

INVITATION FOR SUBMISSION OF PROPOSALS FOR ONE (1) FAIRNESS ADVISOR

TO THE HELLENIC REPUBLIC ASSET DEVELOPMENT FUND

IN RELATION TO THE SALE OF ITS SHAREHOLDING IN OTE S.A.

Athens, 12 February 2018

1. INTRODUCTION

1.1. Pursuant to:

- i. the Privatisation Programme of the Hellenic Republic (the “**HR**”) and the provisions of the updated Asset Development Plan of the Hellenic Republic Asset Development Fund (the “**HRADF**” or the “**Fund**”), which was endorsed by the Governmental Council of Economic Policy with its decision no 63/17.05.2017;
- ii. the Law 3678/2008 on the ratification of (a) the Sale Purchase Agreement and (b) the Shareholders’ Agreement regarding the Company, both dated as of 14.05.2008, between the Hellenic Republic and Deutsche Telekom AG;
- iii. Article 25 of the Law 4429/2016 by virtue of which the first amendment, dated as of 10.10.2016, to the Shareholders’ Agreement, dated 10.10.2016, between the Hellenic Republic and Deutsche Telekom AG was ratified;
- iv. 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, executed as of 2.11.2016, to the Shareholders’ Agreement between the Hellenic Republic, Deutsche Telekom AG and HRADF;
- v. 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 S.A. (“**OTE**” or the “**Company**”) corresponding to 5% of OTE’s share capital;

the current Asset Development Plan of the Fund provides for the sale of its shareholding in OTE S.A. (the “**Transaction**”), representing 24,507,520 common registered shares (the “**Asset**”) in OTE. The shares of the Company are listed on the Athens Stock Exchange (the “**ATHEX**”).

- 1.2.** Within the aforementioned framework, the Fund is seeking to engage a bank providing investment banking services or investment services firms (ΕΠΕΥ) (the “**Fairness Advisor**”) to carry out and deliver separate fairness opinions on the fairness, from a financial point of view, of the financial consideration to be paid to the Fund in connection with the Transaction (the “**Fairness Opinions**”) and possibly an opinion on the process followed by the Fund for the Transaction (the “**Opinion on Process**”), as it may be requested by the Fund at different points in time.

Credit Suisse and Piraeus Bank are acting as financial advisers to the Fund and Lambadarios Law Firm is acting as legal advisor to the Fund in connection with the Transaction (the “**Advisers**”).

2. SCOPE OF WORK

The assignment would require the Fairness Advisor to render the Fairness Opinions and the Opinion on Process.

Each of the Fairness Opinions and Opinion on Process should include an executive summary, as well as a comprehensive review and analysis of the methodologies, assumptions, considerations and supporting documentation considered by the Fairness Advisor for the preparation of the Fairness Opinions and the Opinion on Process.

In providing its services, the Fairness Advisor:

- will liaise with the Fund’s Advisers, engaged for the Transaction;
- will review all necessary publicly available information and data on the Company, including public financial documents, and will be provided with any relevant information related to the Transaction;
- will present the Fairness Opinions and the Opinion on Process, including the fairness principles and methodologies, assumptions and considerations used in their preparation, to the Fund’s Board of Directors and the Fund’s Council of Experts.

Each Fairness Opinion and Opinion on Process, including the supporting analysis and documentation, and an executive summary should both be prepared in English and Greek.

3. DURATION & BUDGET

- 3.1. Duration of the Engagement:** The total duration of the Engagement will be six (6) months, as of the signing of the relevant contract with the respective Fairness Advisor. If needed, an extension of the duration of the engagement may be agreed in accordance with the Fund’s

Procurement Regulation of the Fund (Min. Finance Decision No 2/16128/0025, Government Gazette B' 476/2014), as in force (the "**Procurement Regulation**").

3.2. Upon receipt of the relevant notice of the Fund, each Fairness Opinion and each Opinion on the Process, as so requested by the Fund, will have to be submitted within one (1) week as of the date of receipt of the said notice.

3.3. Maximum Budget: The maximum available budget for the assignment for the Fairness Advisor, including any expenses that may be incurred by the Fairness Advisor for the performance of its services, is two hundred thousand euros (**€200,000**), plus VAT. The above available budget includes any and all services required for the Fairness Opinions and the Opinion on the Process, as so requested by the Fund.

