



HELLENIC REPUBLIC ASSET
DEVELOPMENT FUND

**INVITATION FOR EXPRESSION OF INTEREST
TO ACT AS FINANCIAL ADVISER TO THE HRADF FOR THE PRIVATISATION OF THE 10
NON-LISTED PORT AUTHORITIES (ALEXANDROUPOLIS, KAVALA, VOLOS, PATRAS,
IGOUMENITSA, CORFU, HERAKLION, LAVRION, ELEFSINA AND RAFINA, EACH A
“PORT” AND TOGETHER THE “10 PORTS”)**

Athens, March 19th 2018

1. Introduction

1.1. Pursuant to:

- I. the provisions of the single article of Law 3985/2011 “Medium Term Fiscal Strategy 2012-2015” (Government Gazette A’/151/2011), which approved the Medium Term Fiscal Strategy 2012-2015 and the “Privatisation Programme 2011-2015” (Chapter B’, Part II “Privatisations”),
- II. the provisions of Law 3986/2011 on “Emergency Implementation Measures for the Medium-Term Fiscal Strategy Framework 2012-2015” (Government Gazette A’/151/2011), on the basis of which the Hellenic Republic Asset Development Fund SA (“**HRADF**” or “**Fund**”) was established with the sole object of developing assets of the Hellenic Republic, which are included in the Privatisation Programme,
- III. the provisions of Law 4046/2012 (Government Gazette A’/28/2012) “Approval of the Draft Agreements for Financial Assistance Facility between the EFSF, the Hellenic Republic and the Bank of Greece, of the Memorandum of Understanding between the Hellenic Republic, the European Commission and the Bank of Greece and other provisions for the reduction of the public debt and the salvage of the national economy” which updated the Privatisation Programme included in Annex IV,
- IV. the provisions of paragraph 4.4 (Structural Policies for the enhancement of competitiveness and development - Privatisation) of Law 4336/2015 (Government Gazette A’/94/2015) “Ratification of the draft agreement for the Financial Support from the European Stability Mechanism and provisions for the implementation of the Financing Agreement”,
- V. the Joint Ministerial Decision No 222/5.11.2012 issued by the Inter-ministerial Committee for Asset Restructuring & Privatisation (ICARP) (Government Gazette B’/2996/12.11.2012), transferring 100% of the share capital of the 10 Ports to the Fund,
- VI. the provisions of the updated Asset Development Plan of the HRADF, as decided by the Board of Directors of the HRADF on December 20th 2017 and endorsed by means of a relevant decision by the Government’s Council for Economic Affairs and Policy on January 15th 2018,

- VII. the provisions of the Procurement Regulation of the HRADF (hereinafter referred to as the “Procurement Regulation”) as recently amended and codified by the Decision No 2/16128/0025 of the Minister of Finance (Government Gazette B’476/2014), namely articles 2.1, 2.4, 2.5, and 2.6,

the Privatisation Programme of the Hellenic Republic, as it currently stands, foresees, *inter alia*, the exploitation and development of the 10 Ports by means of concession agreements (“**Project**”).

- 1.2. Within the above framework, HRADF is seeking to employ a specialised and highly experienced Financial Adviser (“**Adviser**”) in order to offer its services and the necessary assistance for the appropriate preparation and execution of the contemplated Project. The Adviser should have a full understanding of the operational, commercial, financial and transactional dynamics and drivers of ports in Europe and particularly in Greece.

2. **Scope of Work**

The Adviser shall be required to provide its services throughout the Project which is divided in two distinctive phases; (a) the Preparatory Period and (b) the Execution Phase.

- 2.1 During the **Preparatory Period covering services for all 10 Ports**, the Adviser shall be required, *inter alia*, to;

- 2.1.1 Review any relevant available data including, without limitation, all the existing historical financials, strategic and operational work done to date as regards the 10 Ports, any studies, reports, business plans and forecasts relating to the 10 Ports and more particularly the ports infrastructure; The completed 10 Ports Privatisation Reports will be also made available for review;
- 2.1.2 Review and assess the current status of the 10 Ports and each Port infrastructure from a financial point of view, taking into account all the issues outstanding (e.g. capital expenditures required, access to financing, relationship and commercial agreements with key customers and existing operational restrictions);
- 2.1.3 In conjunction with other advisers of HRADF, submit a recommendation to the Fund in respect to the object and structure of the envisaged individual transactions per Port (each a “**Port Transaction**”), which shall include the respective transaction timeline and a set of options from a strategic, business, financial and operational point of view in relation to the proposed course of action in order for HRADF to best implement and complete the Project, taking into account, *inter alia*, value maximization for the benefit of the public interest and potential investor interest optimization taking into consideration the long-term benefits for the Hellenic economy. The Adviser shall prepare and present the optimal methodology for implementing the Project and each Port Transaction with its

key assumption parameters and respective time-lines for its execution, in line with the relevant legislation as in force (the "**Recommendation**");

