



**GOVERNMENT OF PAKISTAN  
MINISTRY OF PRIVATISATION  
(PRIVATISATION COMMISSION)**

**REQUEST FOR PROPOSAL (RFP)**

**HIRING OF FINANCIAL ADVISOR FOR  
OUTSOURCING / CONCESSION OF**

**JINNAH INTERNATIONAL AIRPORT, KARACHI (JIAP)  
AND  
ALLAMA IQBAL INTERNATIONAL AIRPORT, LAHORE (AIIAP)**

*Islamabad, 27, April 2026*

**PRIVATISATION COMMISSION**

4th Floor, Kohsar Block, New Pak Secretariat, Constitution Avenue, Islamabad

Phone: +92-051-9217973 | Email: [dgadmn@privatisation.gov.pk](mailto:dgadmn@privatisation.gov.pk)

## I. Letter of Invitation

*Islamabad, the 27, April 2026*

Dear Sir / Madam,

This Request for Proposals (RFP) has been addressed to Interested Parties / IPs for the appointment of a single Financial Advisor for the **Outsourcing / Concession of Jinnah International Airport, Karachi (JIAP) and Allama Iqbal International Airport, Lahore (AIIAP)**. A single Financial Advisor (or Consortium) will be appointed to advise on both Transactions under one Financial Advisory Services Agreement (FASA).

- The Financial Advisor is being hired in accordance with the provisions of Privatisation Commission (Hiring of Financial Advisors) Regulations, 2018 and shall be selected under the Quality & Cost Based Selection (QCBS) procedure as described in this RFP.
- The RFP includes the following documents:
- Letter of Invitation
  - Instructions to Financial Advisors and Data Sheet
  - Technical Proposal — Standard Forms
  - Financial Proposal — Standard Forms
  - Annexure A: Terms of Reference — Jinnah International Airport, Karachi & Allama Iqbal International Airport, Lahore
  - Annexure B: Draft Financial Advisory Services Agreement (FASA)

IPs are required to submit their Technical & Financial Proposals along with a mandatory non-refundable processing fee of **USD 1,000/-** (United States Dollars One Thousand, or equivalent PKR at the exchange rate prevailing 3 days prior to submission) by banker's cheque or wire transfer to the following bank account:

For payment in US\$, please use the following account:

Bank:	National Bank of Pakistan
Account Title:	Privatisation Commission
Account Number (IBAN):	PK22NBPA0341003035237661
Beneficiary Bank:	National Bank of Pakistan, Main Branch (0341), G-6 Islamabad
Swift Code:	NBPAPKKA02I
Correspondent Bank:	JP MORGAN CHASE, NEW YORK
Correspondent Swift Code:	CHASUS33

For payment in PKR, please use the following account:

Bank: National Bank of Pakistan  
Account Title: Privatisation Commission Interest Bearing Account  
Account Number: 3035236082  
IBAN: PK72NBPA0341003035236082  
Branch Code: 0341 — Main Branch, Islamabad  
Beneficiary's Name: Privatisation Commission, Islamabad

Yours sincerely,

**Privatisation Commission**

4th Floor, Kohsar Block, New Pak Secretariat, Constitution Avenue, Islamabad.  
Phone: +92-051-9217973 | Email: [dgadm@privatisation.gov.pk](mailto:dgadm@privatisation.gov.pk)

## II. Instructions to Financial Advisors / Interested Parties

### Definitions

Term	Definition
"Airport"	"Airport" means collectively Jinnah International Airport, Karachi (JIAP) and Allama Iqbal International Airport, Lahore (AIIAP), or individually as the context requires.
"Client"	"Client" means Privatisation Commission (the "PC") established under the Privatisation Commission Ordinance, 2000.
"Consortium"	"Consortium" means a group of body corporates or firms that have agreed to be jointly and severally responsible for the obligations under the FASA.
"Consortium Lead"	"Consortium Lead" means a body corporate or firm, which is a member of a Consortium and has been nominated by other members as Consortium Lead. A Consortium can only have one (01) Consortium Lead.
"Data Sheet"	"Data Sheet" means such part of the Instructions to IPs used to reflect specific conditions of the transactions.
"Evaluation Committee"	"Evaluation Committee" means a committee constituted by the Chairman, comprising not less than three persons with the purpose of evaluating the technical and financial proposals submitted by the Interested Parties.
"FA"	"FA" means an external Financial Advisor hired by the Client to advise on a major privatisation as defined in the Privatisation Commission (Hiring of Financial Advisors) Regulations, 2018.
"FASA"	"Financial Advisory Services Agreement" or "FASA" means the Agreement to be signed between the Client and the Financial Advisor for Private Sector Participation in JIAP and AIIAP through privatisation (the Transactions).
"Federal Government"	"Federal Government" means the Government of Pakistan.
"Interested Party" / "IP"	"Interested Party" or "IP" means a body corporate or firm or Consortium which has submitted the technical proposal and the financial proposal and paid the fee, if any.
"Proposals"	"Proposals" means both the technical proposal and the financial proposal submitted to the Privatisation Commission.
"Sub-Contractor"	"Sub-Contractor" means an entity to whom the IP intends to subcontract part of the services while remaining responsible to the Client for performance under FASA.

<b>"TOR"</b>	"Terms of Reference" or "TOR" means the Terms of Reference attached with this RFP, which explain the objectives, scope of work, activities, tasks to be performed and responsibilities of the Financial Advisor.
<b>"Third Party"</b>	"Third Party" means any person or entity other than the Sub-Contractor engaged by the IP / Financial Advisor for performance of Services under the FASA.
<b>"Working Day"</b>	"Working Day" means an official working day on which official business is conducted by the Client.

## **1. Introduction**

**1.1** IPs are invited to submit the technical proposal and financial proposal for the performance of services through hard and soft copies under the Terms of Reference (TORs) in separate marked and sealed envelopes (hard copies) and in separate password-protected electronic files (soft copies), with the password to be provided at the time of opening of bids for both the technical and financial proposals. A receipt from a reputable courier showing a dispatch date before the submission deadline will be accepted as proof of timely submission, provided the hard copies reach the Client within a reasonable time after the submission deadline.

**1.2** IPs should familiarize themselves with assignment conditions and take them into account in preparing their proposals. IPs may contact the Client to obtain any clarifications up to 7 (seven) days prior to the last date for submission of proposals.

**1.3** IPs shall bear all costs associated with the preparation and submission of their proposals and FASA negotiation. The Client is not bound to accept any proposal and reserves the right to suspend or annul the selection process at any time prior to award of FASA, without thereby incurring any liability to an IP.

### **Conflict of Interest**

**1.4** The Client requires the IP to provide professional, objective and impartial advice and at all times hold the Client's interests paramount, strictly avoiding conflicts with other assignments or their own corporate interests. The IP has an obligation to disclose any situation of actual or potential conflict that impacts its capacity to serve the best interest of the Client, or that may reasonably be perceived as having this effect. Failure to disclose said situations may lead to the disqualification of the IP.

### **Fraud and Corruption**

**1.5** The Client requires IPs participating in its assignments to adhere to the highest ethical standards, both during the selection process and throughout the execution of FASA. For the purpose of this paragraph, "corrupt and fraudulent practices" includes the offering, giving, receiving or soliciting of anything of value to influence the action of a public official or supplier or contractor in the procurement process or in contract execution to the detriment of the Client; or misrepresentation of facts in order to influence a procurement process or the execution of a contract; collusive practices among bidders designed to establish bid prices at artificial, non-competitive levels and to deprive the Client of the benefits of free and open competition; and any request for, or solicitation of, anything of value by any public official in the course of the exercise of his duty.

## **1.6 The Client:**

- will reject a proposal for award if it determines that the IP recommended for award has, directly or through an agent, engaged in corrupt and fraudulent practices in competing for FASA; and
- will sanction an IP, including declaring the IP ineligible, either indefinitely or for a stated period of time, to be awarded FASA if at any time it determines that the IP has, directly or through an agent, engaged in corrupt and fraudulent practices in competing for, or in executing, FASA.

**1.7** The IP and its Sub-Contractors, if any, are not under a declaration of ineligibility for corrupt and fraudulent practices issued by the Client under paragraph 1.6.

## **Proposal Validity**

**1.8** The Data Sheet indicates how long IPs' proposals must remain valid after the submission date. During this period, the IP shall maintain the availability of professional staff nominated in the technical proposal. The Client may request the IP to extend the validity period of its proposals. An IP who agrees to such extension shall confirm that it will maintain the availability of the professional staff nominated in the proposal, or may submit new staff in replacement, acceptable to the Client.

## **2. Clarification of RFP Documents**

An IP may request a clarification of any part of the RFP documents up to the number of days indicated in the Data Sheet before the proposal submission date. Any request for clarification must be sent in writing, or by standard electronic means, to the Client's address indicated in the Data Sheet.

At any time before the submission of proposals, the Client may amend the RFP by issuing/publishing an addendum in writing. To give IPs reasonable time in which to take an amendment into account in their proposals, the Client may, if the amendment is substantial, extend the deadline for the submission of proposals. If an IP has submitted its proposals before the amendment of the RFP, it is entitled to the return of unopened proposals from the Client before the last date fixed for submission. An IP is not entitled to the return of proposals if no amendment in the RFP is made after submission of the proposal.

## **3. Preparation of Proposals**

**3.1** The proposal, as well as all related correspondence exchanged by the IP and the Client, shall be written in the language specified in the Data Sheet.

**3.2** In preparing their proposals, IPs are expected to examine in detail the documents comprising the RFP. Material deficiencies in providing the information requested or making a proposal conditional may result in rejection of the proposal.

## **Technical Proposal Format and Content**

**3.3** The technical proposal shall provide the information indicated in the following paragraphs using the attached Standard Forms. A page is considered to be one printed side of A4 or letter-size paper:

- A brief description of the IP's organisation and an outline of recent experience on assignments of a similar nature is required in Form TECH-2.

- A description of the approach, methodology and work plan for performing the assignment covering: technical approach and methodology, work plan, and organisation with profile of key professional staff. Guidance on the content of this section of the technical proposals is provided under Form TECH-3.
- The list of the proposed professional staff team by area of expertise (Form TECH-4).
- CVs of the key professional staff signed by the staff themselves or by the authorised representative of the professional staff (Form TECH-5).

## **Taxes**

**3.4** The FA will be subject to all applicable taxes on amounts payable by the Client under FASA. IPs shall submit proposals inclusive of all applicable taxes.

## **4. Submission, Receipt and Opening of Proposals**

The original proposal (technical and financial proposals) shall contain no interlineations or overwriting. Submission letters for both technical and financial proposals should be in the format of the attached Forms.

An authorised representative of the party shall initial all pages of the original Technical and Financial proposals. The authorisation shall be in the form of a written power of attorney accompanying the proposal or in any other form demonstrating that the representative has been duly authorised to sign. The signed technical and financial proposals shall be marked "ORIGINAL".

The technical proposal shall be marked "ORIGINAL" or "COPY" as appropriate. The proposals shall be sent to the address referred to in paragraph 4.5 and in the number of copies indicated in the Data Sheet. All required copies of the technical proposal are to be made from the original. If there are discrepancies between the original and the copies of the technical proposal, the original shall prevail. Electronic submission of proposals / copies with password protection are also required; separate dates and times may be given for sharing of passwords.

The original and all copies of the technical proposal shall be placed in a sealed envelope clearly marked "TECHNICAL PROPOSAL" followed by the name of the assignment. The original financial proposal shall also be placed in a sealed envelope clearly marked "FINANCIAL PROPOSAL" followed by the name of the assignment. The envelopes containing the technical and financial proposals shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address and title of the assignment, clearly marked:

**"DO NOT OPEN, EXCEPT IN PRESENCE OF THE OFFICIAL APPOINTED, BEFORE  
SUBMISSION DEADLINE"**

The Client shall not be responsible for misplacement, loss or premature opening if the outer envelope is not sealed and marked as stipulated. Any violation of these instructions may lead to rejection of the proposal.

The proposals must be sent to the address indicated in the Data Sheet and received by the Client no later than the time and date indicated in the Data Sheet, or any extension to this date in accordance with paragraph 2.2. Any proposal received by the Client after the deadline for submission shall be returned unopened.

The Client will open the technical proposals on the date and time mentioned in the Data Sheet, or any extensions done by Privatisation Commission (PC ) in its sole and absolute discretion, after the deadline ends for their submission, in the actual or virtual presence of representatives of bidders, if they opt to be present.

## **5. Proposal Evaluation**

5.1 From the time the technical proposals are opened to the time the financial proposals are opened, IPs should not contact the Client on any matter related to their technical or financial proposals. Any effort by an IP to influence the Client in the examination, evaluation, ranking of proposals and recommendation for award of FASA may result in the disqualification of the IP and rejection of its proposals.

### **Evaluation of Proposals**

The Evaluation Committee shall evaluate the proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria, sub-criteria and point system specified in the Data Sheet. Each responsive proposal will be given a technical score (St). A proposal shall be rejected at this stage if it does not respond to important aspects of the RFP, and particularly the Terms of Reference, or if it fails to achieve the minimum technical score indicated in the Data Sheet. The Evaluation Committee may require the IPs to make a PowerPoint presentation for the technical proposal.

After the technical evaluation is completed, the Client shall notify those parties / IPs whose proposals are considered non-responsive to the RFP and TORs, or do not meet the minimum qualifying technical score, that their financial proposals will be returned unopened after completing the selection process and signing of FASA. The Client shall simultaneously notify in writing those parties that have achieved the minimum qualifying technical score and inform them of the date, time and place for the opening of the financial proposals. The party's attendance at the opening of the financial proposals is optional and at the party's choice.

