



Subcontracting and Procurement Regulation of ThPA S.A.

Purpose & scope of work

Purpose

The main objectives of this Subcontracts and Procurement Regulation are:

- To ensure that works, goods and services procured meet the Company's business needs and requirements in terms of quality, safety and efficiency
- To optimize the added value for the Company in terms of cost, quality and delivery time
- To ensure the transparency and effectiveness of the process

Scope of work

The Subcontracts and Procurement Regulation covers all supply categories for all the organizational units of the Company. More specifically, this Regulation applies to:

- Equipment, machinery and relevant spare parts for the port's productive facilities
- Works, maintenance and repair works, studies and services regarding infrastructure, superstructure, facilities, buildings and installations
- Materials and consumables for the operation of all equipment and machinery
- In general, any kind of equipment, machinery, spare parts, materials and consumables for the operation of the Company's administrative facilities
- Installation, maintenance and repair services, as well as operational support services regarding equipment, machinery and facilities
- IT-related equipment, machinery, services, spare parts and general IT hardware and software, as well as telecommunications infrastructure (hardware, software and related services)
- Consulting, auditing and general professional services
- Services related to personnel (car fleet, staff insurance, staff training etc.)
- Maintenance, cleaning and security of the facilities
- General materials and consumables

It is highlighted that the Regulation will not cover the following:

- Categories that have been characterized as Expenses, i.e. purchases of very low value (below €30.000), payments towards the State, Tax Authorities, other Public Authorities, etc.), and/or categories covered by the Company's Expenses Policy (i.e. business and travel expenses, subscriptions, purchase of newspapers/magazines) and that can be approved directly by the Chief Executive Officer; the Deputy Chief Executive Officer; or the Chief Operating Officer.
- Any purchases categorized under existing annual supply contracts that may be in place for certain products and services

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General Principles

Below, we present a list of general principles that govern Regulation:

- The Company treats all prospective suppliers equally and without discrimination and acts in a transparent manner, respecting the principle of proportionality, mutual recognition, protection of individual rights, freedom of competition, protection of the environment and sustainable development.
- The procurement policies are designed to enhance competition by promoting the implementation of the principles and provisions of this Policy and the general principles of law.
- The Company takes all necessary measures to ensure the effectiveness of procurement processes and the sound management of all resources allocated for this purpose.
- The Company ensures that this Regulation is based on reasonable and market-based conditions and criteria, in order to distinguish the alternative tender and award process.
- The Company ensures that all contractors comply with all existing obligations in the areas of environmental, safety, social and labor law enacted by EU law, national law, collective agreements or international provisions of environmental, social, labor law and tax law (where applicable). This requirement is indicated in the tender documents and constitutes a special condition for the performance of the contract. The breach thereof by the contractor may constitute grave professional misconduct of the prospective supplier that will allow its exclusion from a subsequent procurement procedure.
- The Company ensures that all candidates or tenderers receive simultaneously identical information. All terms, clauses, technical specifications, selection and award criteria, and award documents contained in the tender documents must be the ones required and appropriate for the purpose pursued.
- The Company does not disclose information submitted to it by prospective suppliers, which they have designated as confidential, including, without limitation, restricted information of commercial or technical nature and confidential aspects of their offer, especially when such confidentiality is enshrined in legislative or regulatory provision.
- The Company takes all appropriate measures to effectively prevent, identify and remedy conflicts of interest arising in the conduct of procurement processes including the design and preparation of the procedure and the preparation of contract documents, to avoid any distortion of competition and to ensure equal treatment of all prospective suppliers.
- The Company can exceptionally divert from the above rules if it is on the Company's best interest and does not violate transparency. In such cases, the Company will have to substantiate its decision to divert from the above rules and it has to be accomplished and approved at the level of the Board of Directors.

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1. Roles and Responsibilities

- ThPA's Chief Executive Officer (CEO) is responsible to ensure corporate-wide adherence to the provisions of this Policy.
 - ThPA's Procurement Department is responsible for the overall implementation of this Policy and to continuously monitor its effectiveness and performance
 - The Evaluation Committee is responsible for setting technical evaluation criteria and performing the overall evaluation.
 - All ThPA S.A. employees involved with the procurement of works, goods and services are responsible to abide by the provisions of this Policy.
 - The Company can involve third party consultants in case either it does not have the expertise and / or it needs an objective opinion of a third party. This third party should of course have experience in the specific issue requiring such an opinion.
- ❖ The Evaluation Committee composes of at least three members and is specified for every tender. It composes of the following regular members:
- o ThPA's Head of Procurement
 - o ThPA's Chief Financial Officer (CFO) or Financial Manager
 - o The Manager of the Department requesting the supply of works, goods and services (Requesting Department)
- Depending on the requirements of the tender, the Evaluation Committee can include additional members, such as:
- o ThPA's Head of Legal Department, in cases of complex legal or regulatory requirements
 - o ThPA's Chief Operational Officer (COO), in cases of technical equipment or machinery
 - o ThPA's Chief Executive Officer (CEO), in case of works, goods and services that are of high value or of critical strategic importance to the operation of the Port
 - o Any other officer of the ThPA S.A., at the discretion of the Competent Body.

