



**GOVERNMENT OF PAKISTAN**

**MINISTRY OF PRIVATISATION  
(PRIVATISATION COMMISSION)**

**REQUEST FOR PROPOSAL (RFP)  
HIRING OF FINANCIAL ADVISOR**

**FOR THE DIVESTMENT OF UP TO 100%  
GOVERNMENT OF PAKISTAN'S SHARES IN  
HOUSE BUILDING FINANCE COMPANY LIMITED**

## I. Letter of Invitation

Islamabad, the ....., April 2026

Dear Sir /Madam

This Request for Proposals (RFP) has been addressed to the Interested Parties / IPs.

1) **The Financial Adviser is being hired in accordance with the provisions of Privatisation Commission (Hiring of Financial Advisers) Regulations, 2018 (including any amendments thereon) and shall be selected under *Quality & Cost Based Selection (QCBS)* procedure as described in this RFP.**

2) The RFP includes the following documents:

- I. Letter of Invitation
- II. Instructions to Financial Advisors and Data Sheet
- III. Technical Proposal- Standard Forms
- IV. Financial Proposal - Standard Forms

### **Appendices**

- A. Terms of Reference (TOR)
- B. Draft Financial Advisory Services Agreement (FASA)

3) Interested Parties are also required to submit their Technical & Financial Proposal along- with a non-refundable processing fee of PKR 200,000 (Pak Rupees Two Hundred Thousand only) by banker's cheque or wire transfer to the following bank account:

Bank Name:	National Bank of Pakistan
Account Title:	Privatisation Commission
CIF No:	2291607
Account No:	3035236082
IBAN:	PK72NBPA0341003035236082
Swift Code:	NBPAPKKA02I

Yours sincerely,

---

Privatisation Commission  
4<sup>th</sup> Floor, Kohsar Block, New Pak Secretariat,  
Constitution Avenue, Islamabad.  
Phone No. +92-051-9216514  
Email: 'advisorfre@privatisation.gov.pk'

## II: Instructions to Financial Adviser / Interested Parties

*[Note: Instructions to Financial Adviser / Interested Parties shall not be modified.]*

### Definitions

- (a) “Client” means Privatisation Commission (the “PC”) established under section 3 of Privatisation Commission Ordinance, 2000;
- (b) “Consortium” means a group of body corporates or firms that have agreed to provide services under the FASA”.
- (c) “Data Sheet” means such part of the instructions to IPs used to reflect specific conditions of the transaction;
- (d) “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;
- (e) “Financial Advisor” or FA means an external financial adviser or where applicable a Consortium hired by the Client to advise on a major privatisation as defined in the Privatisation Commission (Hiring of Financial Advisers) Regulations, 2018;
- (f) “Federal Government” means the Government of Pakistan;
- (g) “Financial Advisory Services Agreement” or “FASA” means the Agreement to be signed between the Client and the Financial Adviser;
- (h) “Interested Party” or “IP” means a body corporate or firm, whether as an individual entity or as a Consortium, which has submitted the technical proposal and the financial proposal and paid the fee, if any;
- (i) “Sub-Contractor” means an entity to whom the IP intends to subcontract part of the services while remaining responsible to the Client during the performance under FASA;
- (j) “Terms of Reference” or “TOR” means the Terms of Reference attached with this RFP which explains the objectives, scope of work, activities, tasks to be performed and responsibilities of the Financial Adviser;
- (k) “Third Party” means any person or entity other than the Federal Government, the Client, the IP/ Financial Adviser or a sub- contractor; and
- (l) “Working Day” means an official working day, in which official business is conducted by the Client.

### 1. Introduction

- 1.1 The 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 both for technical and financial proposals for hard copies and in separate password protected electronic files with password to be provided at the time of opening of the bids, for both the technical and financial proposals in soft form.

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 till 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 interest's paramount, strictly avoid conflicts with other assignments or their own corporate interests.

1.5 IP has 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 IP.

**Fraud and Corruption**

1.6 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. In pursuance of this policy, the Client:

(a) defines, for the purpose of this paragraph, the terms set forth below as follows:

“corrupt and fraudulent practices” 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) 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

(c) 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 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, IP shall maintain the availability of professional staff nominated in the technical proposal. Client may request the IP to extend the validity period of its proposals. IP who agrees to such extension shall confirm that it will maintain the availability of the professional staff nominated in the proposal, or in its confirmation of extension of validity of the proposal, IP could submit new staff in replacement acceptable to the Client.

**2. Clarification  
of RFP  
Documents**

2.1 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.

2.2 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 / bid before the amendment of RFP, it is entitled to the return of unopened proposals from the Client before the last date fixed for the submission of proposals. An IP is not entitled to the return of proposal if no amendment in the RFP is made after the 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 from (a) to (d) using the attached Standard Forms. A page is considered to be one printed side of A4 or letter size paper.

