

TENDER FILE: GestorFondo2018

DATE: 18th January 2018

Selection of a private equity management company to form and manage a Spanish Private Equity Fund where COFIDES/FIEX and SGRF commit to invest EUR 200 MM

CLARIFICATIONS TO THE BASIS # 1

A. GENERAL

QUESTION/ISSUE	ANSWER
<p>1. Timing for compliance by the Participant of its qualification as OECD regulated private equity manager and possibility for future transfer of the role as Management Company to an affiliated fund manager.</p>	<p>Participants must comply with such regulatory requirement at least at the date of submitting their proposals. The Participant selected as Management Company must close the Fund in accordance with the Basis, no transfer of such role is envisaged in the Basis, even intragroup to any affiliate.</p>
<p>2. Does the following documentation, or similar official documents issued in origin in Spanish by Spanish authorities, need to be translated into English?</p> <ul style="list-style-type: none"> • Public deeds; • Extracts issued by the Commercial Registry; • Registration certificates issued by CNMV and the Commercial Registry; • Annual Financial Statements. 	<p>No, said documentation can be provided in Spanish language without translation.</p>
<p>3. Groups with more than one potential Participant or different management companies.</p>	<p>Documentation related to the Participant as entity to be selected as Management Company must refer to a single entity, not a group of companies or different entities that might comply with the Basis to be selected. If documentation related to the Participant (in particular, attachments to ENVELOPE A of Phase I) is referred to several affiliated entities, such proposal shall be refused for all of them.</p> <p>Notwithstanding the above, requirements of the technical offer related to background should be submitted at a group level.</p>

4. In relation to Attachment 1 of ENVELOPE A (Phase I), is it sufficient to provide Public Deed of Incorporation duly registered in the Commercial Registry plus By-laws currently in force and registered in the Commercial Registry?	Yes. In the event of any doubt in relation to this documentation, Investors might request additional clarification information / documentation.
5. Clarifications on minimum experience required either to 3 Key Members and the key managers of the Fund Investment Team	The number of years required as minimum experience is not flexible threshold, less than that limit would mean noncompliance with the requirement, regardless whatever time left to reach it. Such experience must be accredited in relation to each and every of the persons involved (not at an average level).
6. Please clarify the meaning of “Madrid-based structure”	Due to the special characteristics of the Fund in terms of capital structure, the SGRF secondment and the COFIDES’ offices in Madrid, it is required that the Participant has offices in Madrid where the Fund Investment Team is habitually located.
7. Has the completed form from Annex II.C to be put in Envelope C (p. 7) or in Envelope B (p. 59)?	There is an error in heading of Annex II.C (Economic offer affidavit). It should say ENVELOPE “C” instead of “B”. For the avoidance of doubt, this affidavit with the economic offer of Phase I must be submitted in a separate envelope (ENVELOPE C) from the other envelopes (A and B).
8. Has Annex III.B to be included in Envelope B as it says in the heading or to the other documents of the Economic Offer in Envelope C?	Annex III.B is referred to Phase II economic offer. ENVELOPE C is referred to Phase I economic offer. So, such offers must be filed at different stages. For the avoidance of doubt and in accordance with Section i) FIFTH Clause of the Basis, final technical and economic offers in Phase II must be submitted in two different envelopes (ENVELOPE A and B respectively).
9. Management Company Group Structure.	Please include shareholder structure and especially other companies in the Group (in case there are more than one management company, advisors or any other company). Corporate bodies are not required. Please include an organisational chart if it is necessary to understand the Group’s structure.
10. Elimination of the reference “Pre-Candidates” and other typographical errors in Annexes II and III.	References to “Pre-Candidate/s” must be deemed as referred to “Candidate/s”, except in Annex II.C which refer to “Participant/s”. Please see updated Annexes II and III in word format published in the <i>Plataforma de Contratación del Sector Público</i> .
11. Can part of the management fees paid by the new fund be taken into account to cover the Management Company’s capital contribution?	In order to comply with the requirements of the Basis, the Management Company has to demonstrate financial solvency to cover the manager’s capital commitment without the source of the Fund Management Fee