The financial proposals shall be opened by the Client in the actual or virtual presence of the representatives (who opt to be present) of those whose proposals have passed the minimum qualifying technical score. At the opening, the names of the parties and the overall total technical scores of each IP having achieved the minimum qualifying technical score shall be read aloud. The financial proposals will then be inspected to confirm that they have remained sealed and unopened. These financial proposals shall then be opened, and the financial bid shall be read aloud and recorded. For electronic submissions of financial proposals, the IPs shall share the password electronically at the time of opening of their respective financial proposals.

## **6. Negotiations and Award of Contract**

6.1 The negotiations with the top-ranked IP shall be limited to the issues related to milestones and phases, deliverables, contract duration and procedures for disbursements. The invited top-ranked IP shall, as a pre-requisite for attendance at the negotiations, confirm availability of all professional staff or seek their replacement under paragraph 6.2. Failure in satisfying such requirements within the time fixed by the Client may entitle the Client to initiate negotiations with the next-ranked IP. Representatives conducting negotiations on behalf of the qualified IP must have written authority to negotiate and conclude FASA.

### **Availability of Professional Staff**

6.2 Having selected the FA on the basis of, among other things, an evaluation of proposed professional staff, the Client expects to negotiate FASA on the basis of the professional staff named in the technical proposal. Before FASA negotiations, the Client will require assurances that the professional staff will be actually available. The Client will not consider substitutions during FASA negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable. The Client may consider substitution of any member of professional staff only based on the IP's written request and due to circumstances outside the reasonable control of the IP. In such case, the IP shall provide an equally qualified and experienced replacement acceptable to the Client.

### **Association of a Sub-Contractor**

6.3 If an IP considers that it may enhance its expertise for the assignment by associating with any party as Sub-Contractor, it may do so by associating any Sub-Contractor in the proposal. In such case, the Lead Consortium member shall procure a separate statement of exclusivity from the Sub-Contractor, to be filed along with its technical proposal.

### **Third Party**

6.4 An IP may make provision in the out-of-pocket expenses for engagement of a third party necessary or likely to be necessary for the transaction. The payment to the third party shall only be made from out-of-pocket expenses of the Financial Advisor. The Lead Consortium member shall procure a separate statement of exclusivity from the Third Party, to be filed along with its technical proposal.

### **Only One Proposal**

6.5 The IP (including individual members of any Consortium and its Sub-Contractors) shall submit only one proposal. If a party including any member of IP, Sub-Contractor or Third Party submits or participates in more than one proposal, all such proposals shall be disqualified and rejected.

### **Conclusion of Negotiations — Governing Law and Jurisdiction**

6.6 After negotiations under paragraph 6.1, the Client and the FA shall initial (actual or electronic) the FASA. If negotiations with the top-ranked IP fail, the Client will invite the IP whose proposals received the second-highest score for negotiations under paragraph 6.1.

6.7 To the extent of the evaluation process, this RFP shall be governed by and construed in accordance with the laws of the Islamic Republic of Pakistan and the exclusive jurisdiction of the competent courts at Islamabad shall apply.

## **7. Award of FASA**

The Client shall award FASA to the selected IP and promptly notify all others who have submitted proposals.

The FA is expected to commence the assignment on the date and at the location specified in the Data Sheet.

The Transaction shall be implemented in accordance with the TORs and continuation of transaction advisory services shall be subject to satisfactory performance of the Financial Advisor as determined by the Client.

## Instructions to IP — Data Sheet

Paragraph Reference	Details
1.8	Proposals must remain valid for 120 (one hundred and twenty) days after the last submission date. The technical proposal should not exceed 100 A4-size pages.
2.1	<p><b>Clarifications may be requested not later than 07 (seven) Working Days prior to the last date of submission of proposals.</b></p> <p>The contact information for requesting clarifications is as follows:            Email: dgadmn@privatisation.gov.pk            Tele: +92 (51) 9217973            Director General (Admin)            Privatisation Commission            4th Floor, Kohsar Block, New Pak Secretariat            Constitution Avenue, Islamabad, PAKISTAN.</p>
3.1	Proposals shall be submitted in the English language.
4.3	<p>Interested Parties are requested to submit their technical &amp; financial proposals by:</p> <p>(i) E-mail to: dgadmn@privatisation.gov.pk            (ii) Through Courier: one (01) original and two (02) copies.</p> <p>Soft copies shall be sent in PDF format of each of the technical and financial proposals, which must be password protected. The password of only the technical proposal is to be shared at the time of opening of the technical proposal. If technically qualified by the Client, the password of the financial proposal shall thereafter be shared at the time of opening of the financial proposal. The password shall only be shared through the email address provided in paragraph 4.5 below.</p>
4.5	<p><b>The Proposal submission address is:</b></p> <p>Privatisation Commission            4th Floor, Kohsar Block, New Pak Secretariat            Constitution Avenue, Islamabad, PAKISTAN.</p> <p>Proposals must be submitted on or before [<b>May 26, 2026</b>] [<b>1700</b>] pm Pakistan Standard Time (PKT).</p>
4.6	<b>The Client will open the technical proposals on the last date of submission at 1730 hours PKT.</b>

## Data Sheet — Para 5.1: Evaluation Criteria

No.	Category	Sub-category / Description	Marks
<b>A</b>	<b>Category A</b>	<b>SPECIFIC FIRM / CONSORTIUM EXPERIENCE RELATED TO THE ASSIGNMENT</b>	<b>30</b>
A.1		Global ranking / international credibility of consortium lead. Ranked in internationally recognised league tables for PPPs & M&A transactions determined by PC in its sole and absolute discretion since Jan 2022. • Top 20 → 5 marks   21–40 → 3 marks   41–60 → 1 mark   >60 or unranked → 0	5
A.2		Relevant international airport sector experience of consortium lead as lead advisory firm. End-to-end buy side or sell side transaction advisory for international airport merger and acquisition / privatisation / outsourcing / concession / PPP (“Airport Transactions”)(≥ US\$100M, (since 01 Jan 2005). • ≥4 projects → 10   2-3 projects → 6   1 project → 2	10
A.3		Experience of consortium members (non-lead) in airport or infrastructure (since 01 Jan 2005 Airport Transactions or infrastructure mandates (since 01 Jan 2005) ≥ US\$15M . • ≥4 mandates → 7   2–3 mandates→ 4   1 mandate→ 1	7
A.4		Experience in marketing transactions and achieving financial close. (since 01 Jan 2005) Achieving financial close of Airport Transactions or transport infrastructure mandates. • ≥3 mandates → 5   2 mandates → 3   1 mandate→ 1	5
A.5		Experience of lead or consortium member in advising and executing complex M&A / Privatisation / PPP / Concession related transactions in Pakistan as lead advisor, (Since 01 Jan 2005) ≥4 mandates → 3   2-3 mandates → 1	3
<b>B</b>	<b>Category B</b>	<b>COMPETENCE OF TEAM (KEY EXPERTS)</b>	<b>30</b>
B.1		<b>Competence of Team</b> (i) Name, qualification & relevant experience of the Lead Advisory Team Leader / Project Director. (ii) Names, qualifications & relevant experiences of key personnel of the Financial Advisor / Lead Advisory Firm for the assignment. (iii) Names, qualifications & relevant experiences of key personnel of each member firm of the consortium (other than lead) / Sub-Contractor firm(s) for the assignment / transaction.	30

(iv) Structure & composition of the consortium and division of responsibilities.

**i. FA Project Lead Team – (10 marks)**

Minimum experience of Ten (10) years of Airport or Infrastructure - Concession / PPP / M&A / Privatisation Transactions

**a. Nominated Project Leader / Director (05 marks)**

Marking scheme for Project Director:

Mandates across Concession / PPP / M&A / Privatisation for Airports or Infrastructure

- 3 or more similar mandates completed – 05 marks
- 1-2 similar mandates completed – 03 marks
- NIL similar mandates completed – 00 marks

**b. Designated Core Transaction Team Profile (including consortium member) (05 marks)**

**ii. Law Firm (05 marks)**

Profile and experience of law firm having proven expertise in Airports Transactions or Infrastructure mandates.

Marking scheme for above:

- 03 or more mandates completed – 05 marks
- 02 mandates completed – 02 marks
- 01 mandate completed – 01 mark
- NIL mandates completed – 00 marks

**iii. Accountancy and Tax Firm (04 marks)**

Must be a registered Category A (as per State Bank of Pakistan's List) Chartered Accountant Firm with latest satisfactory QCR ratings having experiences in Airports Transactions or Transport Infrastructure mandates.

*(Note: In case IP is providing these services itself, then IP will be evaluated against this criteria.)*

Marking scheme for above:

- 03 or more mandates completed – 04 marks
- 02 mandates completed – 02 marks
- 01 mandate completed – 01 mark
- NIL mandates completed – 00 marks

**iv. Technical Team (08 Marks)**

Proven experience of IP / Consortium member / Sub-Contractor in rendering technical services including Technical Due Diligence and / or Feasibility relating to international airports planning, development & commercial operations.

*(Note: In case IP is providing these services itself, then IP will be evaluated against this criteria.)*

Marking scheme for above:

- 3 or more mandates completed – 08 marks

		<ul style="list-style-type: none"> <li>• 2 mandates completed – <b>05 marks</b></li> <li>• 1 mandate completed – <b>03 marks</b></li> <li>• NIL mandates completed – <b>00 marks</b></li> </ul> <p><b>v. HR Firm (03 marks)</b>  Proven experience of IP /Consortium member / Sub-Contractor in labor, HR and employees related affairs in large scale restructurings / privatization transactions  <i>(Note: In case IP is providing these services itself, then IP will be evaluated against this criteria.)</i></p> <p>≥5 mandates → 3   3-4 mandates → 2   1-2 mandate→ 1  <i>Note:</i>  <i>(Evidence of relevant experience is to provide against each of the above criteria)</i></p>	
<b>C</b>	<b>Category C</b>	<b>WORK PLAN AND METHODOLOGY</b>	<b>25</b>
C.1		Understanding of airport PPP issues. Tariff regulation, service quality/KPIs, risk allocation (construction/live-airport risk, development obligations), bankability, contractual implementation.	
C.2		Understanding of Pakistan-specific legal / regulatory framework. Airport concessions, over-all acceptable concessionary framework and proposed approach to project documents.	
C.3		Approach, methodology, resource deployment and detailed work plan. Activity mapping, milestones and timelines across all phases; development programme integration, market sounding, bidding and post-close support.	
C.4		Strategy for marketing to global airport operators / investors. Ensuring competitive depth and investor engagement.	
<b>D</b>	<b>Category D</b>	<b>EFFECTIVENESS OF PRESENTATION</b>	<b>15</b>
D.1		Overall comprehension of assignment and TOR; acquaintance with sector challenges (workforce, expansion, regional and competitive dynamics with other airports, etc.).	
D.2		Quality of communications / stakeholder strategy.	
D.3		Identification of potential investor base and marketing / roadshow plan.	
D.4		Pragmatism and expediency of timeline for transaction.	
<b>TOTAL TECHNICAL MARKS</b> Minimum passing score: 70 marks			<b>100</b>

<b>5.2</b>	<b>Scoring of technical and financial proposals:</b>	
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	<p>The technical proposal shall be assigned a score (Str) which shall be scaled up to constitute a final technical score (St) in the following manner:  <b>St = Str × 100 / Stmax</b> where Stmax = Score of the highest ranked IP on technical criteria.</p> <p>The financial score (Sf) shall be calculated as follows:  <b>Sf = 100 × (Fmin / Ff)</b> where Fmin = Lowest total fee bid and Ff = Total fee bid by the IP under consideration.</p> <p>The combined technical and financial score (Sc) shall be calculated as follows:  <b>Sc = 0.80 × St + 0.20 × Sf</b></p>	
<b>7.2</b>	<b>Expected date for commencement of the Services:</b> Within five (05) days after signing of FASA.	

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*Note: The Terms of Reference (Annexure A for JIAP and AIIAP, the Draft Financial Advisory Services Agreement (Annexure B), and the Implementation Schedule are to be attached as separate annexures to this RFP. All standard proposal forms (TECH-1 through TECH-5 and FIN-1 through FIN-3) remain unchanged from standard Privatisation Commission templates and should be appended in the usual manner.*

### **III: Technical Proposal – Standard Forms**

*[Comments in brackets [] provide guidance to the IPs for the preparation of their technical proposals; they should not appear on the technical proposals to be submitted.]*

TECH-1 Technical Proposal Submission Form

TECH-2 IP's Organization and Experience

A IP's Organization

B Experience

TECH-3 Description of the Approach, Methodology and Work Plan for Performing the Assignment

TECH-4 Team Composition and Task Assignments

TECH-5 Curriculum Vitae (CV) of Key Professional Staff

**FORM TECH-1 TECHNICAL PROPOSAL SUBMISSION FORM**

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[Location, Date]

To: [Name and address of Client]

Dear Sir,

We, the undersigned, offer to provide the advisory services for [Insert title of assignment] in accordance with your Request for Proposal dated [Insert Date]. We are submitting our proposals which includes this technical proposal and financial proposal in separate envelopes.

We are submitting our proposals in association with: [Insert a list with full name and address of each Consortium member & associated Sub-Contractor]

We declare that all the information and statements made in our proposals are true and accept that any misinterpretation contained in it may lead to our disqualification.

Our proposals are binding upon us.

We understand you are not bound to accept any proposal; you receive.