- (a) A brief description of the IP's organization and an outline of recent experience on assignments of a similar nature is required in Form TECH-2.
- (b) A description of the approach, methodology and work plan for performing the assignment covering the following subjects: technical approach and methodology, work plan, and organization with profile of key professional staff. Guidance on the content of this section of the technical proposals is provided under Form TECH-3.
- (c) The list of the proposed professional staff team by area of expertise. (Form TECH-4).
- (d) CVs of the key professional staff signed by the staff themselves

or by the authorized 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**
- 4.1 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 attached Forms.
- 4.2 An authorized representative of the party shall initial all pages of the original Technical and Financial proposals. The authorization 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 authorized to sign. The signed technical and financial proposals shall be marked "**ORIGINAL**".
- 4.3 The technical proposal shall be marked "**ORIGINAL**" or "**COPY**" as appropriate. The proposals shall be sent to the addresses 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 time may be given for sharing of passwords.
- 4.4 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 envelope(s) 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, losing 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.
- 4.5 The proposals must be sent to the address indicated in the Data Sheet and received by the Client no later than the time and the 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.
- 4.6 The Client will open the technical proposals on the date and time mentioned in Data Sheet after the deadline ends for their submission, in the actual or virtual presence of representatives of bidders, if 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, the IPs should not contact the Client on any matter related to its 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**
- 5.2 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 power point presentation for the technical proposal.
- 5.3 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 is at the party's choice.
- 5.4 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 technical scores, including the break-down of criterion, 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 the electronic submissions of financial proposals, the IPs shall share the password electronically at the time of opening of their respective financial proposals.
- 6. Negotiations & 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.
- 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.

- |   |     |   |
|---|-----|---|
| <b>Only One Proposal</b>                | 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 or Sub-Contractor submits or participates in more than one proposal, all such proposals shall be disqualified and rejected. |
| <b>Conclusion of the negotiations</b>   | 6.6 | After negotiations under paragraph 6.1, the Client and the FA shall initial (actual or electronic) the FASA. If negotiations with top ranked IP fail, the Client will invite the IP whose proposals received the second highest score for negotiations under paragraph 6.1.       |
| <b>Governing Law &amp; Jurisdiction</b> | 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.   |
| <b>7. Award of FASA</b>                 | 7.1 | The Client shall award FASA to the selected IP and promptly notify all others who have submitted proposals.   |
|   | 7.2 | The FA is expected to commence the assignment on the date and at the location specified in the Data Sheet.  |
|   | 7.3 | 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 Adviser as determined by the Client.   |

## Instructions to IP

### DATA SHEET

Paragraph Reference	
1.8	Proposals must remain valid for 90 (ninety) days after the last submission date.
2.1	<p><b>Clarifications may be requested not later than <u>07 (seven) Working Days</u> prior to the last date of submission of proposals.</b></p> <p>The contact information for requesting clarifications is on the following official email or in writing to:</p> <p>Email: 'advisorfre@privatisation.gov.pk' Tele: Ph: (+92-51-9216514)</p> <p>Advisor (F&amp;RE) Privatisation Commission 4<sup>th</sup> Floor, Kohsar Block, New Pak Secretariat, Constitution Avenue, Islamabad, PAKISTAN.</p>
3.1	Proposals shall be submitted in the <u>English language</u> .
4.3	IPs should submit the <b>original hard copy plus one copy of the original and a soft copy of each of the technical and financial proposals (total 02 copies in hard 01 in soft on registered email ID)</b> which must be password protected. Password of only the technical proposal is to be shared <b>at the time of opening of the technical proposal</b> . If technically qualified by the Client, the password of the financial proposal shall <b>thereafter be shared at the time of opening of the financial proposal</b> .
4.5	<p><b>The Proposal submission address is:</b></p> <p>Advisor (F&amp;RE) Privatisation Commission 4<sup>th</sup> Floor, Kohsar Block, New Pak Secretariat, Constitution Avenue, Islamabad, PAKISTAN.</p> <p>Proposals must be submitted on or before <b>Tuesday 05<sup>th</sup> May 2026, 3:30 pm Pakistan Standard Time (PKT)</b>.</p>
4.6	<b>The Client will open the technical proposals on the last date of submission i.e. Tuesday 05<sup>th</sup> May 2026 at 16:00 hours PKT.</b>