B. MANAGEMENT REGULATIONS (Annex I)

1. Inconsistency between the index, numeration of clauses and cross references of the Management Regulations.	An updated version of the Management Regulations, just amending such clerical errors, was published in the <i>Plataforma de Contratación del Sector Público</i> on 9 th January.
2. Side letters.	Aside from the documentation mentioned in the Basis, which will have to be signed or formalized under the terms and conditions described therein, it is not envisaged the negotiation of any other document or side letter.
3. Who will bear the Tender Process Costs over 80,000 EUR?	As these costs are incurred by the Investors, they will bear the excess over such threshold, which therefore will not be a Fund's cost.
4. In the event of incurring the Fund in costs different from legal costs (as stated in the Management Regulations) and Tender Process Costs, ¿who will bear with such costs?	Clause 7.4 of the Management Regulations provides the rules on Fund expenses. The Fund will not be responsible for other establishment costs (in particular, expenses of Management Company's legal advisors) different to the ones defined as Establishment Costs.
5. Please clarify reference to "Investor's Extraordinary Resolution" in Clause 11.2 of the Management Regulations.	Yes. the term "Extraordinary" must not be considered. Correct reference is "Investor's Resolution".
6. Certain percentages (such as in the distribution waterfall) are in square brackets. Can they change?	Yes, as they depend on the economic offer submitted. The percentages indicated in the Management Regulations are the thresholds for bidders to compete on.
7. Clause 20.1 Management Regulations regulates timing and policy for Distributions. In the event of the existence of a short term third party financing in the Fund, could this financing be repaid in advance with the receipt of incomes before the Distribution is made?	This Clause just refers in general terms to the fact that the Fund will make Distributions as soon as possible after the Fund receives income. It does not say that the Fund cannot attend its own obligations from the income received which is the case.
8. Valid constitution of the Investment Committee (Clause 8.3 of the Management Regulations).	There is a mistake on the fifth paragraph. Reference to the "Investment Manager" should not be considered. The correct wording is: <i>"For the valid constitution of the Investment Committee, at least [one (1) of the members appointed by the Management Company and at least one (1) member appointed by each Investor whose Investment Commitments exceed ninety (90) million euros, must attend"</i>

9. Limitation provided in first paragraph of Clause 10 Management Regulations is referred only to future funds or also to current funds under management (Previous Funds)?	Only to future funds. Notwithstanding, provisions on conflict of interest must be complied with in relation to Previous Funds. For the avoidance of doubt, the existence of such Previous Funds it is not a cause to exclude the proposal of the Participant.
10. Would be potential portfolio companies with shareholders and/or stakeholders in Spain but domiciled in other countries named in the “Geographical scope” section as well relevant investment opportunities? Could you please specify the Geographical Scope?	Potential portfolio companies will be Spanish domiciliated companies or its subsidiaries. Geographical Scope as per Clause 5.3.1 of the Management Regulations

C. TECHNICAL OFFER (Annex II.B)

1. Does point 1. onwards after point 4. still belong to the same form in Annex II.B?	Yes, please see updated word document in the <i>Plataforma de Contratación del Sector Público</i> .
2. The following definitions in the Management Regulations are pending to be drafted: Key Executives, Key Executives Departure and Underperformance. We understand that we are expected to draft a proposal of wording for these definitions. Please clarify where in the offer shall these proposals be included.	A wording proposal is not required, please include in Annex II.B Table 7 (new version) % of time dedicated to the new fund estimated and committed, the last one is to be included in the MR if the Candidate is selected. As to the underperformance, no wording is required, please included in Annex II.B Table 8 (new version) minimum deployment proposal
3. Audited financial statements of previous funds	Please include only 2016 audited financial statements
4. Deal origination information	Please include origination of deals that has achieved a high level of analysis, completed Due Diligence.
5. Adequacy of Management Company Deals to Fund Investment Policy	It includes investing in Spanish companies with a strong international business and / or with add-on investments. Please note that industrial and geographical area will also be contemplated.
6. Deployment Plan/Investment Activity	Please include Deployment Plan in Annex II.B Table 8 (new version) minimum deployment proposal, please note that such proposal will be used as KPI for the underperformance clause if the Candidate is selected.
7. Experience of Team in Spanish PE Market	Please include individual experience of each of the Fund Investment Team members. Experience will be considered on an individual basis and not on average.
8. Experience of Team in Relevant Investment Area	Please include individual experience of each of the Fund Investment Team members. Experience will be considered on an individual basis and not on average
9. Role of Fund Investment Team in previous relevant deals	Please include role of each individual person of the Fund Investment Team in previous relevant deals.

