



HELLENIC REPUBLIC ASSET  
DEVELOPMENT FUND

**INVITATION FOR EXPRESSION OF INTEREST TO ACT AS FINANCIAL ADVISER TO THE HRADF  
FOR THE SALE OF ITS 5% STAKE IN OTE**

Athens, 4 April, 2017

**1. Introduction**

**1.1.** Pursuant to:

- i. the provisions of the Law 3986/2011 on “Emergency Implementation Measures for the Medium-Term Fiscal Strategy Framework 2012-2015” (Government Gazette A’/151/2011), the Hellenic Republic Asset Development Fund SA (hereinafter the “**HRADF**” of the “**Fund**”) was established with the sole object of developing assets of the Hellenic Republic, as included in the Privatisation Program,
- ii. the provisions of the updated Asset Development Plan of the HRADF,
- iii. the decision by the Board of Directors of the Fund on 31.03.2017 regarding the present Invitation for Expression of Interest,
- iv. the Law 3678/2008 on the ratification of (a) the Sale Purchase Agreement and (b) the Shareholders’ Agreement regarding the “Hellenic Telecommunications Organization S.A.” (“**OTE**”), both dated as of 14.05.2008, between the Hellenic Republic and Deutsche Telekom AG,
- v. Article 25 of the Law 4429/2016 by virtue of which the first amendment, dated 10.10.2016, to the Shareholders’ Agreement, dated 14.05.2008, between the Hellenic Republic and Deutsche Telekom AG was ratified,
- vi. the provisions of decision No. 259/25.10.2016 of the Inter-Ministerial Committee of Asset Restructuring and Privatizations (hereinafter “**ICARP**”) (Government Gazette 3448/B’/25.10.2016) on the approval of the second amendment, dated as of 25.10.2016, to the Shareholders’ Agreement, dated as of 14.05.2008, between the Hellenic Republic and Deutsche Telekom AG,
- vii. the provisions of the Decision No. 260/18.11.2016 of the ICARP (Government Gazette 3723/B’/18.11.2016), by virtue of which the Hellenic Republic transferred to HRADF

24,507,520 shares of OTE, corresponding to 5% of OTE's share capital, within the framework of the further privatization process of OTE .

- viii. the provisions of the Procurement Regulation of the HRADF (hereinafter referred to as the "**Regulation**"), as amended and codified by the Decision No 2/16128/0025 of the Minister of Finance (Government Gazette 476/B'/2014), namely articles 2.1, 2.3, 2.5, and 2.6,

the current Privatization Program of HRADF foresees the sale of 24,507,520 shares of OTE, corresponding to 5% of OTE's share capital (the "**Transaction**" or the "**Project**").

**1.2.** Within the framework of the further privatization process of OTE, the HRADF is seeking to engage a leading investment bank or advisory firm (the "**Adviser**"), with international experience in strategic advisory and investment banking services, to provide financial advisory services to HRADF for the Transaction. Experience in the Technology, Media and Telecommunications ("**TMT**") sector will be appreciated.

## **2. Scope of Work**

The assignment will include two phases, a *Preparatory Phase* and an *Implementation Phase*. Within the context of the assignment, the Adviser is expected to provide inter alia the following:

### **2.1. During the Preparatory Phase:**

- i. Review and assessment of OTE's market, business, operational and financial standing and share price performance;
- ii. Review of all relevant available information, including contractual documents associated with the privatization of OTE up to date;
- iii. Preparation of a recommendation report in respect to the anticipated recommended transaction in English (the "**Recommendation**"), including an executive summary (both in English and in Greek), which the Adviser shall deliver to the HRADF. The Recommendation shall include the alternative options for the implementation of the Transaction and provide the Adviser's investment recommendation with regard to the optimal option to be considered by HRADF for maximizing sale proceeds, taking into account, *inter alia* market conditions, transaction dynamics, process and timing considerations timeline, Preparation of a detailed process plan of the recommended Transaction provided in the