S. No.	Evaluation criteria	Marks
1	2	3
(a)	<p><b>Specific Firm or Consortium experience related to the assignment</b></p> <p><b>1. Experience in Transaction Advisory Services of Consortium Lead as a Lead Advisory Firm for M&amp;A/ privatisation/ corporate restructuring.</b></p> <p>i) Demonstrated experience of successfully completing (achieving financial closure) similar transactions, as an Advisory Lead.</p> <p>ii) Experience of similar transactions in banking/financial sector is mandatory. <b>(13 marks)</b></p> <p><u>Marking scheme:</u></p> <ul style="list-style-type: none"> <li>• Completed transactions with transaction complexity, size &amp; sector expertise (any sector): <ul style="list-style-type: none"> <li>✓ 05 or more – 10 marks</li> <li>✓ 03-04 – 07 marks</li> <li>✓ 01-02 – 03 marks</li> </ul> </li> <li>• 1 or more completed transactions in banking/financial sector – 03 marks</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• Only quote transactions completed since 1st January 2010. For banking/ financial sector, transactions completed since January 2000 may be quoted.</li> <li>• Value of the transaction entity, broad scope of work of IP and evidence of financial closure for each assignment must be submitted (maximum for 10 transactions).</li> <li>• PC, in its own discretion, may require additional information.</li> </ul> <p><b>2. Experience of other Consortium Members in successfully completing similar M&amp;A/ privatisation/ corporate restructuring mandates preferably within banking/financial sector. (12 marks)</b></p> <p><u>Marking scheme:</u></p> <ul style="list-style-type: none"> <li>• Completed mandates (any sector): <ul style="list-style-type: none"> <li>✓ 05 or more – 10 marks</li> <li>✓ 03-04 – 07 marks</li> <li>✓ 01-02 – 03 marks</li> </ul> </li> <li>• 1 or more completed transactions in banking/financial sector – 02 marks</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• In case the proposal has not been submitted by a Consortium, the experience of IP will be considered against this criteria.</li> </ul>	<b>30</b>

		<ul style="list-style-type: none"> <li>• <i>Only quote mandates completed since 1st January 2010. For banking/ financial sector, mandates completed since January 2000 may be quoted.</i></li> <li>• <i>Value of the transaction entity, broad scope of work of IP and evidence of completion for each assignment must be submitted (maximum for 10 transactions).</i></li> <li>• <i>PC, in its own discretion, may require additional information.</i></li> </ul> <p><b>3.</b> Experience in marketing similar transactions to potential investors and successfully concluding a sell-side M&amp;A/ Privatisation mandate of Consortium Lead or a Consortium Member.</p> <p>i) Demonstrated experience of successfully completing (achieving financial closure) similar mandates. <b>(05 marks)</b></p> <p><u>Marking scheme:</u></p> <ul style="list-style-type: none"> <li>• Completed transactions: <ul style="list-style-type: none"> <li>✓ 03 or more – 05 marks</li> <li>✓ 02 – 03 marks</li> <li>✓ 01 – 01 marks</li> </ul> </li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>In case the proposal has not been submitted by a Consortium, the experience of IP will be considered against this criteria.</i></li> <li>• <i>Only quote transactions completed since 1st January 2010. For banking/ financial sector, transactions completed since January 2000 may be quoted.</i></li> <li>• <i>Value of the transaction entity, broad scope of work of IP and evidence of financial closure for each assignment must be submitted (maximum for 10 transactions).</i></li> <li>• <i>PC, in its own discretion, may require additional information.</i></li> </ul>	
	(b)	<p><b>Competence of Team</b></p> <p>i) Name, qualification &amp; relevant experience of the Project Director.</p> <p>ii) Names, qualifications &amp; relevant experiences of key personnel of the Consortium Lead for the assignment.</p> <p>iii) Names, qualifications &amp; relevant experiences of key personnel of each member firm of the Consortium (other than Consortium Lead) &amp; Sub-Contractor firm(s) for the assignment/ transaction.</p> <p>iv) Structure &amp; composition of the Consortium and division of responsibilities.</p>	30

	<p><b>1. FA Project Team Leader/</b> Nominated Project Director with Minimum experience of Ten (10) years in M&amp;A, privatisation &amp; corporate restructuring. <b>(06 marks)</b></p> <p><u>Marking scheme:</u></p> <ul style="list-style-type: none"> <li>• 05 or more similar mandates completed – 06 marks</li> <li>• 03-04 similar mandates completed – 03 marks</li> <li>• 01-02 similar mandates completed – 01 marks</li> </ul> <p><b>2. Designated Core Transaction Team Profile</b> Maximum 10 CVs of the Core Team. <b>(06 marks)</b></p> <p><b>3. Law Firm</b> having proven expertise &amp; experience in handling similar transactions involving M&amp;A, Privatisation and Corporate Restructuring. <b>(06 marks)</b></p> <p><u>Marking scheme:</u></p> <ul style="list-style-type: none"> <li>• 05 or more similar mandates completed – 06 marks</li> <li>• 03-04 similar mandates completed – 03 marks</li> <li>• 01-02 similar mandates completed – 01 marks</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Evidence of relevant experience to be provided.</i></li> </ul> <p><b>4. Accountancy and Tax Firm</b> must be a registered Category A (as per State Bank of Pakistan’s List) Chartered Accountant Firm with latest satisfactory QCR ratings. <b>(05 marks)</b></p> <p><u>Marking scheme:</u></p> <ul style="list-style-type: none"> <li>• 03 or more similar mandates completed – 05 marks</li> <li>• 01-02 similar mandates completed – 02 marks</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>In case IP is providing these services itself, then IP will be evaluated against this criteria.</i></li> <li>• <i>Evidence of relevant experience to be provided.</i></li> </ul> <p><b>5. Human Resources Firm (IP/ Sub-Contractor)</b> must have proven experience of conducting HR related due-diligence and addressing HR &amp; employees related matters in similar M&amp;A/privatisation transactions. <b>(04 marks)</b></p> <p><u>Marking scheme:</u></p> <ul style="list-style-type: none"> <li>• 03 or more similar mandates completed – 04 marks</li> <li>• 01-02 similar mandates completed – 02 marks</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Demonstrated track-record of having worked with GOP/GOP entities</i></li> <li>• <i>In case IP is providing these services itself, then IP will</i></li> </ul>	
--	---	--

