



**INVITATION FOR EXPRESSION OF INTEREST TO ACT AS A FINANCIAL ADVISOR TO HRADF IN
RELATION TO THE RIGHT IN THE UNDERGROUND NATURAL GAS STORAGE FACILITIES IN SOUTH
KAVALA (UGS)**

Athens, 18th of July, 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), by virtue 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 decision no 195/27.10.2011 of the Inter-ministerial Committee for Asset Restructuring and Privatisations S.A. (“ICARP”) of the Hellenic Republic, by virtue of which HRADF was granted the right to convert and develop the depleted offshore natural gas field of South Kavala into the country’s first Underground Gas Storage (“UGS”) facility,
 - vi. the provisions of the updated Asset Development Plan of the HRADF, as approved by HRADF’s BoD and endorsed by means of a relevant decision by the Government’s Council for Economic Affairs and Policy on the 7th of June 2018,
 - vii. the provisions of the Procurement Regulation of 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, and 2.6.
- 1.1.** The Asset Development Plan of HRADF, as approved, foresees the development and exploitation of the country’s first Underground Gas Storage (“UGS”) facility in the depleted offshore natural gas field of South Kavala which lies approximately 30 km south from the city of Kavala in Northern Greece (the “Project”). The UGS is an energy infrastructure that will enhance security of supply in



the Greek market and will improve the management of the natural gas suppliers' portfolio. This infrastructure will make a decisive contribution in optimizing its operation (gas hub) and will enhance the energy security of the gas market (security of supply) at both national and European level for the benefit of the final consumer. It is noted that the project has already been included in the list of Projects of Common Interest - European Commission (PCI) adopted on 17 October 2017 by the European Commission and the Member States in the PCI Regional Group Meeting.

- 1.2. HRADF is seeking to appoint a leading investment bank ("Advisor") to advise HRADF in assessing alternative development and exploitation options for the Project and in structuring and implementing the respective transaction ("Transaction").

2. Scope of Work

The assignment will include the following:

2.1. During the **Preparatory Period** (inter alia):

- Review any relevant available data, including, all existing historical financial, strategic and operational work done to date relating to the UGS;
- Review and assess legal and regulatory material, as well as ownership, business and market issues associated with the Transaction from a financial point of view, and co-ordinate with other HRADF'S advisors, as deemed necessary, in identifying any issues that may affect the process and the Transaction;
- Assess the impact of the above developments on the UGS business case and the Transaction; recommend where appropriate any preparatory action towards the maturing of the Project;
- Assist HRADF in any communication with third parties (i.e. Hellenic Republic, RAE, EU Institutions etc);
- Assess the strategic, business and financial options available to the HRADF in connection with its privatisation objectives. Determine and structure the best available privatisation option for the HRADF that will maximize value and attract potential investors;
- Identify the universe of potential investors, explore and evaluate potential interest;
- Design, prepare and coordinate, together with HRADF'S other professional advisors, all necessary procedures required for the implementation of the tender and the Transaction such as, indicatively, data room establishment and administration, coordination and preparation of site visits, any other action required in relation to the proposed course of action to implement the Transaction;
- In conjunction with HRADF'S other advisors, submit a recommendation to the HRADF in respect to the Transaction, which will include, among other things, a set of options and the Advisors' recommendation from a strategic, business, financial and operational point of view, in relation to the proposed course of action for the HRADF to consider relating to the Transaction taking into account, inter alia: value maximization, investor interest optimization, etc.; prepare and present the optimal Transaction structure with its key assumption parameters and respective time-lines for its execution (the "Recommendation");



2.2. During the Implementation Phase (inter alia):

- Assist, in co-operation with any other professional advisors, in the co-ordination of the Transaction process from initial preparation to the final negotiation and consummation of the Transaction, which may include, but is not limited to, the following:
- Advise and where appropriate assist the 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;
- In conjunction with HRADF's other advisors where appropriate, evaluate from a financial/business point of view any proposal made by any potential investor, and submit their written recommendations to the HRADF;
- Work with the HRADF's other professional advisors to prepare any and all customary documentation and organize all relevant procedures required for the Transaction (including but not limited to, Invitation for the Expression of investor Interest, Request for investor Proposals, draft transaction documents, confidentiality agreements, and any other document(s) required for the Transaction, etc.);
- Assist and advise the HRADF in relation to the closing of the Transaction and the fulfillment of any conditions thereof.
- Provide to the Board of Directors of the HRADF any required recommendation justifying the proposed course of action in the different steps of implementation of the Transaction up to Closing.

3. Duration and Budget

- 3.1. Duration.** The duration of the engagement shall be thirty (30) calendar months or until the completion of the Transaction (whichever event occurs first). An extension of the duration of the engagement may be agreed upon if such is deemed necessary for the completion of the Transaction.
- 3.2. Retainer Fee.** The maximum available budget for retainer fees for the assignment is Euro 20.000 per month (excluding VAT).
- 3.3. Success Fee.** Upon successful completion of the Transaction, the Advisor will be entitled to a capped success fee (the "Success Fee") calculated on the aggregate value generated by the Project and to HRADF. The Success Fee shall be payable upon successful completion of the Transaction. Any Retainer Fee shall be fully off-settable against the Success Fee.