Yours sincerely,

Authorized Signature [In full and initials]: \_\_\_\_\_

Name and Title of Signatory: \_\_\_\_\_

Name of Company/ Firm: \_\_\_\_\_

Address: \_\_\_\_\_

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**FORM TECH-2 IP'S ORGANIZATION AND EXPERIENCE**

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**A – Organization**

*[Provide here a brief (two pages) description of the background and organization of your entity (including organogram) and Consortium member and/or each Sub-Contractor for this assignment.]*

**B – Experience**

*[Using the format below, provide information on each successfully concluded assignment/mandate for which your entity, and each Sub-Contractor for this assignment, was legally contracted as an entity or as part of the Consortium, for carrying out services similar to the ones requested under this Assignment. Use maximum 5 pages. Please provide Client’s certification and/or evidence of the contract agreement.]*

Title of the assignment:	Value of the agreement (in USD):
Name of Client:	Region / location of successfully completed assignment:
Duration of Assignment:	
Name of senior professional staff engaged / worked on the assignments and major task(s) performed by them:	

### FORMTECH-3 DESCRIPTION OF APPROACH, METHODOLOGY AND WORK PLAN FOR PERFORMING THE ASSIGNMENT

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*[Technical approach, methodology and work plan are key components of the technical proposal. You are suggested to present your technical proposal divided into the following three chapters:*

- a) Technical Approach and Methodology;
- b) Work Plan; and
- c) Organization and Staffing.

- a) Technical Approach and Methodology. In this regard, you should explain your understanding of the objectives of the assignment, approach to the services, methodology for carrying out the activities and obtaining the expected output, and the degree of detail of such output. You should highlight the problems being addressed and their importance and explain the technical approach you would adopt to address them. You should also explain the methodologies you propose to adopt and highlight the compatibility of those methodologies with the proposed approach.
- b) Work Plan. In this regard, you should propose the main activities of the assignment, their content and duration, phasing and interrelations, milestones (including interim approvals by the Client), and delivery dates of the reports. The proposed work plan should be consistent with the technical approach and methodology, showing understanding of the TOR and ability to translate them into a feasible working plan. A list of the final documents, including reports, drawings, and tables to be delivered as final output, should be included here.
- c) Organization and Staffing. In this regard, you should propose the structure and composition of your key professional staff including Sub-Contractors and should list the main disciplines of their assignment.

*Note: Please avoid repetition of provided TORs.*

**FORM TECH-4 KEY PROFESSIONAL STAFF OF FA AND SUB-CONTRACTORS**

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<i>Key Professional Staff</i>			
<b>Name of Staff</b>	<b>Organization</b>	<b>Area of Expertise</b>	<b>Position Assigned</b>

**FORM TECH-5      CURRICULUM VITAE (CV) FOR PROPOSED KEY  
PROFESSIONAL STAFF**

**1. Proposed Position/ Role:** \_\_\_\_\_

**2. Name of Entity** [*Insert name of entity proposing the staff*]:  
\_\_\_\_\_

**3. Name of Staff** [*Insert full name*]: \_\_\_\_\_

**4. Years of Experience:** \_\_\_\_\_ **Nationality:** \_\_\_\_\_

**5. Education:**

<i>Degree</i>	<i>Major/Minor</i>	<i>Institution</i>	<i>Date (MM/YYYY)</i>

**6. Membership of Professional Associations:** \_\_\_\_\_  
\_\_\_\_\_

**7. Other Training** [*Indicate significant training since degrees under 6 – Education were obtained*]: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**8. Languages** [*For each language indicate proficiency: good, fair, or poor in speaking, reading, and writing*]: \_\_\_\_\_  
\_\_\_\_\_

**9. Employment Record** [*Starting with present position, list in reverse order every employment held by staff member since graduation, giving for each employment (see format here below): dates of employment, name of employing organization, positions held.*]:

<i>Employer</i>	<i>Position</i>	<i>From (MM/YYYY)</i>	<i>To (MM/YYYY)</i>


**10. Work Undertaken that Best Illustrates Capability to Handle the Tasks Assigned**

*[Among the successfully concluded assignments/mandates in which the staff has been involved, indicate the following information for those assignments that best illustrate staff capability to handle the assignments in the TOR]*

i. Name of assignment or project: \_\_\_\_\_

Year: \_\_\_\_\_

Location: \_\_\_\_\_

Client: \_\_\_\_\_

Main project features: \_\_\_\_\_

Positions held: \_\_\_\_\_

Activities performed: \_\_\_\_\_

ii. Name of assignment or project: \_\_\_\_\_

Year: \_\_\_\_\_

Location: \_\_\_\_\_

Client: \_\_\_\_\_

Main project features: \_\_\_\_\_

Positions held: \_\_\_\_\_

Activities performed: \_\_\_\_\_

iii. Name of assignment or project: \_\_\_\_\_

Year: \_\_\_\_\_

Location: \_\_\_\_\_

Client: \_\_\_\_\_

Main project features: \_\_\_\_\_

Positions held: \_\_\_\_\_

Activities performed: \_\_\_\_\_

**11. Certification:**

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications, and my experience. I understand that any misstatement may lead to my disqualification or dismissal, if engaged.

\_\_\_\_\_ Date: \_\_\_\_\_  
*[Signature of staff member or authorized representative of the staff]* *Day/Month/Year*

Full name of authorized representative: \_\_\_\_\_

## **12. Financial Proposal – Standard Forms**

Financial Proposal Standard Forms shall be used for the preparation of the Financial Proposal.

FIN-1 Financial Proposal Submission Form

FIN-2 Summary of Costs

FIN-3 Out of Pocket Expenses

**FORM FIN-1**  
**FINANCIAL PROPOSAL SUBMISSION FORM**

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{Location, Date}

To: [Name and address of Client]

Dear Sir(s):

We, the undersigned, offer to provide the services for [Insert title of assignment] in accordance with your Request for Proposal dated [Insert Date] and our technical proposal.

Our attached financial proposal is for the amount of {Indicate the corresponding to the amount(s) currency(ies)} {Insert amount(s) in words and figures} for all retainer fee and out of pocket expenses, excluding the Success Fee, inclusive of *all direct or indirect taxes*.

Our financial proposal shall be binding upon us up to expiration of the validity period of the proposal, i.e., before the date indicated in Clause 1.8 of the Data Sheet.

We understand you are not bound to accept any proposal; you receive.

Yours sincerely,

Authorized Signature {In full and initials}: \_\_\_\_\_

Name and Title of Signatory: \_\_\_\_\_

In the capacity of: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail: \_\_\_\_\_

*(Note: It is highlighted that in case of any discrepancy in the amount mentioned herein and Form FIN-2, the amounts mentioned in Form FIN-2 will prevail.*

**FORM FIN – 2**  
**SUMMARY OF COSTS**

Item	Bid / Cost
<b>Financial Proposal USD</b>	
1. Milestone based Retainer Fee	<i>(Insert number here)</i>
2. Out of Pocket Expense (Should match the amount in Form FIN-3) <i>Please see Notes below</i>	<i>(Insert number here)</i>
3. <u>Grand Total (1+2)</u> (Should match the amount in Form FIN-1) <b>(Note: Weightage: 70%)</b>	<i>(Insert number here)</i>
4. Success Fee (%) (On achievement of Financial Closure) <b>(Note: Weightage: 30%)</b>	<i>(Insert Percentage Here)</i> <i>% of Sale Proceeds; for calculation purposes, PC shall announce a notional value for expected sale proceeds, which will be used for calculation of Success fee prior to opening of Financial Proposals – pursuant to Regulation 9 of PC hiring of FA Regulations 2018 and any amendments thereupon</i>
5. Total bid amount (for evaluation purpose only)	Total bid amount (for evaluation) will be calculated based on the following formula: $(70\% \times \text{Grand Total (3)} + 30\% \times \text{Success Fee (4)})$

**Notes below:**

**Note 1:** *The IP shall account for all out-of-pocket expenses associated with successful accomplishment of the transaction process including travel cost of relevant officials and the client shall not assume responsibility of incurring additional cost on any of the activity. Any disclaimer by the IP in this regard shall lead to disqualification.*

**Note 2:** *Cost incurred pertaining to advertisement and marketing roadshows (including travel costs for nominated PC officials) for soliciting interest from prospective investors and hiring of Third Party (ies) shall be borne by the Financial Advisor from out-of-pocket expenses with the prior approval of the PC. Please note that all third parties will be finalized/ appointed after consulting and acquiring approval from PC.*

**Note 3:** *The IP shall provide details for all remuneration pertaining to lead member(s) & Sub-Contractor(s) and out of pocket expenses associated with successful accomplishment of the transaction and the client shall not assume responsibility of incurring additional cost on any of the activity. Any disclaimer by the IP in this regard shall lead to disqualification.*

**Note 4:** *IPs shall submit proposals inclusive of all applicable taxes.*

**Note 5:** *IPs are required to state aggregate financial proposals inclusive of all components, including*

*fees of all Sub-Contractors/ Third Parties. Amount which is Unclear/Absent or stated, "To be determined/TBD", will result in rejection of the Financial Proposal. Financial Proposals quoting hourly rates (as opposed to lump sum figures) will not be acceptable.*

**FORM FIN-3**  
**BREAKDOWN OF OUT-OF-POCKET EXPENSES**

The above-mentioned out-of-pocket expenses, paid at cost shall consist of following, where relevant, and be reasonably incurred by the Financial Advisor and its Sub-Contractor(s) in the performance of the Services:

<b>S. No.</b>	<b>Type of Out-of-Pocket Expenses</b>	<b>Cost (USD)</b>
1		
2		
3		
	<b>Total</b>	

***NOTE:** Out of pocket expenses shall not exceed the sum stated in Form FIN-2 and shall be on actual basis only.*

**TERMS OF REFERENCE**  
**FOR THE APPOINTMENT OF FINANCIAL ADVISER**  
**FOR OUTSOURCING / CONCESSION OF**  
**JINNAH INTERNATIONAL AIRPORT, KARACHI (JIAP)**  
**&**  
**ALLAMA IQBAL INTERNATIONAL AIRPORT, LAHORE (AIIAP)**

Privatisation Commission of Pakistan  
Ministry of Privatisation, Government of Pakistan

## **PART 1: PROJECT BACKGROUND AND INSTITUTIONAL FRAMEWORK**

### **1.1 Background**

The Pakistan Airports Authority (PAA), operating under the Ministry of Defence, Government of Pakistan (GoP), is tasked with administering, operating, and developing airports, as well as providing air navigation services throughout Pakistan. PAA has been working under the management and administrative control of the PAA Board as an autonomous body. The Ministry of Defence is the controlling ministry for PAA.

The Government of Pakistan, through the Privatisation Commission of Pakistan (PC), intends to outsource the operation, management, commercial development, and optimization of Jinnah International Airport, Karachi (JIAP) and Allama Iqbal International Airport, Lahore (AIIAP) through a concession or management contract under the Privatisation Commission Ordinance 2000 and rules made thereunder (collectively, the "Transaction"). The Transaction is expected to leverage private sector expertise, operational efficiency, long-term capital investment capacity, and international best practices in airport management, while safeguarding public interest, national strategic considerations, and aviation safety standards.

These Terms of Reference govern the appointment of a single Financial Adviser (FA) for both JIAP and AIIAP. The FA shall treat each airport as a distinct Transaction workstream, with airport-specific due diligence, structuring, and bidding processes, while maintaining a unified governance and reporting framework with the Privatisation Commission.

### **1.2 Government's Expansion and Rehabilitation Programme**

The Government of Pakistan has resolved to expand and rehabilitate both JIAP and AIIAP at the earliest feasible opportunity. Pakistan Airports Authority (PAA) has been consistently reviewing the developmental and operational aspects of airports, and development plans are approved after thorough due diligence by the PAA Board. The scale and phasing of the development programme for each airport shall be determined through the advisory process, in consultation with PAA and the relevant line ministries, without prejudice to the continuation of ongoing and already approved development works being undertaken by PAA.

The concentration and trend of air traffic is expected to undergo a paradigm change due to ongoing regional developments, and Pakistan may witness a significant influx of passenger traffic at its airports. Accordingly, major airports in the country require immediate development projects to address current challenges and ensure future readiness.

The expansion and rehabilitation programme is a material consideration for the design and structuring of each Transaction. The Government requires the FA to:

- Conduct a thorough review of the existing development plans, master plans, and capital investment programmes prepared by or on behalf of PAA for each airport;
- Evaluate different scenarios and strategic options for how the planned expansion and rehabilitation works can be most effectively integrated with and dovetailed into each outsourcing Transaction, while ensuring that no delay is caused to essential and ongoing airport development initiatives of PAA;
- Assess the implications of the development programme for the concession structure, including risk allocation between the Government and the private concessionaire, obligations regarding

capital investment, sequencing of construction works relative to concession commencement, and bankability of the overall transaction package;

- Assess and recommend appropriate safeguards regarding the inclusion of debt within the capital structure of the concessionaire, including clear limits on encumbrances, security interests, and collateralization of assets belonging to PAA or the Government;
- Develop and present to PC a recommended approach on whether development commitments, phasing of works, or construction risk should be incorporated within the concession perimeter or ring-fenced outside it; and
- Advise GoP on how the infrastructure development programme can be optimally structured to maximize investor appetite, competitive depth, and value for money.

The integration of the development programme into the advisory scope is a priority requirement of the Government and shall be reflected comprehensively across all phases of the FA's work. However, nothing contained herein shall restrict PAA from initiating, continuing, or expediting any existing, approved, or urgently required development projects during the advisory or transaction process.