4. NECESSARY QUALIFICATIONS

HRADF invites banks providing investment banking services and investment services firms (ΕΠΕΥ) to submit their proposals in writing, which should include the following:

4.1. Proof of experience in conducting valuations and in rendering fairness opinions. Previous experience in the preparation of opinions on the process will be highly appreciated (**Dossier A'**);

4.2. Presentation of the proposed approach to the assignment, key assumptions and considerations, and methodologies to be used for valuation purposes (**Dossier B'**);

4.3. Proposed team composition including relevant experience of the senior members of the team during the past five (5) years. Emphasis will be placed on the qualifications and experience of the project manager and team members assigned to the project. 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 C'**);

4.4. Proposed fees for the submission of the Fairness Opinions and Opinion on the Process to the Fund as set out under Maximum Budget (**Dossier D'**).

4.5. Interested parties and each member of their proposed teams must declare in writing that they do not have a conflict of interest in relation to the contemplated Transaction. Such a declaration confirming the absence of any conflict of interest shall be in effect throughout the term of the engagement of the Fairness Advisor with HRADF.

- 4.6. Interested parties must meet all the qualifications as described above. Interested parties who fail to submit their proposal fully compliant to the required qualifications of this Invitation, shall be disqualified from the Tender.
- 4.7. The Fairness Advisor must observe and abide by the rules provided for in article 7 of 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 provision of Law 3986/2011 and 2.3 of the Procurement Regulation.
- 5.2. HRADF will evaluate proposals according to the criteria set out in Section 4 and in accordance with the table below. The tender will be awarded to 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
Proof of Experience – Dossier A’	20%
Proposed Approach – Dossier B’	25%
Project Team – Dossier C’	35%
Budget – Dossier D’	20%

- 5.4. HRADF may require additional documents and/or clarifications, information, additions or adjustments from the interested parties in connection with any issue related to their proposal.
- 5.5. HRADF hereby reserves the right to require (if necessary), the provision of supplemental services for any update of the awarded services that may constitute a repetition of the similar services pursuant to article 3.5 of HRADF’s Procurement Regulation.
- 5.6. Interested parties should submit their offer, 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 to the e-mail address: info@hraf.gr (for the attention of Mr. Yiannis Zapantis), marked “**OTE: INVITATION FOR EXPRESSION OF INTEREST TO ACT AS FAIRNESS ADVISOR**”.

- 5.7. 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 Section 4 (regarding Dossier A’, B’ and C’) will be invited via e-mail to send the password for Dossiers D’. The interested parties who fail to comply with the above requirements will be notified accordingly. Following the assessment of Dossiers D’, the interested parties (invited to send the password for Dossier D’) will be notified about the outcome of the process.
- 5.8. Offers must be submitted electronically not later than **21 February 2018, 17:00, Athens time**. Offers submitted after the aforementioned deadline shall be deemed inadmissible and thus immediately rejected. In the case of a late receipt, the offer shall not be evaluated.
- 5.9. The Fund 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.
- 5.10. The award of the assignment is subject to the conclusion of a written contract.

6. TERMS AND CONDITIONS

- 6.1. Proposals to be submitted and this Invitation, as well as the engagement letter of the Fairness Advisor for the Transaction, are 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. The interested parties accept hereby the approved expenses policy of HRADF on the reimbursement of expenses to be incurred by them in case of award of the tender.
- 6.3. 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 Hellenic Corporation of Assets and Participations (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 proposal 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.** The Fund reserves the right to amend the engagement with the Fairness Advisor in order to include complementary services that shall be deemed required and cannot be identified today, but shall prove to be of real importance for the engagement and their separation from the engagement would cause a significant problem or delay for the Transaction, or services that shall be deemed absolutely necessary for the completion of the Transaction.
- 6.5.** 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.
- 6.6.** Any dispute arising under, or out of, or in connection with the present Invitation, including the Expressions of Interest submitted and the engagement letter of the Fairness Advisor for the Transaction, shall be subject to the exclusive jurisdiction of the Courts of Athens, Greece.