- 2.1.4 Develop, along with the other advisers of HRADF, and regularly update the appropriate financial forecasts and models, as well as perform valuation and financial analysis (including sensitivity analysis) required for the implementation of the Project;
- 2.1.5 Identify the universe of the potential investors, explore and evaluate potential interest for the Project and provide to HRADF respective reports and updates;
- 2.1.6 In cooperation with the legal advisers of HRADF, liaise with the relevant competent regulatory bodies, assist in analyzing and examining the financial implications of any possible issues relating to competition, state-aid and/or other legal issues identified by the legal advisers of HRADF, suggest and propose the appropriate means for the solution of said issues.

2.2 During the **Execution Phase** of each Port Transaction the Adviser, together with the other advisers of HRADF, shall assist, *inter alia*, in the co-ordination of each Port Transaction process from its initial preparation, the formation of the transaction documentation, to the final negotiation and consummation of each Port Transaction. In this respect, the Adviser may be required indicatively to;

- 2.2.1 Advise and, where appropriate, provide its expert services and assist HRADF to develop the appropriate sell story, identify any key potential investor requirements, attract proposals, offers or bids from potential investors, assess any such proposals, offers or bids and advise the HRADF on their relative merits;
- 2.2.2 Following decision and appropriate notification by HRADF, for each Port Transaction, design, prepare and coordinate, together with other advisers of HRADF, all necessary procedural steps or actions required for the implementation of the tender for the Port Transaction such as, indicatively, due diligence process, tender data room establishment and administration, assessment of each Port business plan, preparation, support and coordination of presentations by the management of each Port to potential investors, coordination and preparation of site visits by potential investors and their advisory teams to the Port premises and/or any other action required to implement the Port Transaction;
- 2.2.3 In conjunction with other advisers of HRADF where appropriate, evaluate from a financial/business point of view any proposal made by any potential investor, and submit their written recommendations to HRADF;
- 2.2.4 Work with other advisers of HRADF to prepare all the appropriate and customary Project documentation and organize all the relevant procedures required for each Port Transaction, including, but not limited to, the Invitation for the Expression of Investor Interest, the Request for Investor Proposals, the draft Port Transaction Documentation, the financial model of the Port and the concession;

- 2.2.5 Plan and design together with the management of HRADF, the project team of HRADF and the rest of HRADF advisers, the negotiation strategy for each Port Transaction, coordinate and participate physically or by teleconference (as requested) in the relevant negotiations with potential investors, assess the proposed financial terms and propose appropriate conditions for the Port Transaction documents and assist legal advisers in drafting the relevant parts of said Port Transaction documents with financial and economic aspects;
- 2.2.6 Support for the incorporation of necessary amendments into the existing Concession Agreement between the Hellenic Republic and the Port Authority, in order to reflect any changes to the concession assets;
- 2.2.7 Assist, in cooperation with HRADF's other advisers, in the formulation of recommendations as to the activities and development of the Port Authority following the Port Transaction, as well as with additional related matters that may arise, as a result of the existing Port Authority and the concessionaires (to be selected through the Port Transaction) undertaking activities in parallel, within the same Port;
- 2.2.8 Assist and advise HRADF in relation to the execution and closing of the Port Transaction and the fulfillment of any and all conditions precedent thereof, including any approvals and clearances from the competent national and European authorities and institutions, as deemed necessary;
- 2.2.9 Provide to the Board of Directors of HRADF and/or HRADF Counsel of Experts (in English and Greek) any required presentations and recommendations justifying the proposed course of action in the different steps of implementation of the Port Transaction up to Closing; Such materials shall be available to be shared on a non - reliance basis with any Ministries involved.

3 Duration and Fee

The Duration of the engagement shall be twenty four (24) calendar months or until the closing of the Project (whichever event occurs first). By the end of the initial contract period an extension of the duration of the engagement may be agreed upon if it is deemed necessary for the closure of the Project, under the terms provided for in the Procurement Regulation of HRADF.