### **1.3 Airport-Specific Context**

Each airport presents a distinct commercial and operational profile that the FA shall address through dedicated workstreams. The airport-specific contexts are set out below.

#### **1.3.1 Jinnah International Airport, Karachi (JIAP)**

- Pakistan's busiest and most commercially complex airport by traffic volume
- Highest concentration of international carriers and cargo operations
- Highest non-aeronautical revenue potential among Pakistan's airports
- Requires dedicated analysis of competitive dynamics with the proposed Karachi Coastal Airport
- Existing terminal and airside infrastructure requires substantial rehabilitation and capacity enhancement; development works are envisaged to commence at the earliest opportunity

#### **1.3.2 Allama Iqbal International Airport, Lahore (AIIAP)**

- Major international hub and Pakistan's second largest airport by passenger traffic
- Significant diaspora traffic flows, particularly to the UK and Gulf region
- Strong domestic demand base with above-average seasonal concentration
- Competitive catchment dynamics with Sialkot International Airport to be factored into traffic modelling
- Existing capacity constraints requiring near-term capital investment under any concession structure
- GoP-approved expansion and rehabilitation programme targeting new terminal capacity, airside upgrades, and landside improvements; works are envisaged to commence at the earliest opportunity

## **PART 2: ENVISAGED TRANSACTION AND APPOINTMENT OF FINANCIAL ADVISER**

### **2.1 Transaction Structure**

Each Transaction shall be structured as a competitive outsourcing or concession in accordance with the provisions of the Privatisation Commission Ordinance 2000 and rules and regulations made thereunder. Each Transaction shall be implemented through an open, transparent, fair, and competitive international bidding process in accordance with all applicable laws, rules, regulations, and policies of the Government of Pakistan.

Each Transaction may take the form of any of the following structures, subject to FA recommendation and Commission approval:

- Long-term concession with full operational, commercial, and capital investment responsibilities transferred to the private concessionaire
- Operations and Maintenance (O&M) concession with defined capital investment obligations, including obligations to carry out or finance expansion and rehabilitation works
- Management contract with performance-linked remuneration
- Any other commercially viable and bankable structure recommended by the FA and approved by the Commission

The FA shall recommend the optimal transaction structure for each airport based on market feedback, bankability assessment, and Government objectives, taking fully into account the planned expansion and rehabilitation programme. The FA shall demonstrate the comparative advantages and risks of each structural option considered.

### **2.2 Role and Responsibilities of the Financial Adviser**

The FA shall act as Lead Transaction Adviser and shall be the single point of coordination for all advisory workstreams for both Transactions. The FA shall lead, supervise, and integrate the work of technical, legal, environmental, financial, and other specialist consultants engaged as sub-contractors. The FA shall ensure internal consistency across all workstreams and maintain alignment between due diligence findings and transaction structuring throughout the assignment.

For the avoidance of doubt, the FA's role is advisory and recommendatory in nature. The FA shall have no decision-making authority. All material recommendations shall require approval by the Commission before implementation.

The FA's principal responsibilities shall include, but are not limited to:

- Comprehensive due diligence of JIAP and AIIAP as separate airport-specific workstreams
- Conducting a comprehensive review and evaluation of GoP's development plans and expansion programmes for each airport, and advising on how these can be optimally integrated into the respective outsourcing Transaction
- Identifying legal, regulatory, technical, commercial, environmental, fiscal, and institutional gaps and risks
- Advising on optimal risk allocation, bankability considerations, and concession structuring, including the allocation of development obligations between the Government and the concessionaire, and protecting the interests of the Government and PAA while mitigating any risks to PAA and the Government
- Developing a market-tested and bankable Transaction Structure Report for each airport
- Designing and implementing the approved transaction structures through competitive bidding processes
- Supporting PC and PAA through commercial and financial close for each Transaction
- Providing post-financial close advisory and capacity building support

- The engagement of sub-contractors and responsibility for their actions shall solely lie with the FA

## PART 3: SCOPE OF FINANCIAL ADVISORY SERVICES

The FA's scope of work shall be carried out across four interlinked phases for each airport. Activities within phases may be carried out concurrently or sequentially, as appropriate to the requirements of each Transaction and as agreed with PC. Where feasible, the FA shall leverage synergies across the two airport workstreams to maximize efficiency.

### PHASE I

## Readiness Review & Preliminary Market Sounding

*Common work applicable to both airports — completed once before airport-specific due diligence commences*

### 3.1 Objective and Rationale

Phase I constitutes a structured stock-taking, readiness assessment and preliminary market engagement exercise covering the civil aviation sector and both airports at a sectoral level. Its purpose is to establish a common analytical foundation — identifying red flags, regulatory constraints and investor appetite — before committing resources to detailed airport-specific due diligence. The rationale is to:

- Review all available project information common to both airports, including sector-level legal, regulatory, and policy frameworks
- Identify potential deal-breakers, red flags, material inconsistencies or outdated assumptions that could affect either Transaction
- Review the CAA regulatory and tariff framework that applies to both airports and assess its adequacy for a commercially viable concession
- Conduct a dedicated review of the Government of Pakistan's (GoP's) development and expansion plans for each airport and assess their implications for the outsourcing transactions
- Identify gaps requiring further analysis — legal, regulatory, land, security, tariff regime, policy, fiscal exposure, or institutional constraints — relevant to both Transactions
- Conduct early investor market soundings to assess appetite across the investor universe for both airports and for development obligations embedded in each Transaction
- Define the preliminary proposed Transaction scope for each airport and confirm readiness to proceed to full due diligence

### 3.2 Project Inception

The FA shall commence work with a kick-off meeting at a mutually agreed location, followed by a First Review Meeting within two weeks of the Notice to Proceed. The objectives of this meeting shall include:

- Confirming the FA's team structure, project leader, and expert functions
- Agreeing the detailed schedule of activities, major milestones, and timelines for both airport workstreams
- Confirming deliverables, their scope, and the delivery schedule, including the Implementation Plan
- Designating focal persons representing the FA, PC, Aviation Division (Ministry of Defence), and CAA & PAA
- Identifying any immediate issues requiring PC's attention

Under no circumstances shall the First Review Meeting be used to redefine the committed scope of work. In cases of inconsistency between the Agreement and any meeting outcomes, the Agreement shall prevail unless specifically varied in writing.

✓ **Deliverable:** *Inception Report — refined scope, updated work plan, agreed milestones, timelines, and confirmed Transaction approach for each airport*

✓ **Deliverable:** *Implementation Plan — sequencing and timelines of tasks and activities across both airport workstreams*

### 3.3 Review of Global Experience in Airport Outsourcing and Sector Developments

The FA shall review and evaluate successful airport concession and outsourcing transactions undertaken globally developing a list of comparable international airports. For each comparable, the FA shall describe:

- Review of current and future international aviation and airport business trends relevant for the transaction
- Operational and transactional parameters: airport size, passenger throughput, aeronautical and non-aeronautical revenue mix, catchment characteristics
- Evaluate various international airport outsourcing models adopted globally
- Comparative assessment of structuring options, including long-term concession, O&M concession with investment obligations, and management contract — with detailed pros, cons, risks
- Key features of the various outsourcing models including, investment commitments, development obligations, treatment of existing employees, regulatory and tariff frameworks, mode of private sector participation, transaction structure, incentives, and subsidies
- Benchmarking of AIIAP and JIAP against comparable international airports based on their current operational and commercial parameters
- Recommend comparable international airport operational and commercial benchmarks to be achieved through the outsourcing/concession for each airport
- Identify any sector level issue domestically or globally that may impact the Transaction and recommend mitigation measures

✓ **Deliverable:** *Global Experience and Sector Development Report — comparable examples, operational and transactional parameters, key features, and benchmarking recommendations for JIAP and AIIAP*

### 3.4 Preliminary Market Sounding

The FA shall conduct preliminary consultations with a targeted group of local and international potential bidders for both airports, including regional and global airport operators, infrastructure investors, and project finance lenders. The objectives are to:

- Assess investor appetite for participation in each airport and the proposed concession structures, including whether airports can be offered simultaneously or in a phased manner
- Assess appetite for development obligations and construction risk within the concession perimeter
- Obtain preliminary feedback on revenue models, tariff flexibility, risk allocation, and key contractual provisions

- Identify bankability constraints, key deal-breakers, and structuring sensitivities that could affect competitive participation
- Develop a target investor profile, including required financial and technical capabilities
- Preparation of Transaction Teaser documents and Investor presentations

*-✓ **Deliverable:** Preliminary Market Sounding Report, Transaction teaser documents and investor presentations — investor appetite, preferred structures, development obligation preferences, key deal parameters, and recommended sequencing for both airports*

*Commencement of Phase II is subject to PC acceptance of Phase I deliverables and/or PC's written authorization to proceed.*

## PHASE II

# Airport-Level Due Diligence

*Comprehensive airport level due diligence for JIAP and AIIAP*

### 4.1 Overview

Phase II undertakes comprehensive due diligence for each airport individually across technical, financial, environmental, legal and regulatory, and human resources workstreams. The FA shall consolidate findings into a Summary Report identifying all material issues and recommendations that will inform Transaction structuring in Phase III.

### 4.2 Regulatory Framework Assessment

The FA shall conduct a comprehensive assessment of the civil aviation sector framework applicable to both airports, covering:

- The current legal and regulatory framework governing civil aviation in Pakistan, including the roles and authority of CAA, PAA, and the Ministry of Defence
- The CAA's aeronautical charges-setting and approval mechanisms and their adequacy for a commercially viable concession
- Legal authority of PAA and the Government to enter into and enforce concession arrangements
- The Tariff regime and the regulatory processes applicable to airport concessions
- Identification of any, if required, legislative, regulatory, or policy amendments to enable each Transaction
- Recommended reforms or clarifications to the regulatory framework needed prior to launching the bidding processes, if required
- Review and assessment of State Support Agreements pertaining to functions of government agencies at each airport and their inclusion in the outsourcing transaction structure
- Approval and permit roadmap, including all consents required from CAA, PAA, Ministry of Defence, and other relevant authorities

✓ **Deliverable:** *Regulatory Framework Assessment Report — CAA interface, tariff-setting adequacy, identified red flags, and recommended regulatory reforms applicable to both airports*

### 4.3 Technical Due Diligence

The FA shall produce a Technical Due Diligence Report for each airport covering:

- Assessment of airside and landside infrastructure condition, capacity, operational efficiency, and compliance with ICAO and applicable international standards
- Air traffic forecast modelling covering recommended concession period, incorporating macroeconomic trends, airline development plans, tourism growth, regional competition and regulatory developments — with base, upside, and downside scenarios
- Benchmarking of aeronautical and non-aeronautical charges against comparable regional and international airports
- Detailed assessment of non-aeronautical revenue optimisation potential, including but not limited to retail, F&B, advertising, parking, real estate, cargo, and ground handling
- Comprehensive review of GoP expansion and rehabilitation programme for each airport, including master plans, concept designs, cost estimates, phasing plans, land acquisitions and

construction timelines and recommend any changes/ modifications to the plans, if required, for successful implementation of the Transaction.

- Assessment of the technical feasibility and bankability of incorporating development obligations within the concession structure, including interface management between construction and live airport operations
- Review of on-going procurements, particularly infrastructure programmes under funded schemes, and their impact on the concession
- Evaluation of operational and service delivery parameters and performance indicators for all agencies operating at each airport against global best practices
- Assessment of whether the development plans are consistent with projected traffic growth, catchment dynamics, and the intended concession structure

The FA shall evaluate and present to PC a range of strategic scenarios for integrating the development programme into the respective outsourcing Transaction for each airport, including:

- Scenarios in which development obligations are fully incorporated within the concession perimeter, with the concessionaire bearing design, construction, financing, and commissioning risks
- Scenarios in which the Government completes or part-completes development works prior to concession award, reducing construction risk for the private sector
- Hybrid scenarios involving ring-fenced capex obligations, phased development milestones, Government co-financing arrangements, or viability gap funding mechanisms

Assessment of the impact of each scenario on investor appetite, competitive depth, bankability, and value for money for GoP

✓ **Deliverable:** *Technical Due Diligence Report (for each Airport)*

#### 4.4 Financial Due Diligence

The FA shall produce a Financial Due Diligence Report for each airport covering:

- Comprehensive review and verification of historical financial performance covering at least the last five years
- Detailed analysis of all revenue streams and cost structures
- Review of all existing financial obligations, debt facilities, and contingent liabilities
- Review of accounts and validation in accordance with applicable international standards
- Financial analysis of the development programme under different structuring scenarios, and implications for the financial viability of the Transaction
- Review of Financial Statements and recommendations, if any for the successful Transaction
- Evaluation of tax compliance status and potential contingent tax exposures
- Integration of financial findings with traffic forecasts, technical assessments, environmental and social risks, and commercial considerations

✓ **Deliverable:** *Financial and Tax Due Diligence Report — identifying issues and recommendations for GoP (for each airport)*

#### 4.5 Legal Due Diligence

The FA shall produce a Legal Due Diligence Report for each airport, including but not limited to the following:

- Review of readiness of each airport and PAA in terms of compliance with all legal and operational regulatory requirements
- Legal review and process and approval mechanism for operational autonomy of the airport under the relevant legal and regulatory framework
- Tariff setting, adjustment, and approval mechanisms, including the CAA's authority and processes
- Existing contractual obligations with airlines, ground handlers, cargo operators, retailers, and other parties that affect revenue or operational scope
- Legal framework applicable to the development programme, including construction contracts, planning approvals, and land development
- Review of title deeds and ownership of properties, identifying any associated payment obligations or ownership issues
- Review and assessment of manpower-related contractual obligations, including labour union matters, highlighting risk areas and recommending mitigation measures
- List of potential red flags that may impact the Transaction and recommended mitigation measures

