



HELLENIC REPUBLIC ASSET  
DEVELOPMENT FUND

## INVITATION FOR EXPRESSION OF INTEREST TO ACT AS A LEGAL ADVISOR ON GREEK LAW REGARDING HRADF'S PARTICIPATION IN DEPA

22<sup>th</sup> of 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**") and 50% of IGI Poseidon and ICBG respectively.

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 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 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 EPAs supply companies (the "**Roadmap**").

In light of the context as described above, 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, HRADF is seeking to appoint a legal firm ("**Advisor**") to advise HRADF with respect to the monetization of its shareholding in DEPA (the "**Transaction**") and provide legal advisory services to HRADF 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**

Within the framework of the Transaction, HRADF is seeking to engage a reputable law firm to act as legal counsel on Greek law matters (the "**Advisor**") with transactional and regulatory experience in M&A transactions, including in-depth experience in the gas sector. The Advisor is expected to offer legal services of the highest quality and expertise, covering the entire spectrum of Greek law issues (including, as applicable, EU law) that shall derive from and are related to the Transaction, irrespectively of the proposed structure of the Transaction to be adopted (the "**Services**").

Within the context of the assignment, the Advisor is expected to provide, *inter alia*, the following services:

- i. In collaboration with other professional advisors of HRADF, undertake a comprehensive review and assessment (from a Greek and EU legal and regulatory perspective) of the strategic and structural options available to HRADF with respect to the privatisation of HRADF's shareholding in DEPA, taking into consideration HRADF's corporate and shareholding structure, corporate participations and/or other relevant legal arrangements. The review is expected to be concluded with the submission of a legal recommendation to the HRADF's Board of Directors and Council of Experts as to the optimal form of Transaction to be pursued by HRADF.

- ii. Review and assess legal and regulatory material, as well as ownership, business and market issues associated with the proposed Transaction from a legal point of view, and co-ordinate with other professional advisors, as deemed necessary, in identifying any issues, constraints and implications that may affect the privatisation process.
- iii. Follow, review, assess and advise (if requested), from a majority shareholder's point of view, the legal developments regarding the Roadmap's implementation, including indicatively the legal aspects and dimensions of the proposed transaction structures for the elimination of any existing horizontal or vertical conflict of interest between DEPA and the EPAs supply companies.
- iv. Participate and advise on all communications and meetings with the other existing shareholder of DEPA S.A. and its professional advisors and all communications and meetings with potential investors and their professional advisors (including management presentations), as deemed necessary by HRADF. The legal advisor shall liaise, if required, with the legal advisors of DEPA S.A. and those of its existing other shareholder, in the process of reviewing any existing contractual arrangements and negotiate and draft any contract or agreement, including a shareholders' agreement, in the context of the Transaction;
- v. Review, prepare or/and draft recommendations and opinions for directors' meetings of HRADF to approve the Transaction and all other legal documentation relating to the approval of the Transaction by HRADF.
- vi. In coordination with the other professional advisors of HRADF, support the financial advisor and HRADF in organizing and managing the due diligence process as required. Perform a legal due diligence exercise for the purpose of assisting in the review and preparation of documentation, which exercise includes attending management due diligence meetings, following-up on documentary and informational requests, participation in bring-down due diligence exercises prior to key transaction dates, and participation in the verification process of selected key statements/sections in the prospectus or other document.
- vii. Provide legal support in the creation of a Virtual Data Room ("**VDR**"), including review and /or drafting of any legal document that will be uploaded in order to facilitate potential investors' due diligence of the Company.
- viii. In collaboration with the other legal and professional advisors of HRADF advise on Greek & EU law aspects related to the Transaction and, draft all Transaction documents, including, inter alia, invitations for expression of interest, process letters,

confidentiality agreements, head of terms documentation, share purchase agreement, shareholders' agreement, announcements and filings and any other document(s) required for the Transaction.

- ix. Advise and assist HRADF, together with other professional advisors, in the negotiation of the terms of the Transaction and on the negotiation tactics to be followed including, but not limited to, any relevant seller's and buyer's representations and warranties.
- x. Review, assess and opine, in conjunction with HRADF's other professional advisors, on the expressions of interest and offers to be received from potential investors.
- xi. Provide advice and assistance to HRADF in cooperation with other professional advisors of HRADF, in relation to any filings, consents, and clearances, vis-à-vis the competent authorities and to the Court of Auditors, as well as the fulfillment and satisfaction of any other conditions precedent necessary for the execution and closing of the Transaction, including any required notifications to any competent authorities; and
- xii. Provide any other legal assistance and service required for the implementation and completion of the Transaction.