- 3.1** HRADF reserves hereby the right to extend or amend the engagement with the Adviser in order to include complementary services, which may be required and cannot be identified today, but they shall prove either to be inseparable from the original engagement without causing a major issue or because they are absolutely necessary for the completion of the Project, in accordance with the provisions of the Procurement Regulation of HRADF.
- 3.2** The maximum available budget for retainer fees for the Preparatory Period of the assignment covering a period of up to two (2) months for services rendered for all 10 Ports is Euro 20.000 per month, excluding VAT. The maximum available budget for retainer fees for the Execution Phase of each Port Transaction is Euro 15.000 per month, excluding VAT.

- 3.3 The Adviser should be aware of the expenses policy as regards the reimbursement of the Advisers expenses by HRADF.

4 Necessary Qualifications

The Interested Parties should be able to demonstrate their standing, international reputation and professional expertise and experience in relation to privatisations in general and specifically in concession transactions similar to the assignment tendered hereby. In particular, the Interested Parties should be able to demonstrate:

- 4.1 **Track Record & Experience:** Proof of relevant experience in the provision of expert financial advisory services in privatisations, concessions of infrastructure assets and of port infrastructure in particular. Experience in the Greek market will be highly appreciated. The dossier of the Expression of Interest should include obligatorily a catalogue of all relevant projects in which the interested party has participated in the last ten (10 years) (**DOSSIER A'**).
- 4.2 **Project Team** Proposed team composition and its proposed structure, including the relevant experience of the leader and senior members of the team. The Dossier should also include the CVs and the 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 or delayed (**DOSSIER B'**).
- 4.3 **Methodological Approach:** The Interested Parties should identify the critical issues and submit in their proposal a brief description of the proposed approach to the assignment, specify the methodologies to be applied as well as its deliverables, including an indicative timetable (**DOSSIER C'**).
- 4.4 **Fees:** The Dossier should include a detailed fee analysis and structure quoting and analysing separately the following: a) a monthly retainer fee for the Preparatory Phase for a period of up to two (2) months covering services rendered for all 10 Ports, b) a monthly retainer fee for the Execution Phase of each Port Transaction for a period of up to twelve (12) months, c) a percentage Success Fee for each Port Transaction calculated on the basis of the Net Present Value (NPV) of the total consideration included in the Preferred Investor's financial offer (both the retainer fee for the Execution Phase as well as the Success Fee shall be the same and shall not differentiate for each Port Transaction) and d) expenses, capped at a fixed amount. The monthly retainer fees invoiced for the Execution Phase of each Port Transaction shall be 50% deductible from the Success Fee of such Port Transaction. Any amount that cannot be deducted from the Success Fee of each Port Transaction will be deducted from the Success Fee of the next Port Transaction. The kind of expenses and their settlement will have to comply with the expenses policy of HRADF (**DOSSIER D'**).
- 4.5 The Interested parties and the members of their proposed teams must formally declare in writing that they do not have a conflict 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 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 Expressions of Interests 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 Art. 2.4 of the Procurement Regulation of HRADF, 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'	25%
Project Team - DOSSIER B'	25%
Methodological Approach - DOSSIER C'	25%
Fees - DOSSIER D'	25%
Retainer Fee for Preparatory Phase	5%
Retainer Fee for Execution Phase per Port Transaction	10%
Success Fee per Port Transaction	10%

- 5.4 HRADF may request additional documents and/or clarifications and/or any 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 declaration 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 email at the e-mail address: info@hraf.gr (for the attention of Mr Yannis Zapantis), marked **"10 PORTS: INVITATION FOR EXPRESSION OF INTEREST FOR FINANCIAL ADVISER"**.
- 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 **May 4th, 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

The Expressions of Interest to be submitted and this Invitation as well as the Adviser'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 conditions, the practice of HRADF and its internal policy, including terms and conditions customary in the circumstances.

- 6.1 The Interested Parties accept hereby without reservation the expenses policy of HRADF on the reimbursement of the expenses of its Advisers.
- 6.2 HRADF or any of its advisers, 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 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, express 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 tender process, without any prior notice or updating, 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 as well as the Adviser's engagement letter for the assignment shall be subject to the exclusive jurisdiction of the courts of Athens, Greece.