✓ **Deliverable:** *Legal Due Diligence Report — identifying issues and recommendations (for each airport)*

#### 4.6 Environmental and Social Due Diligence

The FA shall produce an Environmental and Social Due Diligence Report for each airport, consistent with applicable international standards and Pakistani law, including, but not limited to:

- Identification and assessment of environmental and social risks associated with current operations and planned expansion and rehabilitation works
- Gap analysis of the existing environmental and social situation against applicable standards
- Review of expansion and rehabilitation programme impacts on surrounding communities, noise contours, and land use
- Workforce mapping, labour transition risk assessment, and analysis of applicable employment law requirements
- Review of legacy land acquisition risks and any outstanding resettlement obligations, including those arising from the development programme
- Proposed risk allocation strategy for environmental and social matters within the concession agreement

✓ **Deliverable:** *Environmental and Social Due Diligence Report (for each airport)*

#### 4.7 Human Resources Due Diligence

The FA shall produce a Human Resources Due Diligence Report for each airport, including but not limited to

- Review of different aspects relating to human resources and manpower of PAA and agencies operating at each airport
- Review of the various components of manpower costs (including pension and employee-related liabilities) across cadres and pay scales

- Review of labour-related matters, obligations, and potential risks, with recommendations
- Review of post-retirement commitments and recommendations in this regard
- Assessment of workforce transition options, including potential Voluntary Separation Schemes (VSS) for redundant employees, if required
- Assessment of options and recommendations with respect to the service matter of the airport employees

✓ **Deliverable:** *HR Due Diligence Report — identifying issues and recommendations for GoP (for each airport)*

#### 4.8 Summary of Key Due Diligence Findings

The FA shall consolidate the findings, recommendations, and results of all due diligence workstreams into a comprehensive Summary Report. This report shall:

- Aggregate material issues, red flags, and recommendations across all workstreams for each airport
- Identify issues that may affect the Transaction and recommend mitigation measures
- Identify post-Transaction risks for GoP, private investors, and end-users, and recommend mitigation measures

✓ **Deliverable:** *Summary Report on Key Findings of Due Diligence (covering both airports)*

*Commencement of Phase III is subject to PC acceptance of Phase II deliverables and/or PC's written authorisation to proceed.*

## PHASE III

# Transaction Preparation

*Restructuring assessment, transaction structure design, financial modelling, and preparation of all bidding documentation*

### 5.1 Overview

Phase III uses the due diligence findings from Phases I and II to prepare a market-tested, bankable Transaction Structure Report for each airport. The integration of the GoP development and expansion programme into each Transaction structure is a priority workstream within this Phase.

### 5.2 Restructuring Plan

To ensure that the GOP/ Federal Cabinet has latest /updated information available for making an informed decision, Financial Advisor, if required, based on Due Diligence work carried out and market sounding in Phase I above, will submit a draft restructuring report covering any envisaged restructuring, with Financial Advisor's firm recommendations from options, solutions on various inherent issues, along with timelines and strategies, and to make a clear recommendation to the GOP on the most preferred course of action to maximize the value of the Transaction.

The preferred option should indicate net benefits and conformance to the GOP objectives, vis-à-vis, other options in a quantifiable manner. At this stage, GOP envisages that Financial Advisor will provide clear recommendations regarding any financial and / or corporate restructuring ensuring:

- a) Post restructuring, the Airports will generate maximum investor's interest and maximize the value for the GOP from the Transaction proceeds.
- b) Complete list of assets and liabilities (Financial Statements), including any recommendations for the cleaning-up/split of the balance sheets with updated valuation of retained and carved out assets and liabilities, development of post-restructuring financial model and recommendation of base valuation, restructuring of the existing debt & lease arrangements etc.
- c) The recommended restructuring plan to specifically identify which processes and actions are required to be undertaken and their sequencing to ensure implementation of the restructuring plan.
- d) Prepare the necessary required documentation for the proposed restructuring options, with clearly mentioning the requirements of the process and expected timelines.
- e) Provide a complete list of policy, corporate and regulatory actions required to be undertaken by different stakeholders, which are necessary for undertaking implementation of the restructuring report.
- f) Prepare a detailed implementation plan covering the timelines and stakeholders responsible for undertaking the identified recommendations on financial, structural, operational, technical

legal and regulatory changes / amendments / interventions, etc., required for successful implementation of proposed restructuring.

- i) Deliverable: Restructuring plan report
- ii) Deliverable: Implementation of the restructuring plan approved by the GOP

### 5.3 Transaction Structure Design

The FA shall prepare a comprehensive Transaction Structure Report for each airport, incorporating all due diligence findings, development programme evaluations, and market feedback from Phase I. Each report shall include:

- Comparative assessment of structuring options, including long-term concession, O&M concession with investment obligations, and management contract — with detailed pros, cons, risks, and recommendation
- Comprehensive analysis and recommendation on how the GoP expansion and rehabilitation programme should be integrated into each concession structure, with supporting financial modelling and risk assessment
- Recommended concession term with supporting financial modelling covering the concession period Recommended payment mechanism and revenue model — including upfront concession fee, annual revenue share, hybrid structures, and viability gap funding options
- Comprehensive risk allocation matrix clearly assigning responsibilities between Government, PAA, and the concessionaire, including construction and development risk
- Clarification of asset boundary and retained Government functions
- Recommend comparable international airport operational and commercial benchmarks to be achieved through the outsourcing/concession for each airport
- Service Level Agreements and Key Performance Indicators (KPIs), including performance standards, monitoring requirements, and step-in rights
- Recommended approach to mandatory capital expenditure structuring, ring-fencing, and milestone enforcement
- Confirmation of required Government approvals and their sequencing
- Assessment of fiscal exposure, contingent liabilities, and sovereign balance sheet implications
- Target investor profile specifying required financial and technical capabilities
- Assessment of sector-level post-transaction risks that may affect the Government and end-users, and recommended mitigation measures
- Estimation of indicative capital and operating costs across the concession term under different structuring scenarios

✓ **Deliverable:** *Transaction Structure Report (for each airport) — approved by PC and, where required, by Federal Cabinet*

### 5.4 Financial and Commercial Analysis

The FA shall prepare a dynamic, fully integrated financial model for each airport reflecting:

- Multiple air traffic scenarios (base, upside, downside, stress)
- Revenue projections across all aeronautical and non-aeronautical streams
- Operating cost assumptions with sensitivity analysis
- Capital investment requirements across the concession term, with phasing and funding structure —under different structuring scenarios

- Comparative financial analysis of development programme integration scenarios: full concessionaire obligation, Government pre-build, hybrid ring-fencing, and co-financing arrangements
- Payment mechanism options with comparative analysis of financial outcomes for GoP
- Sensitivity analysis across key variables including traffic, tariffs, capex, construction costs, and macroeconomic factors
- Debt capacity assessment and bankability metrics including DSCR, LLCR, and IRR under each development scenario
- Valuation under different scenario for each airport under different structuring scenarios

✓ **Deliverable:** *Financial Model and Reference Price (for each airport) — with sensitivity analysis and assumptions report, approved by PC and Federal Cabinet*

### 5.5 Structured Market Engagement

Building on Phase I preliminary market soundings, the FA shall undertake structured consultations with a wider set of potential investors to test refined structuring options and development obligation designs. The FA shall:

- Present refined transaction structure options and obtain structured feedback, including investor views on development obligations
- Confirm investor appetite for specific risk allocation provisions, development milestone structures, and contractual terms
- Confirm likely competition depth and identify any structural barriers to participation
- Develop investor targeting strategies to maximise competitive participation in the formal bidding process

✓ **Deliverable:** *Market Feedback Memorandum (covering both airports)*

### 5.6 Workforce and Stakeholder Communications

The FA shall develop and implement a comprehensive communications and stakeholder engagement strategy for each airport, covering:

- Employee communications addressing concerns of PAA and agency workforces regarding transfer, redeployment, and employment terms
- Labour law compliance requirements and recommended workforce transition arrangements
- Media strategy and public communications to manage reputational risk
- Engagement with airline operators, ground handlers, and other commercial partners
- Engagement with government agencies, regulators, and relevant ministries

✓ **Deliverable:** *Stakeholder Communications and Workforce Transition Plan (for each airport)*

### 5.7 Marketing Documents

The FA, shall prepare a comprehensive Information Memorandum — incorporating comprehensive disclosure of the development programme and expansion obligations

✓ **Deliverable:** *Information Memorandum (for each airport)*

## PHASE IV

# Implementation, Transaction Close & Post-Close Support

*Transaction marketing, competitive bidding, award, financial close, and post-close transition support*

### 6.1 Overview

Phase IV covers all activities required for the successful completion of each Transaction, from investor outreach and formal pre-qualification through to commercial and financial close. The FA shall be responsible for preparing all relevant documentation, managing competitive bidding processes, and supporting PC and PAA through negotiation, execution, and financial close.

Where directed by PC, activities within Phase IV may be conducted in parallel for both airports or sequentially for each airport individually.

### 6.2 Expression of Interest and Pre-Qualification

The FA shall manage the solicitation and evaluation of Expressions of Interest (EOI) and pre-qualification of potential investors for each airport, including:

- Development of pre-qualification criteria
- Drafting and issuance of EOI notices and Requests for Statement of Qualifications, with wide dissemination locally and internationally
- Evaluation of Statements of Qualifications (SoQs) against the criteria and determination of pre-qualified parties
- Preparation of a Pre-Qualification Evaluation Report recommending pre-qualified parties, for approval by the PC Board
- Establishment and management of Virtual Data Rooms, including non-disclosure agreements with pre-qualified bidders
- Facilitation of pre-qualified bidder site visits, expert sessions, and presentations to support buy-side due diligence

✓ **Deliverable:** *EOI Documents and Advertisement (each airport)*

✓ **Deliverable:** *Request for Statement of Qualifications (each airport)*

✓ **Deliverable:** *Pre-Qualification Evaluation Report and PC Board Approval (each airport)*

✓ **Deliverable:** *Virtual Data Rooms — established and operational (each airport)*

### 6.3 Transaction Marketing

The FA shall conduct marketing as an ongoing parallel activity throughout Phase III and Phase IV. The FA shall develop and implement a comprehensive marketing strategy for each airport, including:

- Preparation of targeted investor outreach materials — including an Investment Teaser and Information Pack for each airport that clearly articulates the development and expansion opportunity

- Use of the FA's global network to engage the full universe of qualified airport operators, infrastructure investors, and project finance institutions
- A tailored outreach strategy targeting airport operators, infrastructure funds, sovereign wealth funds etc.
- Local and international road shows highlighting each airport, the sector structure, policy framework, concession opportunities, and the investment climate in Pakistan
- A media and communications strategy — including print, electronic, and social media engagement — to project a positive image and manage any negative coverage
- Conduct of the road shows and investor engagement including meetings with approval of Privatisation Commission

✓ **Deliverable:** *Marketing and Communications Plan (for each airport)*

✓ **Deliverable:** *Road Show Reports — complete briefs on all investor interactions*

#### 6.4 Bidding Documents

The FA, working with legal counsel and other specialist advisers, shall prepare a comprehensive suite of bidding and project documents for each airport, including:

- Instructions to Bidders (ITB) — including bidding rules, procedures, and evaluation methodology
- Draft Concession Agreement — incorporating KPIs, output-based performance standards, technical schedules, payment mechanisms, development milestone obligations, and termination provisions; together with a report highlighting post-concession material risks for GoP and consumers and appropriate protections
- Financial Model to be shared with qualified bidders as a reference model if required
- Any other project documents as required

✓ **Deliverable:** *Bidding Documents — including Draft Concession Agreement, Instruction to bidder and all relevant legal agreements & documents (for each airport)*

#### 6.5 Bidding Process Management

The FA shall manage all aspects of the competitive bidding process for each airport, including:

- Pre-bid conferences and site visits
- Bidder query management and issuance of clarifications and amendments
- Coordination of all regulatory formalities
- Management of the bid submission process
- Assisting Privatisation Commission in negotiations with the pre-qualified bidders
- Carry out pre-bid meetings with pre-qualified bidders, responding to queries of the bidders and finalizing the bidding documents

✓ **Deliverable:** *Conduct of above activities and summarized findings of the process (each airport)*

#### 6.6 Bidding and Bid Evaluation

The FA shall manage the bid evaluation process for each airport, including:

- Assisting the Privatisation Commission in carrying out the Bidding process
- Assessment and evaluation of received bids
- Preparation of a Bid Evaluation Report with ranking results and recommendation for the successful bidder

✓ **Deliverable:** *Bid Evaluation Report and Approval of Bidding Results by Federal Cabinet (each airport)*

## 6.7 Award, Negotiations, and Financial Close

The FA shall support PC through to financial close for each airport, including:

- Assistance with the signing of the Concession Agreement and all legal formalities
- Assistance with satisfaction of conditions precedent under the Concession Agreement
- Facilitation of financial close, including where required transfer of proceeds to GoP-nominated accounts
- Notification of Financial Close in the official gazette and completion of all post-award legal formalities

✓ **Deliverable:** *Financial Close (for each airport)*

## 6.8 Post-Financial Close Support — Transition and Capacity Building

The FA shall provide advisory support and capacity building of PAA for up to three months from the date of Financial Close for each airport, covering:

### 6.8.1 Transition and Operational Continuity

- Development of a comprehensive operational transition framework for each airport
- Transition plans from PAA to the Concessionaire covering asset handover protocols, operational continuity safeguards, staff transfer arrangements

### 6.8.2 Monitoring and Evaluation Framework

- Design and implementation of a robust Monitoring and Evaluation framework clearly defining roles and responsibilities of the Concessionaire, CAA & PAA,
- Establishment of KPI reporting requirements and provisions for monitoring development milestone obligations

### 6.8.3 Reporting and Enforcement Mechanisms

- Design of reporting and enforcement mechanisms that are proportionate, commercially balanced, and legally robust
- Step-in rights, default and remedy procedures, development milestone enforcement

### 6.8.4 Exit and Reversion Options

- Preparation of a comprehensive report on exit and reversion options available to PAA/and the Government under each Concession Agreement
- Scenario-based modelling of termination outcomes and assessment of fiscal impact and reversion cost under each scenario

### 6.8.5 Capacity Building

- Structured capacity building program for PAA covering: concession agreement management, KPI monitoring and enforcement, financial reporting review, dispute identification and resolution, and understanding of lender rights.