	<p><i>be evaluated against this criteria.</i></p> <ul style="list-style-type: none"> <li>• <i>Evidence of relevant experience to be provided.</i></li> </ul> <p><b>6. Marketing and Media Management Firm</b> (IP/ Sub-Contractor) must have proven experience of creating and running marketing engagement programs for large corporates. <b>(03 marks)</b></p> <p><u>Marking scheme:</u></p> <ul style="list-style-type: none"> <li>• 03 or more similar mandates completed – 03 marks</li> <li>• 01-02 similar mandates completed – 01 marks</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Demonstrated track-record of having worked with GOP/GOP entities</i></li> <li>• <i>In case IP is providing these services itself, then IP will be evaluated against this criteria.</i></li> <li>• <i>Evidence of relevant experience to be provided.</i></li> </ul>		
	<p><b>(c) Work plan and methodology</b></p> <p>i) Understanding of the GOP’s objectives for privatisation of commercial entities owned by GOP.</p> <p>ii) Experience dealing with M&amp;A/ privatisation/ restructuring, etc. of banks &amp; financial institutions.</p> <p>iii) Major activities, key challenges &amp; timelines to complete the transaction.</p> <p>iv) Approach to successfully complete the transaction.</p> <p>v) Acquaintance with legal &amp; regulatory regime/ framework in which the Bank is operating.</p> <p>vi) Spell out a robust &amp; engaging marketing strategy, for developing investor appetite, to be implemented for successful completion of transaction. Emphasis on transaction strategy, value maximization approach and re-structuring plan.</p> <p>vii) Emphasis on transaction strategy, value maximization approach &amp; re-structuring plan.</p> <p><b>1. Understanding of the sector, potential investors’ interest in the sector and the Transaction; and FA’s execution strategy and work plan for the Transaction. The work plan and methodology, amongst others, must cover following areas: - (15 Marks)</b></p> <p>i) Anticipated issues/challenges in this Transaction</p> <p>ii) Envisaged transaction structure options</p> <p>iii) Proposed strategy for completion of transaction within the indicative timelines</p> <p>iv) Strategy to address HR and employee related matters</p> <p>v) Critical success factors for completion of privatisation transaction for the Bank</p>	<p><b>25</b></p>	

	<p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• IP is required to submit mapping of activities along with its detailed proposal</li> <li>• Marks will be awarded on clarity of methodology, alignment of the plan with indicative timelines, relevance to TORs; realistic and implementable work plan; all the above-mentioned points must be clearly covered and identified in the technical proposal at FORM TECH-3.</li> </ul> <p><b>2. Identification of potential investor universe and design of an effective marketing strategy/Investor Out-Reach Plan. (10 Marks)</b></p>	
	<p><b>(d) Effectiveness of presentation</b></p> <ul style="list-style-type: none"> <li>i) Understanding of assignment and execution strategy.</li> <li>ii) Acquaintance with legal &amp; regulatory framework.</li> <li>iii) Key potential issues/ challenges in executing the Transaction.</li> <li>iv) Timelines of project completion/ milestones.</li> <li>v) Identification of potential investor base (domestic &amp; international).</li> <li>vi) Effectiveness of proposed marketing &amp; communications strategy for investor out-reach.</li> </ul>	<b>15</b>
<p><b>Total Points for the three criteria: 100%</b></p> <p><b>The minimum technical score required to pass is: 70 Points</b></p>		
<p><b>5.2</b></p>	<p><b>Scoring of technical and financial proposals:</b></p> <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:-</p> $St = Str \times 100 / St_{max}$ <p>where <math>St_{max}</math> = Score of the highest ranked IP on technical criteria.</p> <p>The financial score (Sf) shall be calculated in the following manner, namely:-</p> $Sf = 100 \times (F_{min} / F_f)$ <p>where <math>F_{min}</math> = Lowest total fee bid and <math>F_f</math> = Total fee bid by the IP under consideration.</p> <p>The combined technical and financial proposal (Sc) shall be calculated in the following manner, namely: -</p> $Sc = 0.80 \times St + 0.20 \times Sf$	
<p><b>7.2</b></p>	<p><b>Expected date for the commencement of the Services:</b></p> <p>Within five (05) days after signing of FASA.</p>	