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2. Selection of the purchasing process

Process Options	Key Points
Open procedure	<ul style="list-style-type: none"> • In an open procedure, any interested prospective supplier can submit an offer. • A Request for Proposal (RFP) is issued and properly publicized to reach all interested parties • Minimum participation requirements, technical specifications, evaluation criteria and respective weighing are defined (details are described in following sections). • The minimum time limit for the receipt of offers is fifteen (15) days from the date on which the notice was issued and properly publicized. The Company's Management has the authorisation to proceed with an accelerated Request For Proposal in extraordinary cases, e.g. if there are public safety and health issues at stake, or if the existing situation leads to significant losses for the Company (e.g. if a port crane is out of order).
Closed / restricted procedure	<ul style="list-style-type: none"> • In the restricted procedure, an offer may be submitted only by those prospective suppliers who have specifically qualified on the basis of the qualitative selection criteria and have been invited to do so by the Company. • The Company may restrict in advance the number of suitable candidates to be invited on the basis of objective criteria, but the Company's Management shall be able to justify why (e.g. only a few firms are qualified to fulfil the specific type of requirement, certain conditions warrant the use of a limited number of firms in order to reduce the time and cost of the selection process, etc.). • The number of qualified candidates must always take into account the need to ensure adequate competition. At any case, the Company shall invite to tender at least three (3) potential providers, while a minimum number of three (3) answers is requested, except in cases duly justified by the Company's Management. • The minimum time limit for receipt of offers is ten (10) days from the date on which the invitation was sent. The Company's Management has the authorisation to proceed with an accelerated Request For Proposal in extraordinary cases, e.g. if there are public safety and health issues at stake, or if the existing situation leads to significant losses for the Company (e.g. if important equipment is out of order).
Direct award	<ul style="list-style-type: none"> • The Company may use the direct award procedure and select, following a market research, the economic operator to whom an invitation is addressed in order to negotiate with the Company the award of the specific contract. • This procedure is selected only under special circumstances (e.g. due to specialized know-how and professional experience, for reasons of extreme urgency brought about by events unforeseeable by the Company, etc.). • The direct award can also be selected in cases of oligopoly or monopoly which inevitably lead to a single supplier. • At any case the amount of one specific direct award cannot exceed the level of €50,000, while the total amount of direct awards during the 3-month validity period of the existing Fast-Track Policy can not exceed the level of €500,000.

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3. Issue of RFQ / RFP

The Procurement Department prepares the documents required for the Request for Proposal (RFP) after consultation with the Company's CFO / Finance Manager, in cases where the budgeted expense is stated. The terms referred to in the RFP should be clear and complete so as to allow the submission of robust and comparable offers. The Procurement Department sends the RFP to the selected suppliers, while it is responsible for providing any clarifications requested.

The Procurement Department and Relevant Department (i.e. Initiator) are responsible for RFP elaboration and shall co-sign it. The RFP should be approved by the CCO and COO, before submitted to the CEO for final approval.

- The RFP should be in writing, in English or Greek. In case of discrepancy between the English and the Greek text, the Greek text shall prevail.

The RFP should include at least the following:

- Detailed description / technical specifications of the works, goods or services
 - Desired date of receipt / starting date
 - Estimated duration of use
 - Required support services (e.g. guarantees, technical support, training).
 - Deadline for submitting the offer o Desired terms regarding payment and receipt (optional)
 - Other terms and conditions critical for the Company
 - Any other necessary item so that the supplier is in position to provide the needed service as per the Company requirements
- The Company may require the tenderers to provide, as the case may be, a Participation Bond, the amount of which is set out in the RFP and may not exceed 5% of the estimated value of the contract, net of VAT.
 - In the case of restricted procedures, the same RFP is made available to the selected candidates, simultaneously and through electronic means.
 - In the case of open procedures, the Company will publish the RFP on its website, and in any other means, as the case may be.
 - In case a supplier needs clarifications and if it is decided that these clarifications are to be provided, they should be sent in writing to all participating suppliers.
 - Any questions regarding the clarification of, or request for, additional information must be forwarded in writing (via email) to the authorised procurement staff member handling the tender process before the submission of the quote / bid.
 - Cut-off date for all clarifications will be 3–5 working days prior to the tender closing date.