✓ **Deliverable:** *Operational Transition Framework (each airport)*

✓ **Deliverable:** *Monitoring and Evaluation Framework (each airport)*

- ✓ **Deliverable:** *Enforcement Mechanisms Report (each airport)*
- ✓ **Deliverable:** *Exit and Reversion Options Report (each airport)*
- ✓ **Deliverable:** *Capacity Building Programme — delivered to PAA*

## **Part 4: Governance, Reporting, and Ownership**

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### **Overall Leadership and Coordination**

The FA shall take the lead in coordinating and reviewing all activities related to the management of both Transactions. The FA shall conceptualise each transaction comprehensively, provide overall guidance to all workstreams, manage unforeseen eventualities, and serve as the single point of contact for PC. The FA shall maintain a consolidated project plan and milestone tracker covering both airport workstreams, updated and shared with PC on a regular basis.

### **Reporting Requirements**

The FA shall submit regular progress reports to PC throughout the engagement. At a minimum, the FA shall provide:

- Monthly progress reports summarising activities completed, activities planned, risks, and issues across both airport workstreams
- Phase completion reports at the conclusion of each Phase
- Ad hoc reports or briefing notes as required by PC
- A final completion report upon Financial Close for each airport

### **Ownership of Deliverables**

All reports, models, databases, data, analyses, and documentation prepared under this assignment shall remain the exclusive property of the Privatisation Commission and the Government of Pakistan. The FA shall not use, reproduce, or disclose any deliverables to any third party without the prior written consent of PC. Intellectual property rights in all deliverables shall vest in PC, subject to the FA's right to retain copies for institutional records.

### **Confidentiality**

All information obtained by the FA in the course of this assignment shall be treated as strictly confidential. The FA, its experts, professional staff, and sub-contractors shall not communicate, publish, or disclose any confidential information to any person or entity without the prior written consent of PC.



**Privatisation Commission  
Government of Pakistan**

**DRAFT  
FINANCIAL ADVISORY SERVICES  
AGREEMENT (FASA)**

This Agreement (hereinafter called the “Financial Advisory Services Agreement”) is made on the \_\_\_\_\_ day of the month of \_\_\_\_\_, 2026:

Between

The Privatisation Commission, Government of Pakistan, having its office at Constitution Avenue, Islamabad (hereinafter called the “Client”) on the one hand;

and

(name & address of the Party) (hereinafter called the “Financial Advisor”) on the other hand.

[The Client and the Financial Advisor are individually referred as Party and collectively as Parties]

## **WHEREAS**

- (a) The Client has published the “Request for Proposal” to engage the Financial Advisor to provide certain services as defined in Appendix ‘A’ of this Agreement (hereinafter called the “Services”);
- (b) In response to the Request for Proposal, the interested parties submitted their technical and financial proposals on the basis of which the Client selected the Financial Advisor;
- (c) The Parties represent that this Agreement constitutes binding legal obligations and the persons signing this agreement are competent and legally authorized to bind the Parties; and
- (d) The Financial Advisor represents to the Client that it, along with its sub-contractors, has the required professional skills, personnel, expertise and technical resources to provide the Services to perform this Agreement.

**NOW THEREFORE**, the Parties agree as follows:

1. The following documents attached to this Agreement shall form an integral part of the Agreement:
  - I. The General Conditions of the Agreement;
  - II. The Special Conditions of the Agreement;
  - III. Appendices:
    - Appendix A: Terms of Reference;
    - Appendix B: Implementation Schedule;
    - Appendix C: Integrity Pact.
2. The General Conditions of the Agreement shall not be changed and any permissible change required in the General Conditions shall be affected through Special Conditions of the Agreement.
3. The mutual rights and obligations of the Client and the Financial Advisor shall be as set forth in the Agreement, in particular:
  - (a) the Financial Advisor shall carry out the Services in accordance with the provisions of the Agreement; and
  - (b) the Client shall make payments to the Financial Advisor in accordance with the provisions of the Agreement.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be signed in their respective names as of the day and year first above written.

For and on behalf of Privatisation Commission

\_\_\_\_\_  
*(Name & Designation)*

For and on behalf of (name of the Financial Advisor)

\_\_\_\_\_  
*(Name & Designation)*

**Witnesses:**

1. \_\_\_\_\_  
—

2. \_\_\_\_\_  
—

## **I. GENERAL CONDITIONS OF THE AGREEMENT**

### **A. GENERAL PROVISIONS**

#### **1. Definitions:**

1.1 The terms used in this Agreement shall have the following meanings:

- (a) “Affiliate” means, as to any person or entity, any other individual or entity who directly or indirectly controls, is under common control with, or is controlled by such person. As used in this definition ‘control’ shall mean possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests), by contract.
- (b) “Airport” mean Allama Iqbal Internatioanl Airport (AIIAP), Lahore or Jinnah International Airport (JIAP), Karachi and Airports means both of them.
- (c) “Agreement” means the Financial Advisory Services Agreement signed between the Client and the Financial Advisor.
- (d) “Applicable law” means any common or customary law, constitutional law, any statute, Act, regulation, resolution, rule, ordinance, enactment, judgment, order, code, decree, directive, notification, clarification, guideline, policy, requirement or any other governmental direction having the force of law in the Islamic Republic of Pakistan;
- (e) “Client” means Privatisation Commission (the “PC”) established under the Privatisation Commission Ordinance, 2000
- (f) “Concession Agreement” as defined in the SCA.
- (g) “Consortium” means a group of body corporates, firms & sole proprietorships that have agreed to be jointly and severally responsible for the obligations under this Financial Advisory Services Agreement (FASA);
- (h) “Day” means a working day of the Client unless indicated otherwise in SCA.
- (i) “Effective Date” means the date on which this Agreement comes into force and effect pursuant to Clause GCA 9.
- (j) Expert” means a key expert, non-key expert, or any other personnel of the Financial Advisor, assigned by the Financial Advisor to perform the Services or any part of Services under the Agreement;
- (k) “Federal Government” means the Government of Pakistan.
- (l) “Financial Advisor” or FA means the external Advisor hired by the Client under the Agreement.
- (m) “Financial Closure” means as defined in the SCA

- (n) “GCA” means these General Conditions of Agreement.
- (o) “Local Currency” means Pakistani Rupees or PKR;
- (p) “Nominee” means a legal entity authorized by the Financial Advisor and approved by the Client for the purpose of receiving payments due to the Financial Advisor under this Agreement or parts thereof and specified in the SCA
- (q) “Party” means the Client or the Financial Advisor, and “Parties” mean both of them.
- (r) “SCA” means the Special Conditions of Agreement by which the GCA may be amended or supplemented but not over-written.
- (s) “Services” means the work to be performed by the Financial Advisor pursuant to the Agreement described in Appendix-A.
- (t) “Sub-Contractor” means an entity to whom the Financial Advisor sub-contracts any part of the Services while remaining solely liable for the execution of the Agreement.
- (u) “Success Fee” means the amount to be paid by the Client to the Financial Advisor on a Financial Closure as defined in the SCA.
- (v) “Third Party” means any person or entity other than the Sub-Contractor engaged by the Financial Advisor for performance of Services under the FASA.
- (w) “Transaction” means the privatisation transaction as envisaged in the Services (**Appendix-A**).

1.2 An expression used but not defined in this Agreement shall mean the same as defined in the Privatisation Commission Ordinance 2000.

**2. Relationship between the Parties**

Nothing contained in the Agreement shall be construed as establishing a relationship of master and servant or of principal and agent as between the Client and the Financial Advisor. The Financial Advisor, subject to the Agreement, has complete charge of the professional staff and advisors performing the Services and shall be fully responsible for the Services performed by them.

**3. Law Governing Agreement**

1. The Agreement, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable law.

**4. Language**

This Agreement has been executed in the language specified in the SCA, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of the Agreement.

**5. Headings**

The headings shall not limit, alter or affect the meaning of this Agreement.

**6. Communications**

Any communication required or permitted to be given or made under the Agreement shall be in writing in the language specified in Clause

GCA 4. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent to such Party at the address specified in the SCA.

A Party may change its address for notice under the Agreement by giving the other Party notice of such change at the address specified in the SCA.

**7. Authorized Representatives**

7.1 Any document required or permitted to be executed under this Agreement by the Client or the Financial Advisor shall be executed by the individuals in accordance with the SCA.

**8. Corrupt and Fraudulent Practices**

8.1 The Client requires compliance with its policy in regard to corrupt and fraudulent practices. In pursuance of this policy, the Client:

- (a) defines, for the purpose of this paragraph, the term ‘corrupt and fraudulent practice’ as follows:

“corrupt and fraudulent practice” includes the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official or the supplier or contractor in the procurement process or in contract execution to the detriment of the Client; or misrepresentation of facts in order to influence a procurement process or the execution of a contract, collusive practices among bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the Client of the benefits of free and open competition and any request for, or solicitation of anything of value by any public official in the course of the exercise of his duty;

- (b) may terminate the Agreement if it determines that the Financial Advisor has, directly or through an agent, engaged in a corrupt or fraudulent practice, or any collusive or coercive practice in competing for the Agreement; and
- (c) may sanction, including declaring the Financial Advisor ineligible, either indefinitely or for a stated period of time, to be awarded any agreement of the Client if, at any time, it determines that the Financial Advisor has, directly or through an agent, engaged in corrupt or fraudulent practice, or collusive or coercive practice in competing for, or in executing, the Agreement.

**B. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF AGREEMENT**

**9. Effectiveness of Agreement**

9.1 This Agreement shall come into force and effect on the date (the “Effective Date”) mentioned in the SCA.

**10. Termination of Agreement for Failure to Become Effective**

10.1 Nil

**11. Commencement of Services** 11.1 The Financial Advisor confirms availability of key professional staff and is ready to begin carrying out the Services not later than the number of days after the Effective Date specified in the SCA.

**12. Expiration and Duration of Agreement** 12.1 Unless terminated earlier pursuant to Clause GCA 17, this Agreement shall remain valid till such time period as specified in SCA.

12.2 The Financial Advisor shall perform the Services within the time set out in the implementation schedule (**Appendix-B**).

**13. Entire Agreement** 13.1 This Agreement contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth in the Agreement.

**14. Modifications or Variations** 14.1 Any modification or variation of the terms and conditions of the Agreement, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties. Routine renewals or repetitions shall not constitute variations. Only significant additional work beyond the original scope of work outlined in the Terms of Reference in the RFP as determined by the Client shall be considered a modification or variation, requiring negotiation of the terms by the Parties.

**15. Force Majeure**

**a. Définition**

15.1 For the purposes of Clause GCA 15, “Force Majeure” means an event which is beyond the control of a Party, is not foreseeable, is unavoidable, and makes a Party’s performance of its obligations under the Agreement impossible or so impractical as to be considered impossible under the circumstances, and subject to those requirements, includes war, riots, civil disorder, earthquake, fire, explosion, unexpected flood or other unusual adverse weather conditions, strikes, lockouts or other industrial action, confiscation or any other action by a Government agency.

15.2 Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or such Party’s professional staff, advisor or agent or employee, nor (ii) any event which a diligent Party could reasonably have been expected to both take into account at the time of the conclusion of this Agreement, and avoid or overcome in the carrying out of its obligations under the Agreement.

15.3 Force Majeure shall not include insufficiency of funds or failure to make any payment required under the Agreement.

**b. No breach of Agreement**

15.4 The failure of a Party to fulfill any of its obligations under the Agreement shall not be considered to be a breach of, or default under, the Agreement in so far as such inability arises from an event of Force Majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative<sup>55</sup> measures, all with the objective of fulfilling the terms and conditions of the Agreement.

**c. Measures to be Taken**

15.5 A Party affected by an event of Force Majeure shall continue to perform its obligations under the Agreement as far as it is reasonably practical and shall take all reasonable measures to minimize the consequences of any event of Force Majeure.

15.6 A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any case not later than seven (07) days following the occurrence or first occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give written notice of the restoration of normal conditions as soon as possible and in any case not later than three (03) days following the restoration of normal conditions.

15.7 Any period within which a Party shall, pursuant to this Agreement, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

15.8 During the period of their inability to perform the Services as a result of an event of Force Majeure, the Financial Advisor, upon instructions from the Client, shall either:

- (a) demobilize; or
- (b) continue with the Services to the extent reasonably possible, in which case the Financial Advisor shall continue to be paid under the terms of the Agreement.

15.9 In the case of disagreement between the Parties as to the existence or extent of Force Majeure, the matter shall be settled according to Clauses GCA 33 & 34.

