perspective including indicatively, its asset base, financial position, market position, governance structure, investment plans, operational challenges, business opportunities, etc.

- Present an overview of the recent regulatory, and market changes in Greece (i.e. NOME, 'target model', etc) as well as any pending case of the Asset before Directorate General (DG) Competition and provide an assessment of their impact on the Asset's business case.
- Provide strategic advice to HRADF with respect to the Asset's current status, their business environment considerations and challenges (as per above) and where applicable, pending actions related to the implementation of undergoing market changes affecting the Asset's status, including indicatively, progress reports, identification of critical strategic decisions, impact assessment on the Asset's business case, recommend an appropriate course of action for HRADF etc.;
- Propose optimal alternatives for exploiting HRADF's participation in the Asset and recommend an appropriate transaction structure for the Asset, which will include the following:
 - Presentation of the alternative transaction structures, including an analysis of each of them, and a recommendation of the optimum way forward for HRADF.
 - Highlight all the critical success factors for each proposed transaction and its successful completion.
 - Identification of major risks that may adversely impact a potential proposed transaction, as well as of any potential insurmountable obstacles (operational, legal, market related etc 'deal breakers') that may exist.
 - Describe the 'equity story' and value proposition for each category of potential investors and gauge investor interest.
- Suggest the proper timing for execution of each proposed transaction and propose the relevant process plan and timeline for its implementation and execution.

The Advisor's recommendation and advice with regard to the Asset shall be presented to HRADF's Board of Directors and Council of Experts. Additional presentations may be required to take place vis-à-vis the competent corporate bodies of the HCAP, as well as the competent authorities of the HR.

The Advisor may be requested to update its report, upon prior written notice by HRADF, within a period of six (6) months, following the submission of the initial report.

3. Duration and Budget

Duration. The duration of the engagement shall be three (3) months, commencing from HRADF's written notice to the Advisor requesting to commence the provision of services.

With view to the above, HRADF is also entitled to require at any time the suspension of the Advisor's services upon prior written notice.

Lump Sum fee. The maximum available budget for the award of the services is EUR **100.000** (plus VAT, including all out of pocket expenses). For the avoidance of doubt, the above fee shall cover any update of the Advisor's report, requested by HRADF.

4. Qualification Criteria

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 relevant experience in the provision of expert strategic advisory services in recent transactions in the electricity and energy market in general (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 project team composition 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 during the past five (5) years, 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:** Interested parties should identify the business, regulatory and other critical issues related to the project and submit in their proposal a brief description of the proposed approach to the assignment, specify the deliverables, and include an indicative timetable and workplan (**DOSSIER C'**).
- 4.4. Budget:** Proposed fees, which should include all out-of-pocket expenses. (**Dossier D'**).
- 4.5.** 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 the Asset 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.

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.

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 HRADF's Procurement Regulation, as in force.
- 5.2.** 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.** Interested parties are evaluated on the basis of the following criteria and their respective weighting:

Criterion	Weighting
Track Record & Experience - DOSSIER A'	25%
Project Team - DOSSIER B'	25%
Methodological Approach - DOSSIER C'	20%
Budget - DOSSIER D'	30%

- 5.4. HRADF may request additional documents and/or clarifications and/or information from 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' and any other supporting documentation which proves the required experience and expertise of interested parties as well as of the individual members of their proposed team, are permissibly submitted **only** electronically by e-mail to the e-mail address: info@hraf.gr (for the attention of Mr. Yiannis Zapantis), marked "**PPC: EXPRESSION OF INTEREST FOR STRATEGIC ADVISOR**". In addition, interested parties may also submit to HRADF, at their discretion, a hard copy of DOSSIERS A', B' and C' in a sealed envelope, to 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', 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 the **9th of June 2017, at 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 with regard to the provision of the services required with the Expression of Interest, 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. HRADF or any of its advisors, 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 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.
- 6.3. 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.

6.4. 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 this assignment, shall be subject to the exclusive jurisdiction of the Courts of Athens, Greece.