

HELLENIC REPUBLIC ASSET DEVELOPMENT FUND S.A.

Athens, 21 March 2013

Responses to clarification questions submitted by potential Tenderers regarding the invitation to submit an Expression of Interest for the exploitation of a property in the Paliouri area in Chalkidiki.

S/A	Ref .	Question	Answer
1		Please clarify whether the Xenia Property is a listed building.	According to ΥΠΠΟ/ΔΙΝΕΣΑΚ/75379/2055/19.09.2008 decision of the Ministry of Culture (Government gazette Bulletin ΑΑΠ 449/2008), Xenia Hotel has been classified as "monument".
2		According to the Preamble of the Invitation it is derived that at this stage the Property has not yet been transferred to the Fund. Please specify at what stage is the process of transferring ownership of the Property to the Fund.	The process of transferring the Property to the Fund is in progress, according to the provisions of L.3986/2011.
3		According to the same Preamble, the Fund will transfer the shares of the company which will establish to the Selected Investor. Please clarify whether the intention of the Fund is to transfer 100% of the shares of this company to the Selected Investor.	The Fund intends to transfer 100% of the shares of this company to the Selected Investor.
4		In addition, the Preamble states that the Fund will transfer ownership rights over a specific part of the Property and "surface right" as regards the part of the Property containing the hotel. Unless the existing Xenia is a listed building, please confirm that the provision does not refer necessarily to the existing hotel but to the hotel that will arise from the business plan chosen by the selected investor and the selected investor will be free to position the Property, as he wishes and the location chosen will be the one that will be reflected in the final ESCHADA to be submitted for approval.	Ownership rights will be granted over the part of the Property used for secondary residencies and "surface right" will be granted over the part of the Property containing the hotel, existing or new expansion.
5		Section III states that the Property has a coastline border of around 1,300 m. However, the Invitation does not refer directly to the Beach Concession according to article 14A of L. 3986/2011. Please clarify whether the reference in the Invitation that "the Property will be developed in accordance with the procedures for urban-planning maturity, referred in Article 10 sec. of L. 3986/2011" includes also the possibility of granting the beach and shore concession according to article 14A of L.3986/2011 and if there will be such provision in phase B of the tender process.	Granting the beach and shore concession should take place in accordance with the provisions of L.3986/2011 (article 14) and upon the payment of the relevant consideration.
6		Section III states that ESCHADA will be approved by the financial closing of the Transaction.	The ESCHADA is under elaboration and its draft will be available on

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		Please confirm that the Fund intends to have an initial draft of the ESCHADA prior to the request for proposal, so that the Qualified Tenderer will be able to prepare his/her business plan accordingly.	the VDR, that will be in operation, in phase B of the tender process.
7		<p>According to paragraph 1.1.a in Section IV, the natural person/legal entity that will submit the expression of interest is allowed to form a consortium prior to the submission of a binding financial offer. In addition, subparagraph (iv) of the same paragraph provides for changes in the composition of the consortium. However, the Invitation does not provide for the possibility of changes of the individual tenderer in phase B.</p> <p>Please confirm that in addition to the incorporation of the consortium, any change in the shareholding structure of the qualified tenderer is also allowed during phase B. In addition, please specify that in addition to the change of a member of the consortium also any change of the individual tenderer is permitted, as long as it is justified and all the prequalification criteria are fully fulfilled (as e.g. in the case of replacement of a subsidiary that relies on the financial capacity of the parent company, with another subsidiary, due to financial reasons).</p>	<p>According to paragraph 1.1 (b) (iv) in Section IV of the Invitation, “changes in the composition of a consortium (either by way of the exit of existing members or the entry of new members) as well as changes to the participation percentages between the members of a consortium are permitted in the time period following the conclusion of Phase A' and until the submission of the binding offers, without prejudice to the context of paragraph 1.1(a) of the Invitation and following written notification to and approval by the Fund. In any case though, the consortium should continue to fulfill the Financial Prequalification Criteria set in paragraph 2.1. , taking into consideration the new composition of the members of the consortium, and every member of the consortium should fulfill the Personal Situation Prequalification Criteria set in the Invitation.”</p> <p>Change of the individual tenderer can take place following the completion of phase B of the tender process and specifically when the SPA agreement will be signed and the Selected Investor will establish the SPV.</p>
8		Paragraph 1.1. (b)(ii) in Section IV states that the lead member of the consortium “... must undertake the control of the Company..” Please clarify the word “Company” at that point. Do you mean the company that the Fund will establish or the consortium?	It refers to the consortium.
9		According to subparagraph c, of paragraph 1 in Section IV of the Invitation, natural persons or legal entities who are residents/registered or have their statutory or real seat or are located in high-risk and non-cooperative jurisdictions, as defined any time by the Financial Action Task Force (...), “cannot participate individually in the Tender Process. Also, those natural persons and legal entities, ..., can participate in the Tender Process neither as shareholders or members, nor as shareholders or members of shareholders or members of a Tenderer. The foregoing shall not apply, if such natural person or legal entity, is a	The direct or/and indirect participation of entities/persons who are residents/registered in non-cooperative jurisdictions is permitted when “the natural person or legal entity, is a shareholder or member (even majority) of a Tenderer, which is established under the laws of a Member State of the European