**16. Suspension**

16.1 The Client may, by written notice of suspension to the Financial Advisor, suspend all payments if the Financial Advisor fails to perform any of its obligations under the Agreement, including the carrying out of the Services. The notice of suspension shall: (i) specify the nature of the failure; and (ii) request the Financial Advisor to remedy such failure within a period not exceeding fifteen (15) days after receipt by the Financial Advisor of such notice of suspension.

16.2 Notwithstanding anything contained in this Agreement, the Client shall have the right to issue a notice in writing to the Financial Advisor, at any time, to suspend or stop the Services relating to any deliverables that have not been completed by the Financial Advisor and approved by the Client and in such event, shall not be liable to make any payment whatsoever to the Financial Advisor for any unfinished part of the Services.

**17. Termination**

17.1 A Party may terminate the Agreement as per provisions set out below.

**a. By the Client**

17.1.1. The Client may terminate this Agreement in case of the occurrence of any of the events specified in paragraphs (a) to (f) of this Clause. In such an occurrence, the Client shall give prior written notice of termination to the Financial Advisor: (i) in case of the events

referred to in paragraphs (a) to (d); at least thirty (30) days' written notice; (ii) in case of the event referred to in paragraph (e); and (iii) at least five (5) days' written notice in case of the event referred to in paragraph (f).

- (a) If the Financial Advisor fails to remedy a failure in the performance of its obligations under the Agreement, as specified in a notice of suspension pursuant to Clause GCA 17.
- (b) If the Financial Advisor becomes (or, if the Financial Advisor consists of more than one entity, if any of its members becomes) insolvent or bankrupt or enter into any agreement with their creditors for relief of debt or take advantage of any law for the benefit of debtors or go into liquidation or receivership whether compulsory or voluntary.
- (c) If the Financial Advisor fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause GCA 34.
- (d) If, as the result of Force Majeure, the Financial Advisor is unable to perform a material portion of the Services for a period of not less than thirty (30) days.
- (e) If the Client, in its sole discretion and for any reason whatsoever, decides to terminate the Agreement.
- (f) If the Financial Advisor fails to confirm availability of Key professional staff as required under Clause GCA 11.

17.1.2. If the Client determines that the Financial Advisor has engaged in corrupt or fraudulent practice, or collusive, coercive or obstructive practice, in competing for or in executing the Agreement, the Client may, after giving fourteen (14) days written notice to the Financial Advisor, terminate the Agreement.

**b. By the Financial Advisor**

17.1.3. The Financial Advisor may terminate this Agreement, by not less than thirty (30) Days' written notice to the Client, in case of the occurrence of any of the events specified in paragraphs (a) to (d) of this Clause.

- (a) If the Client fails to pay any money due to the Financial Advisor pursuant to the Agreement and not subject to dispute pursuant to Clause GCA 34 within forty-five (45) Days after receiving written notice from the Financial Advisor that such payment is overdue.
- (b) If, as the result of Force Majeure, the Financial Advisor is unable to perform a material portion of the Services for a period of not less than sixty (60) Days.
- (c) If the Client fails to comply with any final decision reached as a result of arbitration pursuant to Clause GCA34.
- (d) If the Client is in material breach of its obligations pursuant to the Agreement and has not remedied the same within forty-five

(45) Days.

- c. Cessation of Rights and Obligations** 17.1.4. Upon termination of the Agreement pursuant to Clause GCA 10 or GCA 17, or upon expiration of this Agreement pursuant to Clause GCA 12, all rights and obligations of the Parties under the Agreement shall cease, except: (i) such rights and obligations as may have accrued on the date of termination or expiration; (ii) the obligation of confidentiality set forth in Clause GCA 20; (iii) the Financial Advisor's obligation to permit inspection, copying and auditing of their accounts and records set forth in Clause GCA 24; and (iv) any right which a Party may have under the Applicable law.
- d. Cessation of Services** 17.1.5. Upon termination of the Agreement by notice of either Party to the other Party pursuant to Clause GCA 17.1a or GCA 17.1b, the Financial Advisor shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum.
- e. Payment upon Termination** 17.1.6. Upon termination of the Agreement, the Client shall make the payments to the Financial Advisor for Services satisfactorily performed prior to the Effective Date of termination.
- f. Exclusivity & Non-Compete** 17.1.7 The Financial Advisor acknowledges that its appointment is on an exclusive basis for the Transaction. Accordingly, the Financial Advisor undertakes that, during the term of this Agreement and for a period of eighteen (18) months following any termination or expiry thereof, it shall not, directly or indirectly, provide any financial advisory, investment banking, brokerage, or similar services to any third party in relation to the acquisition, sale, leasing, financing, or restructuring of the Property or any interest therein.

### **C. OBLIGATIONS OF THE FINANCIAL ADVISOR.**

#### **18. General**

- a. Standard of Performance** 18.1 The Financial Advisor shall perform and carry out the Services with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and shall observe sound management practices. The Financial Advisor shall always act, in respect of any matter relating to the Agreement or to the Services, as a fiduciary Advisor to the Client, and shall at all times support and safeguard the Client's legitimate interests in any dealings with the third parties.

18.2. The Financial Advisor shall employ and provide such qualified and experienced professional staff and advisors as are required to carry out the Services.
- b. Law Applicable to Services** 18.3. The Financial Advisor shall perform the Services in accordance with the Agreement and the Applicable law and shall take all practicable steps to ensure that its professional staff and advisors comply with the Applicable law.

- 19. Conflict of Interests**
- 19.1. The Financial Advisor shall hold the Client’s interests paramount, without any consideration for future work, and strictly avoid conflict with other assignments or its own corporate interests.
- a. Prohibition of Conflicting Activities**
- 19.1.1 The Financial Advisor shall not engage, and shall cause its professional staff and advisors not to engage, either directly or indirectly, in any business, personal or professional activities that would conflict with the activities assigned to them under the Agreement.
- b. Strict Duty to Disclose Conflicting Activities**
- 19.1.2 The Financial Advisor and their Sub-Contractors & Third Parties, have an obligation and shall ensure that its professional staff and advisors, shall have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of the Client, or that may reasonably be perceived as having this effect. Failure to disclose said situations may lead to the disqualification of the Financial Advisor or the termination of the Agreement.
- 19.2.1 The Financial Advisor shall promptly (and in any event within five (5) business days) disclose in writing to the Client any fact or circumstance that arises during the term that would or might constitute a breach of clause 19.1.1 and 19.1.2 above or otherwise create an actual, potential or perceived conflict of interest.
- 19.2.2 The Financial Advisor shall immediately withdraw from and cease any engagement or relationship that would constitute a breach of this General Condition 19 upon becoming aware of the same and shall take all necessary steps to mitigate any adverse impact on the Transaction.

**20. Confidentiality**

20.1 Except with the prior written consent of the Client, the Financial Advisor and their sub-Contractors & Third Parties and their professional staff and advisors shall not, at any time, communicate to any person or entity any confidential information acquired in the course of the Services from the Client or from an entity of the Federal Government, nor shall they make public the recommendations formulated in the course of, or as a result of, the Services.

20.2 In consideration of the Client or from an entity of the Federal Government providing the Financial Advisor with Confidential Information, the Financial Advisor agrees that all Confidential Information will be held and treated by the Financial Advisor, its affiliates, and its affiliates’ agents, advisors, attorneys and employees (collectively “Financial Advisor Representatives”) in confidence and will not, except as hereinafter provided or as mandated and/or required by law, without the Client’s prior written consent be disclosed by the Financial Advisor or Financial Advisor Representatives and will not be used by the Financial Advisor or Financial Advisor Representatives other than in connection with the purpose described in this Agreement.

20.3 The term “Confidential Information” does not include information which (i) was already in the Financial Advisor’s possession, (ii) was or becomes generally available to the public, or

(iii) becomes available to the Financial Advisor from a third person who, in so far as is known to the Financial Advisor, is not prohibited from transmitting the information to the Financial Advisor by a contractual, legal or fiduciary obligation to the Client or the Federal Government.

20.4 Nothing contained herein shall prevent the Financial Advisor to disclose in confidence any Confidential Information to an advisor, key professional staff or to an affiliate of the Financial Advisor.

20.5 This confidentiality obligation shall terminate eighteen (18) months from the date of termination of this Agreement.

**21. Liability of the Financial Advisor**

21.1 Subject to additional provisions, if any, set forth in the SCA, the Financial Advisor liability under the Agreement shall be governed by the Applicable law.

**22. Reporting Obligations**

22.1 The Financial Advisor shall submit to the Client the reports, documents and information as specified in **Appendix-A**.

**23. Proprietary Rights of the Client in Reports and Records**

23.1 Unless otherwise indicated in the SCA, all reports and relevant data and information such as plans, databases, other documents and software, supporting records or material compiled or prepared by the Financial Advisor for the Client in the course of the Services shall be confidential (for Financial Advisor) and become and remain the absolute property of the Client.

**D. SUB-CONTRACTORS AND PROFESSIONAL STAFF**

**24. Replacement of Key Professional Staff, Sub-Contractors or Consortium member**

24.1 Except as the Client may otherwise agree in writing, the Financial Advisor shall not make any change in the Sub-Contractors, key experts, professional staff, Consortium member(s), mentioned in the SCA.

24.2 Notwithstanding the above, the substitution of a key professional staff, Sub-Contractor, key expert or Consortium member during Agreement execution may be considered only based on the Financial Advisor written request and due to circumstances outside the reasonable control of the Financial Advisor. In such case, the Financial Advisor shall forthwith provide a replacement acceptable to the Client.

**25. Removal of staff, Sub-contractors or Consortium members**

25.1 If the Client finds that any of the professional staff, Consortium member(s), key experts, Third Party or Sub-Contractor has committed misconduct or has been charged with having committed an offence, or professional staff, Consortium member or Sub-Contractor has engaged in corrupt or fraudulent practice, or collusive, coercive or obstructive practice while performing the Services, the Financial Advisor shall, at the Client's written request, provide a replacement.

25.2 In the event that any of the professional staff, Consortium member, Third Party or Sub-Contractor is found by the Client to be

incompetent or incapable in discharging assigned duties, the Client, specifying the grounds therefore, may request the Financial Advisor to provide a replacement.

25.3 Any replacement of the removed professional staff, Consortium member or Sub-Contractor shall possess equal or better qualifications and experience and is acceptable to the Client.

25.4 The Financial Advisor shall bear all costs arising out of or incidental to any removal and/or replacement of professional staff, Consortium member, Third Party or Sub-Contractor.

#### **E. OBLIGATIONS OF THE CLIENT**

**26. Assistance and Exemptions**

26.1 Unless otherwise specified in the SCA, the Client shall use its best efforts to:

- (a) assist the Financial Advisor by providing requisite information or documents as are necessary to enable the Financial Advisor to perform the Services.
- (b) provide to the Financial Advisor any other assistance as is specified in the SCA.

**27. Payment Obligation**

27.1 In consideration of the Services performed by the Financial Advisor under this Agreement, the Client shall make such payments to the Financial Advisor for the deliverables as specified in SCA.

#### **F. PAYMENTS TO THE FINANCIAL ADVISOR**

**28. Agreement Price**

28.1 The Agreement price is fixed and is set forth in the SCA.

28.2 Any change to the Agreement price specified in Clause 31 can be made only if the Parties have agreed to the revised scope of Services pursuant to Clause GCA 14 and have amended in writing the Terms of Reference in **Appendix A**.

**29. Taxes and Duties**

29.1 The Financial Advisor is responsible for meeting the tax liabilities arising out of the Agreement.

**30. Currency of Payment**

30.1 Any payment under the Agreement shall be made in the currency specified in SCA.

**31. Mode of Billing and Payment**

31.1 The total payments under this Agreement shall not exceed the Agreement price set forth in Clause GCA 28.1.

31.2 The payments under this Agreement shall be made in the following manner:

- (i) lump-sum payment shall be paid against the deliverables;
- (ii) out of pocket expenses shall be paid on lump-sum basis against deliverables along with remuneration as per actual expenses<sup>61</sup> (within the limit fixed in SCA) against receipts or bills specified

in the SCA; and

- (iii) Success Fee shall be paid upon successful Financial Closure of the Transaction.

31.2.1 The Financial Advisor shall perform the tasks and complete the milestones within the time frame mentioned in the implementation schedule. The Client shall verify the deliverable and convey its approval within the period specified in SCA.

31.2.2 On receipt of approval of deliverable from the Client, the Financial Advisor shall submit invoice against the approved deliverable and the Client shall make payment within thirty (30) Days of receipt of the invoice.

31.2.3 In case there is a delay in verification of the deliverable by the Client due to the reasons conveyed in writing to the Financial Advisor, the Client shall make a part payment against the deliverable as specified in SCA. In any eventuality, the verification of a deliverable by the Client shall not exceed forty-five (45) Days.

31.2.4 If a deliverable is found unsatisfactory, the Client shall convey its observations with remedial measures to the Financial Advisor. The Client shall ensure that all of its observations on the deliverable are conveyed to the Financial Advisor in a consolidated form and not in a piecemeal manner. The Financial Advisor shall, within the period specified in SCA, submit the revised deliverable to the Client.

31.2.5 The Financial Advisor shall verify a deliverable submitted by a Sub-Contractor before submission to the Client. In case of any payment required under SCA to be made directly to Sub-Contractor, the Financial Advisor shall verify the invoice of the Sub-Contractor before submission to the Client.

31.2.6 All payments under the Agreement shall be made to the accounts of the Financial Advisor or a Sub-Contractor as specified in the SCA.

31.2.7 With the exception of the final payment under Clause GCA 31.2.2 above, payments do not constitute acceptance of the whole Services nor relieve the Financial Advisor of any obligations under the Agreement.