### **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. HRADF reserves the right to extend the duration of the engagement, if such extension is deemed necessary for the completion of the Transaction.

**Budget:** For the services tendered, the maximum available budget for fees, including expenses, is EUR 250.000,00 excluding VAT.

### **4. Qualifications and Criteria**

The Interested Parties should be able to demonstrate their standing and professional experience in relation to privatisation transactions in general and more specifically transactions similar to the assignment tendered. In particular, the Interested Parties should be able to demonstrate:

**4.1 Track Record & Experience:** Proof of relevant track record and experience in the provision of expert legal services in relation to privatisations, cross-border M&A, including transactions in the gas sector. The dossier of the Expression of Interest should include a catalogue of all relevant projects in which the Interested Party has participated in the last five (5) years. The Interested Parties should demonstrate that they have the necessary breadth of experience and

expertise as well as the resource capabilities in terms of a multidisciplinary team of professionals for rendering the Services (**DOSSIER A'**).

**4.2. Project Team:** Proposed team composition and its proposed structure, including relevant experience (as per 4.1) of the engagement leader and of the senior members of the team. The engagement leader has to be a practitioner of law for at least fifteen (15) years post qualification. The senior members of the team (at least two) should have at least eight (8) years of law practice post qualification. Expressions of Interest should include CVs of all members of the engagement team. Moreover, a list of all relevant projects proving the experience of the individual members of the team should be submitted and included in the Expression of Interest. The suggested engagement leader and senior members of the project team shall remain the same and may only be replaced upon HRADF's prior consent (**DOSSIER B'**).

**4.3. Methodological Approach:** Interested parties should submit in their proposal a brief description of the proposed approach to the assignment and include an indicative work plan outlining key steps in the process as well as key deliverables, including an indicative timetable. (**DOSSIER C'**).

**4.4. Budget:** The Dossier should include a detailed budget analysis and structure for the fees, including (a) the proposed by the Interested Party budget that should depict the maximum (capped) amount of fees and expenses for the Duration of the engagement, which should be unconditional and without any reservations and (b) the proposed hourly rates per qualification level, in the following manner: (i) partner, (ii) senior associate (more than 8 years of post-qualification experience) and (iii) associate (up to 8 years of post-qualification experience). For reference purpose and only, the Interested Parties should also indicate the standard hourly rates charged per qualification level as described above. Expenses should be calculated and quoted separately at a capped amount. The type of the expenses and their settlement will have to comply with the Project Expenses 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, at the time of the Submission of the Expression of Interest, a conflict of interest, as well as that they do not have any relationship of economic or of any other nature with DEPA and that they are not retained by the latter or any of their affiliates. Such 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 the Law 3986/2011 and article 2.5.C of the Regulation of HRADF, as in force.

**5.2.** The Interested Parties are assessed and evaluated in accordance with the table below. The assignment 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:

<b>Criterion</b>	<b>Weighting</b>
Track Record & Experience - DOSSIER A'	<b>30%</b>
Project Team - DOSSIER B'	<b>35%</b>
Methodological Approach - DOSSIER C'	<b>5%</b>
Budget - DOSSIER D'	
(a) Weighted Hourly Rate	<b>15%</b>
(b) Proposed Budget	<b>15%</b>

The Weighted Hourly Rate will be calculated as the weighted average of the proposed hourly rates per qualification level, as described under 4.4, multiplied by the corresponding weightings, as provided in the table below;

<b>Qualification Level</b>	<b>Weighting</b>
Partner	<b>40%</b>
Senior Associate	<b>35%</b>

Associate	25%
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The weightings reflect the anticipated involvement of the various qualification levels of the engaged lawyer. The Weighted Hourly Rate for each Expression of Interest will be calculated by applying the following mathematic formula;

**Weighted Hourly Rate = [(Hourly Rate for Partner x 40%) + (Hourly Rate for Senior Associate x 35%) + (Hourly Rate for Associate x 25%)]**

**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 27<sup>th</sup> of February, 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.