### **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**

---

[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: \_\_\_\_\_

**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 PKR):
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:	

*[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**

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

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**

---

{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 PKR</b>	
<b>1.</b> Milestone based Retainer Fee	<i>(Insert number here)</i>
<b>2.</b> Out of Pocket Expense (Should match the amount in Form FIN-3) <i>Please see Notes below</i>	<i>(Insert number here)</i>
<b>3.</b> <u>Grand Total (1+2)</u> (Should match the amount in Form FIN-1) <b>(Note: Weightage: 70%)</b>	<i>(Insert number here)</i>
<b>4.</b> 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>
<b>5.</b> Total bid amount (for evaluation purpose only)	Total bid amount (for evaluation) will be calculated based on the following formula:  (70% x Grand Total (3) + 30% x 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 Adviser 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 (PKR)</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.*

## APPENDIX –A

### TERMS OF REFERENCE ('TOR') FOR APPOINTMENT OF FINANCIAL ADVISOR ('FA') FOR THE PRIVATISATION OF HOUSE BUILDING FINANCE COMPANY LIMITED (“TRANSACTION”)

#### 1. INTRODUCTION:

House Building Finance Corporation, a statutory corporation, came into existence in 1952 and remained as one of the pioneer special purpose Housing Finance Corporation. In June 2006, House Building Finance Company Limited ('HBFCL' or the 'Company') was incorporated as a wholly government owned unlisted public company under the then Companies Ordinance, 1984, to meet the house financing needs of intended borrowers. Subsequently, vide a statutory notification, HBFCL took over the business and all assets and liabilities of House Building Finance Corporation. HBFCL is designated as a financial institution by the Federal Government and is providing financing facilities for the purchase, construction and renovation of houses through a network of 50 branch offices and 3 regional offices throughout Pakistan including Azad Jammu and Kashmir.

GoP, through the Privatisation Commission ('PC'), intends to divest upto 100% of GoP equity stake in the Company along with management control to a strategic investor (“Transaction”).

PC invites Technical and Financial Proposals (“Proposals”) from investment banks or investment advisory firms or corporate finance firms, who have proven track record of successfully undertaking similar assignments, to act as Financial Advisor ('FA') for the Transaction. It is understood that for successful completion of the Transaction, the FA is expected to associate Accounting and Law Firms, as sub-contractors, details of which will be made part of the Proposals. The Transaction will be carried out in accordance with these Terms of Reference ('TORs') and appointed FA will be responsible for advising the PC on all matters leading to successful completion of the Transaction.

#### 2. OBJECTIVES OF PRIVATISATION

With reference to privatisation of the Company, GoP has the following broad objectives:

- Unlock inherent commercial potential of the Company by bringing in private sector investor(s) with the requisite experience to turn it around.
- Improve business and operational performance of the Company through injection of requisite capital, HR and technology.

#### 3. SCOPE OF WORK

This section identifies the principal activities that need to be carried out and should not be construed as a complete set of activities required for the successful completion of tasks specified in the TORs.

The PC expects the transaction process to be interactive, with regular liaison among the FA, PC, Finance Division, State Bank of Pakistan ('SBP') and the management of the Company. The FA will be expected to draw comparisons with other similar assignments to assist the PC in understanding the issues as they arise thereby facilitating timely decisions.

The Transaction process will consist of comprehensive due diligence exercise, a report on the recommended transaction structure including preliminary valuation model, marketing, identifying and pre-qualifying prospective investors, finalization of share/sale purchase agreement and other bidding documents, determining reserve price and conducting bidding, leading to successful financial closure of the Transaction. Where required, certain activities, such as development of valuation model, soft marketing, market assessment and identifying the range of prospective investors will be carried out simultaneously with other activities.

##### 3.1 Kick-off meeting

Immediately after mobilization, a kick-off meeting will be conducted with the objective to apprise key stakeholders i.e. PC, Finance Division, SBP and the Company of the overall plan of activities proposed by the FA. This meeting will specifically cover the following:

- Brief overview of various aspects of the Company,
- Detailed timetable of activities including key milestones/deliverables,
- Transaction work plan including allocation of work,
- Key concerns and considerations regarding the Transaction.

In case of inconsistencies between the FASA and the presentation of kick-off meeting, the former will prevail unless specifically, and in writing, agreed otherwise.

### **3.2 Due Diligence Reports ('Reports')**

The objective of these Reports will be to undertake a comprehensive review of all matters relevant to the Transaction, including legal, financial, tax, human resource and operational aspects.

The Reports will include, but not be limited to, the following:

- **Financial Matters:** Examine financial statements and management accounts, including review of assets & liabilities. The FA will be expected to seek assistance from the Company's incumbent external auditors for detailed review of financial statements and their adequacy.
- **Tax Matters:** Make detailed tax assessments of the Company, in line with the applicable tax framework, including tax litigation matters.
- **Legal & Regulatory Matters:** Review the legal and regulatory framework while highlighting issues/impediments specific to the execution of the Transaction. This shall include review of licenses, material contracts, immovable properties, litigation matters, borrowings, related party transactions, minimum capital requirement and other statutory requirements of the Company.
- **Other Matters:** This shall include detailed review of operations, branch networks, products and human resource matters including governing laws/regulations and terms of Company 's workforce and existing employee litigation matters.