#### **G. FAIRNESS AND GOOD FAITH**

### **32. Good Faith**

32.1 The Parties undertake to act in good faith with respect to each other's rights under the Agreement and to adopt all reasonable measures to ensure the realization of the objectives of the Agreement.

#### **H. SETTLEMENT OF DISPUTES**

### **33. Amicable**

33.1 The Parties shall seek to resolve any dispute amicably by

## **Settlement**

mutual consultation.

33.2 If either Party objects to any action or inaction of the other Party, the objecting Party may serve a written notice of dispute to the other Party providing in detail the dispute and the basis of the dispute. The Party receiving the notice of dispute will consider it and respond in writing within fourteen (14) days after its receipt. If the other Party fails to respond within fourteen (14) days, or the dispute cannot be amicably settled within fourteen (14) days following the response of the other Party, Clause GCA 34 shall apply for resolution of dispute.

## **34. Dispute Resolution**

34.1 Any dispute between the Parties arising under or related to the Agreement that cannot be settled amicably may be referred to by either Party to arbitration in accordance with the Arbitration Rules of the London Court of International Arbitration through appointment of three arbitrators under those rules. Each Party shall appoint one arbitrator while the Parties shall jointly appoint the third arbitrator who shall act as presiding arbitrator. In case of dispute on the appointment of third arbitrator, any Party may submit an application to the Chief Justice of Islamabad High Court for appointment of the third arbitrator and decision of the Chief Justice shall be final and binding on the Parties

34.2 The arbitration shall take place in Islamabad or any other suitable place, agreed between the Parties. The language of the arbitration proceedings shall be English. The award shall be final and binding on the Parties.

34.3 The Parties agree that the Courts at Islamabad or any other suitable place, agreed between the Parties, shall have exclusive jurisdiction with respect to the enforcement of an award or any litigation relating to or arising out of the Agreement.

34.4 In case of conflict between the provisions of the Arbitration Rules of the London Court of International Arbitration and the Arbitration Act 1940, the Court in Islamabad or any other suitable place agreed between the Parties, shall apply the Arbitration Rules of the London Court of International Arbitration relating to arbitration proceedings and for enforcement of the award, agreed between the Parties, shall apply the Arbitration Rules of the London Court of International Arbitration relating to arbitration proceedings and for enforcement of the award.

## **I. MISCELLANEOUS**

## **35. Indemnification**

35.1 The Financial Advisor shall indemnify, protect and defend at Financial Advisor's own expense, the Client, its Chairman, Secretary, members, consultants, officers and employees, from and against any and all actions, claims, losses, damages or liabilities of a third party arising out of any act by the Financial Advisor, its professional staff, Sub-Contractor or employee to the extent that such fault is finally determined by a court or arbitral tribunal to have resulted from any act of the Financial Advisor, its professional staff, Sub-Contractor or employee.

35.2 If any action, suit, proceeding or investigation is commenced,

as to which the Client propose to demand indemnification, the Client shall not, without the prior written consent of the Financial Advisor, settle or compromise any claim, or permit a default or consent to the entry of any judgment in respect thereof, unless such settlement, compromise or consent includes, as an unconditional term thereof, the giving by the claimant to the Financial Advisor of an unconditional and irrevocable release from all liability in respect of such claim. To the extent of any settlement, compromise or consent which requires payment to be made by the Client to the claimant, the Financial Advisor's liability hereunder shall continue to subsist.

35.3 The Financial Advisor shall, at its own cost and expense, upon request of the Commission, re-perform the Services in the event of Financial Advisor's failure to exercise the skill and care required under the Agreement.

35.4 The Client undertakes to keep the Financial Advisor, its professional staff, Sub-Contractor or employee indemnified from and against any losses, claims, damages or liabilities of a third party related to, arising out of any act by the Client to the extent that such fault is finally determined by a court or arbitral tribunal to have resulted from any act of the Client, its consultant or employee.

35.5 The Financial Advisor's or Client's aggregate civil liability to each other under this Agreement shall not exceed twice the amount of remuneration fees and out of pocket expenses fixed under the Agreement.

35.6 Notwithstanding anything to the contrary contained in this Agreement, neither Party shall be liable to the other Party for any indirect or consequential loss or damage which may be suffered by the other Party in connection with the Agreement.

## **36. Insurance**

36.1 The Financial Advisor shall take out and maintain adequate professional liability insurance as well as adequate insurance against third party liability and loss of or damage to equipment.

36.2 The Client undertakes no responsibility in respect of any life, health, accident, travel and other insurance, which may be necessary or desirable for the personnel of the Financial Advisor, including its professional staff and Sub-Contractors, nor for any members of any family of any such person.

## **37. Integrity Pact**

37.1 The Parties are bound by the Integrity Pact (**Appendix-C**) and acknowledge the terms and conditions of the Pact.

## **38. Severability**

38.1 If any provision of the Agreement is rendered invalid or unenforceable then: (i) to the fullest extent permitted by the Applicable law, the other provisions of the Agreement shall remain in full force and effect and the Parties agree to carry out the agreements contained herein to give effect as near as possible to the original intention of the invalid or unenforceable provision; and (ii) the invalidity or unenforceability of any provisions of the Agreement shall not affect the validity or enforceability of such provision in any other

jurisdiction.

**39. Privity of Contract** The Financial Advisor shall coordinate the management of the Transaction, act as single point of contact for the Sub-contractors and any Third Party hired for any part of the Services. The parties understand and undertake that the Sub-contractors and any Third Party hired for any part of the Services are in contractual relationship with the Financial Advisor. Nothing in this Agreement shall create or deem to create any legal or contractual relationship between the Client and a Sub-Contractor or Third Party hired by the Financial Advisor for any part of the Services.

## II. SPECIAL CONDITIONS OF THE AGREEMENT

Number of GC Clause	Amendments of, and Supplements to, Clauses in the General Conditions of Agreement
1.1 (f)	“Concession Agreement” means the transaction document executed between the Government of Pakistan or its nominated entity and the successful bidder (or its Special Purpose Company), which sets forth the detailed terms and conditions for the grant of rights to manage, operate, maintain and develop the Airport for a specified period, including the allocation of risks, performance standards, payment mechanisms and the eventual transfer of the asset back to the Government.
1.1 (h)	“Day” means a working day of the Client unless indicated otherwise in SCA.
1.1 (m)	“Financial Closure” means the transfer of the upfront fee and any other initial proceeds by the successful bidder to the GOP/Client nominated accounts and the simultaneous transfer of the management, operations and development rights of the Airport to the successful bidder pursuant to the Concession Agreement.
1.1(p)	List of Nominees
4.1	The language is English.
6.1 and 6.2	<p><b>The addresses for communication are:</b></p> <p>Client: <u>Privatisation Commission, Government of Pakistan</u></p> <p>Attention: <u>Director General (Admn)</u></p> <p>Address: <u>4<sup>th</sup> Floor, Kohsar Block, New Pak Secretariat, Constitution Avenue, Islamabad, Pakistan.</u></p> <p>Telephone: <u>+92 (51) 9207973</u></p> <p>Email: <u>dgadmn@privatisation.gov.pk</u></p> <p>FA: _____</p> <p>_____</p> <p>Attention: _____</p> <p>Address: _____</p> <p>Telephone: _____</p> <p>Email : _____</p>

7.1	<p><b>The Authorized Representatives are:</b></p> <p>For the Client:</p> <p>For the Financial Advisor: <i>(Name &amp; Designation)</i></p>																		
9.1	<p>The Agreement shall come into force and effective on the date mentioned at the beginning of this Agreement.</p>																		
11.1	<p><b>Commencement of Services:</b></p> <p>Services will be commenced within (05) days after this Agreement comes into force and becomes effective.</p>																		
12.1	<p><b>Expiration and Duration of Agreement:</b></p> <p>The Agreement is valid for initial period of thirty-six (36) months unless extended in writing with mutual consent of the Parties.</p>																		
24.1	<p><b>List of Sub-contractors/ Consortium Member/Third Parties:</b></p>																		
28.1	<p><b>The Agreement price is:</b> USD (in figures &amp; words including remuneration, out of pocket expenses and Success Fee).</p>																		
30.1	<p>Payment shall be made to the Financial Advisor in PKR/USD.</p>																		
27.1 & 31.2	<p><b>The Illustrative Payment Schedule:</b></p> <p>i. The Client shall make payment against the deliverables as per following schedule:</p> <table border="1" data-bbox="354 1279 1362 1803"> <thead> <tr> <th data-bbox="354 1279 472 1317">Sr. No.</th> <th data-bbox="472 1279 1040 1317">Deliverables</th> <th data-bbox="1040 1279 1362 1317">% of Retainer fee</th> </tr> </thead> <tbody> <tr> <td data-bbox="354 1317 472 1391">1</td> <td data-bbox="472 1317 1040 1391">Approval of Transaction Structure by the Federal Cabinet</td> <td data-bbox="1040 1317 1362 1391">___%</td> </tr> <tr> <td data-bbox="354 1391 472 1464">2</td> <td data-bbox="472 1391 1040 1464">Prequalification of Interested Parties/Bidders by the PC Board</td> <td data-bbox="1040 1391 1362 1464">___%</td> </tr> <tr> <td data-bbox="354 1464 472 1615">3</td> <td data-bbox="472 1464 1040 1615">Finalization of Drafts of Bidding Documents &amp; Transaction Related Agreements to Pre-Qualified Bidders and its issuance by the PC</td> <td data-bbox="1040 1464 1362 1615">___%</td> </tr> <tr> <td data-bbox="354 1615 472 1727">4</td> <td data-bbox="472 1615 1040 1727">Completion of Bidding process and Approval of the Successful Bidder by the Federal Cabinet</td> <td data-bbox="1040 1615 1362 1727">___%</td> </tr> <tr> <td data-bbox="354 1727 472 1803">5</td> <td data-bbox="472 1727 1040 1803">Signing of Agreement(s) with Successful Bidder and Financial Closure.</td> <td data-bbox="1040 1727 1362 1803">___%</td> </tr> </tbody> </table> <p>ii. The out-of-pocket expenses, paid _____ as per actual shall consist of following, where relevant, and be reasonably incurred by the Financial Advisor and its Sub-Contractor(s) in the performance of the Services:</p> <p>a) Hotel and subsistence costs actually incurred and based on corporate rates for both the FA and PC nominated officials;</p>	Sr. No.	Deliverables	% of Retainer fee	1	Approval of Transaction Structure by the Federal Cabinet	___%	2	Prequalification of Interested Parties/Bidders by the PC Board	___%	3	Finalization of Drafts of Bidding Documents & Transaction Related Agreements to Pre-Qualified Bidders and its issuance by the PC	___%	4	Completion of Bidding process and Approval of the Successful Bidder by the Federal Cabinet	___%	5	Signing of Agreement(s) with Successful Bidder and Financial Closure.	___%
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4	Completion of Bidding process and Approval of the Successful Bidder by the Federal Cabinet	___%																	
5	Signing of Agreement(s) with Successful Bidder and Financial Closure.	___%																	

	<ul style="list-style-type: none"> <li>b) The cost of domestic &amp; international transportation of the FA personnel and PC nominated officials by the most appropriate means of transport and the most direct practicable route;</li> <li>c) Miscellaneous travel expenses such as the cost of the transportation to and from Airports Taxies Passport, visas, travel permits, vaccination;</li> <li>d) Expenses on marketing roadshows and advertisements; and</li> <li>e) Third party costs or fee.</li> </ul> <p>iii. The IP shall account for all remuneration and out of pocket expenses associated with successful accomplishment of the Transaction process and the client shall not assume responsibility of incurring any additional cost on any of the activity.</p>
<b>31.2.1</b>	<b>Approval of Deliverables:</b> The Client shall convey its approval of deliverables within _____ Days.
<b>31.2.3</b>	<b>Part Payment of Deliverables:</b> The Client shall make part payment equivalent to _____% of the invoice value.
<b>31.2.4</b>	<b>Submission of Deliverables:</b> The Financial Advisor shall submit the revised deliverable to the Client within (____) Days.
<b>31.2.6</b>	<p><b>The accounts of FA and its Sub-Contractors are:</b></p> <p>for [    ]:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>

**TERMS OF REFERENCE**

**IMPLEMENTATION SCHEDULE**

INTEGRITY PACT

Agreement Number: \_\_\_\_\_ Dated: \_\_\_\_\_  
 Agreement Value: \_\_\_\_\_  
 Agreement Title: \_\_\_\_\_

\_\_\_\_\_(Name of Financial Advisor (FA))\_\_\_\_\_ hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from client or any employee or consultant thereof any other entity owned or controlled by the Client or Government of Pakistan (GOP) through any corrupt business practice.

Without limiting the generality of the foregoing, FA represents and warrants that it has fully declared the brokerage, commission, fees etc. paid or payable to anyone and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder’s fee or kickback, whether described as consultation fee or otherwise, with the object of obtaining or inducing the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form from GOP, except that which has been expressly declared pursuant hereto.

FA certifies that it has made and will make full disclosure of all agreement and arrangements with all persons in respect of or related to the Transaction with Client and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.

FA accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or talking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other right and remedies available to Client under any law, contract or other instrument, be voidable at the option of Client.

Notwithstanding any rights and remedies exercised by Client in this regard, FA agrees to indemnify Client for any loss or damage incurred by the Client on account of corrupt business practice of FA and further pay compensation to Client in an amount equivalent to ten times the sum of any commission, gratification, bribe, finder’s fee or kickback given by FA as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from Client.

Client

FA