10. Should we provide the information in Annex II.B for the whole Fund Investment Team or only for the 3 Key Members?	The whole Fund Investment Team.
11. Do you desire additional documentation about previously managed funds besides the table in Annex II.B?	Please include any documentation accrediting the information displayed on the table.
12. What is the difference between the table in 1 and the table in 3?	Table 1 is foreseen to include Management Company experience. Table 3 to include the Fund Investment Team experience. Some of the information could be repeated if necessary
13. Does the table in 3 refer to the individual Private Equity Experience and should be added to every CV?	Yes, it should be a summary of the CVs
14. For the description of the most typical deals, should we name at least 3 of our deals that are representing well our typical deals, or should we name at least 3 characteristics of a typical deal for us?	At least 3 of your deals that are representing well your typical deals.
15. Should Liquidated Funds be named as well in the table after the CV description? Should they be included for each Key Member on an individual basis depending on their own professional experience?	Yes
16. Is it sufficient to take the Vintage Year as for each Fund, or is the exact date desired?	It is sufficient to take the Vintage Year for each Fund
17. Down to which organizational level should the proposed team structure reach?	It should include all levels, but the most basic levels can be included as a profile
18. Second table of Annex II.B. 7, related to previous funds in which members of the Fund Investment Team have participate	Please include the Table in CVs Please read the previous sentence as: <i>"in addition, please fill in the below template"</i>

D. SCORING TABLE (Annex IV)

1. Are the minimum requirements for the Economic Proposal scored at 1?	Minimum requirements will be scored at 0
2. Could you please specify under the point <i>"Origination capacity of funds managed or under management"</i> if the Identified Deals only refer to executed deals or received opportunities by the Management Company?	Please include deals that have achieved a high level of analysis, completed Due Diligence
3. In which section should a deployment plan be integrated? Is it in the Commercial Plan in Annex II.B? How detailed should the Commercial Plan be?	Please include your deployment plan in Annex II B Table 8 (new version), please include your minimum deployment proposal as well, please note that such proposal will be used as KPI for the underperformance clause

	if the Candidate is selected. Detail as per your discretion.
4. How are categories scored that fall below the 1 scoring point mark in the table (e.g. current number of funds above 2)?	They will be scored at 0.
5. Does "Size of funds managed or under management" refer to the size of the individual funds, or the size of Assets under Management?	It refers to the size of the individual funds.
6. Could you please define the terms "current number of Funds under Management" and "past number of Funds under Management"?	Past number of funds are funds already closed; current are funds still under management.
7. Management Company Group Structure. Simple vs. Via Structure	Cleanest of Group, visibility of internal fees and lack tax structures will be valued
8. Team Experience working together	Fund Investment Team are the individual persons assigned to the Fund, maximal punctuation to be achieved if all relevant investment team members have been working at least 5 years together
9. How are offers valued that are between the values of the scoring card?	For the Technical Offer, values to be taken as stages, if the upper stage is not achieved, the lower will be considered. For the economical offer, lineal values will be taken.
10. How will be determined if the Management Company's origination capacity is through proprietary deals or through Third Party/Auction?	Based on the documentation provided and on additional documentation to be provided if required
11. "Role of Investment Team in relevant funds" Determination of degree of involvement	Based on the documentation provided and on additional documentation to be provided if required
12. Track Record of Profitability of funds managed or under management	Mainly through net IRR on a weighted basis balanced with the resto f profitability ratios

N.B.:

- *Unless otherwise indicated, terms in Capital will have the meaning defined in the Basis or the Management Regulations, as the case may be.*
- *References to Clauses of the Management Regulations must be understood to the updated version published in the Plataforma de Contratación del Sector Público on 9th January.*
- *Questions may have been redrafted to group different queries on the same issue, to provide a more comprehensive clarification on the issue raised or other similar causes.*
- *Please note that on 11th January an extension of terms for the clarification period (new deadline 19th January 14:00h. Madrid Time) and filing of Phase I proposals (new deadline 2nd February 14:00h. Madrid Time) was published in the Plataforma de Contratación del Sector Público (Expediente: GestorFondo2018).*