Due diligence conducted by the FA will assist in the preparation of the valuation model and formulation of Transaction Structure. Valuation model will employ various valuation techniques, particularly used in the valuation of a Company.

Respective Due Diligence Reports will include Executive Summary(s) highlighting key findings besides identifying issues and/or focus areas requiring specific attention of the GoP and PC. FA will also include recommendations to address the highlighted issues/concerns.

### **3.4 Report on Transaction Structure**

Evaluate possible transaction structures to ensure optimal value for GOP.

- i) Based on the Due-Diligence, Preliminary Market Sounding, and input from potential investors; Financial Advisor will be required to provide:
  - a) Different transaction structure options based on the identified issues, percentage of shares to be divested and mode of divestment; associated pros & cons, regulatory requirements, potential risks for GOP and any restructuring required; with a clear recommendation to the GOP on the preferred transaction structure and rationale and associated amendments required in the license or nature of business (if required) to maximize the value for GOP
  - b) With regards to preferred transaction structure option and the objective of value maximization for GOP via extension of business licenses, Financial Advisor shall elaborate on the process, required documentation, costs involved and timeline for realizing this option as part of transaction structuring
  - c) Comparative analysis of transaction structures on expected value of the Bank
- ii) Financial Advisor is expected to make presentations to the Privatisation Commission Board, CCOP/ Federal Cabinet or any other stakeholder, required for approval of the Transaction

Structure. A draft of this report will be submitted to PC for review before its finalization. Financial Advisor is also expected to provide assistance to the Privatisation Commission/ GOP entities to facilitate implementation of the approved transaction structure.

- iii) The report shall include a list of potential investors and a detailed timetable for Transaction activities. A draft of this report will be submitted to PC for review before its finalization.

### **3.5 Marketing Strategy and Implementation**

The FA will be responsible for developing and implementing a marketing strategy. Close coordination with PC, Finance Division, SBP and the Company is envisaged. Preliminary marketing will begin as soon as sufficient information has been gathered from due diligence. Subject to PC's approval, road shows, where deemed necessary, will be organized and conducted by the FA.

### **3.6 Solicitation of Expressions of Interest and Pre-qualification of Potential Investors**

The FA will conduct the process of solicitation of EOI. To the extent possible, details of the salient features of the Transaction Structure will be included in the advertisement inviting EOIs. The advertisements to invite EOI will be published by PC and their cost will be charged to the reimbursable expenditure payable to the FA. A summary of key information on the Transaction in the form of a Preliminary Information Memorandum will be prepared by the FA and widely disseminated among interested parties to generate greater interest and foster a competitive process. The FA will submit prequalification criteria of potential investors for approval of the PC. After approval by PC, the FA will provide a Request for Statement of Qualifications to potential investors who express interest in the Transaction. On the basis of pre-qualification criteria, the FA will evaluate the Statements of Qualification of the potential investors and submit its recommendation to the PC for approval.

### **3.7 Information Memorandum (IM)**

The IM will be a comprehensive marketing document intended to assist pre-qualified potential bidders in evaluating the investment opportunity of acquiring the Company. It will contain concise information on the economic and political environment of the country, analysis of the financial sector and detailed information on the Company, based on the due diligence carried out, including information pertaining to company structure, management, assets, operations, financial performance etc. and other regulatory and legal issues. The IM will also include information on the Transactional process and envisaged timeline. The FA shall submit a draft IM to the PC for approval in accordance with the agreed upon detailed timelines. After approval by PC, it will be issued to the pre-qualified potential investors who have signed the required confidentiality agreement.

### **3.8 Transaction Documentation**

The FA will be responsible for preparation of complete Transaction documentation including, but not limited to, the Request for Statement of Qualifications ('RSOQ') containing detailed prequalification criteria, Share/Sale Purchase Agreement ('S/SPA'), Instructions to Bidders ('ITB'), Information Memorandum ('IM'), and other necessary documents etc. The Transaction documents shall also include Confidentiality Agreements and/or any other Agreements/Undertakings that may be required for the Transaction.

All Transaction documentation will require approval of the PC before release to the bidding parties. The approved draft S/SPA and ITB will be sent along with the IM to the prequalified bidders who will be requested to comment on the draft S/SPA and ITB.

### **3.9 Data Room**

FA will be responsible for setting up and manning the Data Room, as and when required. Pre-qualified potential bidders will be allowed adequate time to analyse the information and carry out their respective due diligence.

### **3.10 Final Valuation Model**

The final valuation model will be used to determine the Reserve Price to conduct the bidding. FA will be expected to apply various internationally accepted valuation techniques to obtain a valuation range for the Company, including Discounted Cash Flow (DCF) Methodologies and their variants, Balance Sheet Methodologies, Transaction Multiple Methodologies, Comparable Company Analysis, Precedent Transaction Analysis, Asset Valuation Methodologies and any other valuation methodology considered

relevant to the Transaction.