After the submission of an official bid against tenders, the bidder must not contact any person(s) within the Company on any matter relating to their bid. The Company's Procurement Department will contact the suppliers / bidders in case any further clarification is required.

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4. Evaluation of offers

- The Evaluation Committee, in coordination with the Requesting Department, where required, is responsible to determine:
 - The relevant weight between the technical and the financial offers
 - The evaluation criteria of the technical offer, as well as the potential weighing of each criterion
 - Minimum acceptance levels of the technical offers
 - Potential quotas to allocate the supply among several suppliers
 - Potential preferred characteristics of financial offers (e.g. discounts, payment deferral, etc.)
- The Procurement Department collects all offers, sent in writing or electronically (in Greek or English). The offers are confidential and the Procurement Department is responsible for preserving the confidentiality of their content
- Evaluation criteria should be specified in the tender documents. The selection of the supplier can be made on a combination of several criteria which typically include, but are not limited to:
 - Ability to meet the requirements of the tender
 - Innovation offered
 - Delivery times offered
 - Quality offered
 - Previous performance of tenderer
 - Experience of tenderer and personnel proposed
 - Capability of tenderer, including technical, management, human resource, organisational and financial capability and capacity
 - Skills acquisition and retention, and knowledge management
 - Wider criteria such as environmental management issues, health and safety issues, etc. - even when these criteria are not directly related to the supplied goods / services – as part of the overall corporate social responsibility objectives
 - Specificities of the Port of Thessaloniki
- The Technical Evaluation is conducted according to the predetermined criteria, with the specific weighting factors and the specificities of the Port of Thessaloniki.
- At any case, the Technical Evaluation precedes the Financial Evaluation
- After the completion of the overall evaluation (technical, financial), the Procurement Department can proceed to negotiations with the supplier with the highest rating, before or after the award
- Shortlisting of candidates is also possible and should be specified in the tender documents. In this case, the Company proceeds to an additional round of negotiations with the 2 or 3 suppliers with the highest ratings.
- Upon completion of the evaluation and relevant negotiations, the Procurement Department drafts the relevant recommendation for supplier selection.
- The selection of the supplier(s) is approved by the relevant bodies based on the Approval Tables of the Annex. The body authorized to approve an agreement is also responsible for any adjustments and for terminating the contract.

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5. Company's right to amend, supplement or cancel tenders

The Company, without liability, cost or penalty, may do all or any of the following acts:

- At any time prior to the closing of the procedure, alter the date and/or time specified as the Closing Time;
- At any time prior to or after the Closing Time, alter any other dates in the tender
- From four (4) to eight (8) calendar days before Closing Time, amend or supplement this tender
- At any time prior to or after the Closing Time, cancel the tender:
 - due to irregular conduct, where such an irregularity affects the result of the procedure
 - if the Company justifiably deems the result of the procedure unsatisfactory
 - if the competition is insufficient or if there is a serious indication that tenderers acted in concert so as to avoid actual competition or if the needs of the Company have changed significantly

Any amendments or supplements to the procedure shall be communicated to respondents in the same manner in which this RFP was issued. Any amendments or supplements made in any other manner shall not be binding.

The Company should also has the right to negotiate before the award with the Bidder that has the best offer, either before the award or after the award.

6. Extension of existing contracts

The extension of a contract is approved by the relevant bodies based on the Approval Tables of the Annex., under the following conditions:

- The original contract subject of the extension was awarded as a result of an open or restricted tender.
- The new contract cannot be awarded anytime before or within a month after the expiration of the term of the original contract.
- The terms and conditions of the extended contract are identical or more advantageous and at no additional cost compared to the existing signed contract.
- The extension includes a clause of termination at the option of ThPA S.A., with no more than 3 months notice.
- A contract can be extended for a maximum of two (2) times, unless exceptional circumstances apply.
- Any contract extension must be subject to the condition that the service provider has not violated any of the provisions of the original contract.

In any case, the Approval Body shall clarify and certify that the contemplated extension is merely an emergency measure to maintain status quo in the operations of the Company and to avoid interruption of service, or facilitates the smooth operations of port services.

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ANNEX - Approvals & approval limits

The Company has defined approval levels and limits regarding the procurement decisions, as part of this Fast-Track Policy. Authorizations in the various steps of the process are provided according to these approval levels and limits.

Approval table for supplier selection, based on value (€)

Value	Approval Body
Up to €150,000	ThPA S.A. Chief Executive Officer (CEO)
Up to €1,000,000	ThPA S.A. Executive Committee
Above €1,000,000	ThPA S.A. Board of Directors

Following a Board of Directors' decision and under specific circumstances, the Board can delegate its approval power (for amounts above €1,000,000) to the Executive Committee, provided that this is done specifically for a pre-defined tender.