Recommendation, including timeline and key assumptions and considerations and ,which the Adviser shall deliver to the HRADF;

- iv. Identification and assessment of the universe of potential investors with an interest in the Transaction

## **2.2. During the Implementation Phase:**

The Adviser shall assist, in cooperation with any other professional advisers of HRADF, in the coordination of the Transaction process from its initial preparation to the execution and the closing of the Transaction, which may include, but is not limited to, the following:

- i. Advise and where appropriate assist the HRADF to develop the appropriate Transaction strategy;
- ii. Design, prepare and coordinate, together with HRADF's other professional advisers, all necessary procedures required for the successful implementation of the Transaction;
- iii. Work with HRADF's other professional advisers to prepare all the necessary documentation and organize all relevant Transaction procedures required for the execution of the Transaction;
- iv. Together with HRADF's other advisers, assist in obtaining any necessary Government approvals and/or other approvals from Greek and/or European Institutions, as deemed necessary in relation to the Transaction.
- v. Provide to the Board of Directors of HRADF any required recommendation in support of the proposed course of action at different steps in the implementation of the Transaction up to closing;
- vi. Assist and advise HRADF in relation to all financial and non-financial (in coordination with HRADF's other advisers) steps pertaining to the closing of the Transaction.

If HRADF decides to proceed with an offering or placement of its shares in OTE, the Financial Adviser will act as bookrunner of that transaction.

## **3. Duration and Budget**

**Duration:** The Duration of the engagement shall be twelve (12) calendar months or until the consummation of the Transaction (whichever event occurs first). HRADF reserves the right to extend the duration of the engagement, if such is deemed necessary for the consummation of the Transaction.

**Budget: a) Base (lump sum) Fee:** The maximum available base fee for the **Preparatory Phase** is Euro fifty thousand (€50,000), excluding VAT.

**b) Success fee for the Transaction:** Upon successful closure of the Transaction, the Adviser will be entitled to a success Fee based on the Transaction proceeds. The Adviser must provide two different success fee quotes under the following two alternatives: (a) a success fee in case OTE shares are sold to OTE's main shareholder, who has a right of first refusal on such shares and (b) OTE shares are sold to a third party investor.

#### **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 relevant track record and experience in the provision of expert financial advisory services (including experience in exercise of rights of first refusal). 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 10 years. Experience in the TMT sector will be appreciated (**DOSSIER A'**).

**4.2. Project Team:** Proposed team composition (and its proposed structure) including relevant experience of the leader and senior members of the team. Expressions of Interest should include CVs of all members of the engagement team. Moreover, a list of all relevant projects proving experience of those individual members should be submitted and included in the Expression of Interest. Experience in the TMT sector will be appreciated. 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 submit in their proposal a brief description of the proposed approach to the assignment, identification of critical issues, methodologies to be applied as well as its deliverables including an indicative timetable. (**DOSSIER C'**).

**4.4. Budget:** The Dossier should include a detailed budget analysis and structure for the fees. Any proposed success fee should be quoted and analyzed separately; it should be also clarified whether and up to which percentage the retainer fee shall be off-settable against the success fee. Similarly, expenses should be calculated and quoted separately at a capped

amount. The kind of the 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 OTE 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 Adviser 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 Adviser 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 2.4 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 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'	25%
Project Team - DOSSIER B'	20%
Methodological Approach - DOSSIER C'	20%
Budget - DOSSIER D'	35%

**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](mailto:info@hraf.gr) (for the attention of Mr. Yiannis Zapantis), marked "**OTE S.A.: INVITATION FOR EXPRESSION OF INTEREST FOR FINANCIAL ADVISER**". 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 DOSSIERS 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 May 10<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 Adviser's engagement letter for the Transaction, 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 approved expenses policy of HRADF on the reimbursement of the expenses of its Advisers.

**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 Invitation. 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 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 Adviser's engagement letter for the Transaction, shall be subject to the exclusive jurisdiction of the Courts of Athens, Greece.