4. Qualification and Criteria

The Interested Parties should be able to demonstrate their standing and professional experience in relation to the assignment tendered. In particular, the Interested Parties should be able to demonstrate:

- 4.1. Track Record & Experience:** Proof of relevant experience in the provision of expert advisory services and financial services in recent transactions in the energy sector and particularly in the gas sector (preferably within the EU). Experience in gas storage transactions will be highly



appreciated. The Dossier should include obligatorily a catalogue of all the relevant projects in which the interested party has participated in the last five (5) years (**DOSSIER A'**).

- 4.2. Project Team:** Proposed team composition for the Transaction and its proposed structure, including the definition of the engagement leader and of the senior members of the team. Inclusion of, or cooperation with, gas technical experts on the subject matter will be highly appreciated. The Dossier should also include the CVs and a 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 (**DOSSIER B'**).
- 4.3. Methodological Approach:** The Interested Parties should present an understanding of the context of the Transaction, identify the business, regulatory and other critical issues related to it and submit in their proposal a description of the proposed approach to the assignment, specify the deliverables, and include an indicative timetable (**DOSSIER C'**).
- 4.4. Budget:** The Dossier should include a detailed budget analysis and structure for the fees quoting and analyzing separately the following: a) retainer, b) percentage of success fee, c) maximum success fee and d) expenses capped at a fixed amount. The kind of expenses and their settlement will have to comply with the Project 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 at the time of the Submission of the Expression 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 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 particularly their professional code of conduct and 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 Regulation, 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' | 30% |
| Methodological Approach - DOSSIER C' | 10% |
| Budget - DOSSIER D' | |
| Retainer | 5% |
| Maximum success fee (Budget cap) | 15% |
| Percentage success fee | 15% |

- 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 TO HRADF IN RELATION TO THE RIGHT IN THE UNDERGROUND NATURAL GAS STORAGE FACILITIES IN SOUTH KAVALA (UGS)"**
- 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 29th of August 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.

6.6. INFORMATION FOR PERSONAL DATA PROCESSING

I. Information

The Hellenic Republic Asset Development Fund ("**The Fund**"), which is based in Athens, 1 Kolokotroni and Stadiou Str, 105 62, Phone: +30 210 3274400, e-mail: info@hraf.gr, informs, in its role as controller, the natural person that the Fund itself (or HCAP, public entities and judicial authorities within their competence) will process the following data:

A. Type and source of data

The personal data included in the present Request for Proposals (the "**RfP**") (indicatively as per Qualification & Criteria in paragraph 4 of the RfP), which is submitted to the Fund in the context of this tender process by a natural person.

B. Purpose of Processing

Processing purpose is the evaluation of the Proposals, the implementation of the Tender Process, as well as of the Engagement Letter, and their monitoring, the safeguarding of the Fund's rights and the security and protection of transactions in general, the fulfillment of the Fund's legal obligations, the prevention of fraud against the Fund, as well as informing Interested Parties with regard to the evaluation of their submitted Proposals as per paragraph 5.6 of the RfP.

C. Recipients of Data

The recipients of the above (under para. A) data with whom data may be shared are the following: Hellenic Corporation of Assets and Participations S.A., public entities and judicial authorities within their competence.



II. Retention period

The data under para. A may be retained for a period starting from the date of their receipt and lasting: (a) for 20 years in case no engagement letter is concluded (b) for 20 years after the termination of the Engagement Letter, in case an Engagement Letter is signed. After the expiration of the above periods the personal data will be destroyed.

III. Rights enforcement

1. The natural person has the right to know which of their personal data are or have been processed, to oppose and to object to the processing of data which concern them for purposes other than those described above in par. I B, as well as to transmit their data to another controller, without the objection of the Fund. For the enforcement of said rights persons concerned may address the Fund in writing (email: dpo@hraf.gr). The enforcement of said rights regarding the processing of personal data of the above para. A. concerns exclusively their correction or update in order for those to be complete and accurate.
2. The enforcement of said rights does not relieve Interested Parties from their obligations deriving from their participation in the tender process.
3. The Fund has the right to deny the request for erasure of any natural person's data if their retention is necessary for compliance with a legal obligation, for the performance of a task carried out in the public interest, for archiving purposes in the public interest, or for the establishment, exercise or defense of legal claims or third-party claims.

IV. Obligations of the Fund

The Fund has the obligation to take every reasonable measure to ensure the confidentiality and the security of personal data processing and the protection of said data from accidental or unlawful destruction, accidental loss, alteration, unauthorized disclosure of, or access to, personal data by anyone, as well as from any other form of unlawful processing. Capitalized terms herein shall have the meaning attributed to them in the RfP.