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		<p>shareholder or member (even majority) of a Tenderer, which is established under the laws of a Member State of the European Union ("EU"), or the European Economic Area ("EEA") and has its registered seat, central administration and principal place of business within the EU or the EEA or the Organisation for Economic Cooperation & Development "OECD")."</p> <p>Please confirm that under the above, the direct participation in the tender process of the persons/entities referred in the above paragraph is totally forbidden, whereas the indirect participation is allowed, through the establishment of e.g. another 100% subsidiary of the company within EU/EEA/OECD. Please confirm whether the above exception includes also the case that the parent company provides financial resources to its subsidiary, according to the provisions of subparagraph a, paragraph 2.1 in Section 4 of the Invitation.</p>	<p>Union ("EU"), or the European Economic Area ("EEA") and has its registered seat, central administration and principal place of business within the EU or the EEA or the Organisation for Economic Cooperation & Development ("OECD")."</p>
10		<p>According to the subpar. c of the 2.1 paragraph in the IV Section, each Tenderer should submit a letter by a bank confirming the solvency and overall financial standing of the Tenderer.</p> <p>Please confirm that in case of a Tenderer that relies on the financial capacity of its parent company, this letter will confirm mainly the solvency and the financial standing of the parent company, referring of course to the subsidiary company with the following indicative wording: "Following a request submitted to us by the company, registered in and its subsidiary, registered in, we would like to confirm that the above mentioned companies cooperate with our Bank and up to date their transactional behaviour is considered to be satisfactory".</p>	<p>It is confirmed.</p>
11		<p>We perceive that in Section IV there is distinction between the declarations that should be included in the document of Expression of Interest itself and the rest of the documents that are characterized as Supporting Documentation. However, in subparagraph (iii) of paragraph 1.a of this section, that refers to the declarations regarding the Tenderers' personal situation, it is stated as necessary the "...the decision of the Tenderer in relation to its participation in the Tender Process and in case of legal entities or consortia, certified copy of the decision of the competent corporate body.....".</p> <p>Please confirm that is sufficient to mention this decision in the document of Expression of Interest and the requested certified copy will be submitted independently as Supporting Documentation.</p>	<p>We confirm your understanding.</p>
12		<p>In par. VI.1.a(v), it is requested along with the appointment of a process agent and a list " ... with the contact details of all the financial, legal and other professional advisers that the Tenderer is already using or intends to use."</p> <p>We cannot comprehend the reason for which the</p>	<p>There is not obligation for the submission of the relevant details, if the tenderer does not wish or those persons have not been appointed yet.</p>

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		<p>reference of the Tenderers' advisors is requested at this phase and even more why their contact details should be given. In any case, given the length of the Process as granted but also, the major differences concerning the nature of the A and the B phase of the Process (where special Technical Advisors will be needed etc), we consider impossible to be able to refer right now to the contact details of the advisors that may be used in the future. Therefore, please remove the relative reference and eliminate the relative obligation, otherwise at least confirm that the reference of the contact details of any advisors that were used during the phase A, is sufficient.</p>	
13		<p>According to subpar. (ii) of the 2.1a paragraph of the VI Section, Supporting Documentation must also include a document evidencing the current representation authority of the legal entity validly certified within the last (3) months by a competent public authority or other competent person or a notary public.</p> <p>Please confirm whether in case of recent appointment of a new board of directors of a Tenderer Company, for which the competent regulatory authority has neither completed the pertinent publication in the Official Government Gazette, nor published an official announcement, the mere submission of copies of the minutes of the relevant Shareholders' Meeting on the election of a new Board of Directors and of the new Board of Directors on the composition thereof into corporate body, duly certified by the authorized representative under codified law 2190/1920, coupled by a copy of the application of the Tenderer Company to the competent authority for the registration of such documents and the filing protocol number, is sufficient. Furthermore, please confirm whether the submission of the articles of incorporation of the Tenderer, as currently in force, duly certified by the competent regulatory authority and of the bulletins of the Government Gazette, in which its amendments have been published, is required.</p>	<p>We confirm your understanding in relation to the first part of your question.</p> <p>As regards the second part of the question, the submission of the articles of incorporation of the Tenderer, as currently in force, is not required, unless it is deemed necessary to evidence its legalization.</p>
14		<p>It is asked which date the Solemn Declaration of the paragraph (iii) of the paragraph 2.1 in Section VI should bear.</p>	<p>The date should be reasonably recent to the date of the submission of the Expression of Interest.</p>
15		<p>In case of a Tenderer that relies on the financial capacity of its parent company, please confirm that the parent company, other than the binding letter that is referred in the paragraph IV.2.1.a and the consolidated financial statements that are referred in the paragraph VI.3, is not obliged to submit any other Supporting Documentation, especially those in the article VI.2 such as the solemn declarations and the supporting documents.</p>	<p>According to the answer dated 05.03.2013, as this has been uploaded to the HRADF's website, since the parent company will confirm, through a relevant binding letter, that it undertakes to financially support its subsidiary (paragraph IV 2.1. a), the parent company will have to submit a recent certificate, evidencing its incorporation, its registration in the country of its incorporation, its</p>

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16		According to the article VI.3.a for Tenderers listed on a Stock Exchange of an EU or EEA, or OECD member State, Annual Report of the last financial year must be submitted. Please confirm that the same document (instead of consolidated financial statements) is sufficient also for the case of a Tenderer that relies on the financial capacity of its parent company and its parent company is listed on a Stock Exchange as the above mentioned .	In case that the parent company is listed, the Tenderer could submit the Annual Report that has been published, that of course includes the consolidated financial statements. The Tenderer (subsidiary) is still obliged to submit its own financial statements.