The most optimal valuation techniques will be identified and recommended by the FA to assess the value of the Company. The valuation model will be used to undertake a sensitivity analysis and will be presented to explain and discuss the underlying assumptions and workings, at various relevant forums to obtain approval of the Reserve Price. The final valuation report shall be submitted at a time/date specified by PC in its sole discretion.

### **3.11 Pre-Bid Meeting(s)**

The first pre-bid meeting will be held ahead of the final bidding date in accordance with the agreed upon detailed timelines. The FA, apart from providing a detailed briefing to the pre-qualified bidders, PC, Finance Division, SBP and the Company with respect to the bidding process and the post-bidding issues, if any, will also address queries raised by the pre-qualified bidders.

### **3.12 Bidding and Closing**

The FA will manage and conduct the entire bidding process on behalf of PC including, but not limited to bid opening and evaluation, recommendations on award, presentations to the PC, and other stakeholders/forums, for seeking approval of the said recommendations and closing of the Transaction. The FA will ensure compliance with terms of sale and transfer of sale proceeds to nominated bank accounts of the PC. The FA will oversee the eventual management transfer through the completion of all post-bidding formalities.

## **4. FINANCIAL ADVISOR'S RESPONSIBILITIES**

The FA shall be responsible for all activities leading to and including successful financial closure of the Transaction. While a detailed scope of work has been spelled out in the present TOR, the FA shall also be responsible for all activities, not specifically mentioned in the TOR, but are necessary for successfully concluding the Transaction and would reasonably be considered customary in transactions of similar nature. The FA will appoint a Project Director to assume overall responsibility of the Transaction and to interface with PC. The Project Director will be available on a first-call basis for the duration of the Transaction. The FA will provide sufficient lead times for matters requiring decision by the Government.

The FA will maintain all records of the Transaction for a period of five year from the termination of other activities under the FASA. During this period, the FA will assist the PC in dealing with queries and issues related to the transaction.

## **5. PRIVATISATION COMMISSION'S RESPONSIBILITIES**

The PC will nominate a Transaction Manager to liaise with the FA to coordinate all activities of the PC related to the FA's work. PC will also be evaluating FA's performance and undertaking any corrective measures, where necessary. PC will assist in securing appointments with regulator, government ministries, departments and agencies, as and when, required. Relevant staff from the Company will work with the FA to provide data. The PC will facilitate the FA in obtaining necessary assistance from other government agencies.

## **6. STATUS REPORTS**

Periodic Status Reports will be submitted on the progress of work. Where there is a delay or potential delay in implementation, the FA is expected to explain causes of delay and take remedial action where reasonable to do so.

## **7. TIME FRAME**

It is planned to bring the Company to a point of sale in an efficient time frame without compromising transparency and success of the Transaction.

## **8. INDICATIVE LIST OF DELIVERABLES/MILESTONES**

- Due Diligence Reports
- Transaction Structure
- Pre-qualification Criteria and Evaluation of SOQs
- Information Memorandum

- Share/Sale Purchase Agreement and Instructions to Bidders
- Final Valuation Model and Reserve Price
- Bidding and closure of Transaction with successful bidder



**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 Adviser”) on the other hand.

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

#### **WHEREAS**

- (a) The Client has published the “Request for Proposal” to engage the Financial Adviser 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 Adviser;
- (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 Adviser 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 or Services;
    - 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 effected through Special Condition of the Agreement.
- 3. The mutual rights and obligations of the Client and the Financial Adviser shall be as set forth in the Agreement, in particular:
  - (a) the Financial Adviser shall carry out the Services in accordance with the provisions of the Agreement; and
  - (b) the Client shall make payments to the Financial Adviser 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 Adviser)

\_\_\_\_\_  
*(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) “Agreement” means the Financial Advisory Services Agreement signed between the Client and the Financial Adviser.
- (c) “applicable law” means the laws and any other instruments having the force of law in the Islamic Republic of Pakistan;
- (d) “Client” means Privatisation Commission (the “PC”) established under section 3 of Privatisation Commission Ordinance, 2000.
- (e) “consideration price” means the same as defined in SCA.
- (f) “day” means a working day of the Client unless indicated otherwise in SCA.
- (g) “effective date” means the date on which this Agreement comes into force and effect pursuant to Clause GCA 9.
- (h) “Federal Government” means the Government of Pakistan.
- (i) “Financial Adviser” means the external adviser hired by the Client under the Agreement.
- (j) “financial closure” means the same as defined in SCA.
- (k) “GCA” means these General Conditions of Agreement.
- (l) “Party” means the Client or the Financial Adviser, and “Parties” mean both of them.
- (m) “SCA” means the Special Conditions of Agreement by which the GCA may be amended or supplemented but not over-written.
- (n) “Services” means the work to be performed by the Financial Adviser pursuant to the Agreement described in Appendix-A.
- (o) “sub-contractor” means an entity to whom the Financial Adviser sub-contracts any part of the Services while remaining solely liable for the execution of the Agreement.
- (p) “success fee” means the amount to be paid by the Client to the Financial Adviser upon a financial closure based on the fixed percentage of the consideration price.
- (q) “third party” means any person or entity other than the Federal Government, the Client, the Financial Adviser or a sub-contractor.
- (r) “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**

2.1. 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 Adviser. The Financial Adviser, subject to the Agreement, has complete charge of the professional staff and sub-contractors performing the Services and shall be fully responsible for the Services performed by them.

**3. Law Governing Agreement**

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

**4. Language**

4.1. 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**

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

**6. Communications**

6.1. 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.

6.2. 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 Adviser 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 Adviser 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 Adviser 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 Adviser 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 If this Agreement has not become effective within such time after the date of signature as specified in the SCA, either Party may, by not less than twenty two (22) days written notice to the other Party, declare the Agreement to be null and void, and in the event of such a declaration by either Party, neither Party shall have any claim against the other Party with respect to the Agreement.
- 11. Commencement of Services** 11.1 The Financial Adviser 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 Adviser 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.

## 15. Force Majeure

### a. Definition

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, sub-contractor 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 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 Adviser, 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 Adviser 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 Adviser, suspend all payments if the Financial Adviser 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 Adviser to remedy such failure within a period not exceeding fifteen (15) days after receipt by the Financial Adviser of such notice of suspension.

## **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 Adviser: (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 Adviser 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 Adviser becomes (or, if the Financial Adviser 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 Adviser 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 Adviser 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 Adviser fails to confirm availability of Key professional staff as required under Clause GCA 11.

17.1.2. If the Client determines that the Financial Adviser 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 Adviser, terminate the Agreement.

- b. By the Financial Adviser** 17.1.3. The Financial Adviser 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 Adviser 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 Adviser that such payment is overdue.
  - (b) If, as the result of Force Majeure, the Financial Adviser 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 Adviser'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 Adviser 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 Adviser for Services satisfactorily performed prior to the effective date of termination.

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

#### **18. General**

- a. Standard of Performance** 18.1 The Financial Adviser 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 Adviser shall always act, in respect of any matter relating to the Agreement or to the Services, as a fiduciary adviser 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 Adviser shall employ and provide such qualified

and experienced professional staff and sub-contractors as are required to carry out the Services.

**b. Law  
Applicable to  
Services**

18.3. The Financial Adviser 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 sub-contractor comply with the applicable law.

**19. Conflict of  
Interests**

19.1. The Financial Adviser 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 Adviser shall not engage, and shall cause its professional staff and sub-contractors not to engage, either directly or indirectly, in any business 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 Adviser has an obligation and shall ensure that its professional staff and sub-contractors 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 Adviser or the termination of the Agreement.

**20. Confidentiality**

20.1 Except with the prior written consent of the Client, the Financial Adviser and its professional staff and sub-contractors 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 the Financial Adviser, affiliates, the professional staff and sub-contractors 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 Adviser with Confidential Information, the Financial Adviser agrees that all Confidential Information will be held and treated by the Financial Adviser, its affiliates, and it and its affiliates' agents, sub-contractors, attorneys and employees (collectively "Financial Adviser 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 Adviser or Financial Adviser Representatives and will not be used by the Financial Adviser or Financial Adviser 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 Adviser's possession, (ii) was or becomes generally available to the public, or (iii) becomes available to the Financial Adviser from a third person who, in so far as is known to the Financial Adviser, is not prohibited from transmitting the information to the Financial Adviser by a contractual, legal or fiduciary obligation to the Client or the Federal Government.

20.4 Nothing contained herein shall prevent the Financial Adviser to disclose in confidence any Confidential Information to a sub-contractor, key professional staff or to an affiliate of the Financial Adviser.

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

**21. Liability of the Financial Adviser**

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

**22. Reporting Obligations**

22.1 The Financial Adviser 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 Adviser for the Client in the course of the Services shall be confidential (for Financial Adviser) 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 Adviser 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 Adviser written request and due to circumstances outside the reasonable control of the Financial Adviser. In such case, the Financial Adviser 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 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 Adviser shall, at the Client's written request, provide a replacement.
- 25.2 In the event that any of the professional staff, Consortium member 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 Adviser 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 Adviser shall bear all costs arising out of or incidental to any removal and/or replacement of professional staff, Consortium member 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 Adviser by providing requisite information or documents as are necessary to enable the Financial Adviser to perform the Services.
  - (b) provide to the Financial Adviser any other assistance as is specified in the SCA.
- 27. Payment Obligation**
- 27.1 In consideration of the Services performed by the Financial Adviser under this Agreement, the Client shall make such payments to the Financial Adviser for the deliverables as specified in SCA.

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

- 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 Adviser 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 or as per actual expenses (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 Adviser 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 Adviser 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 Adviser, 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 Adviser. The Client shall ensure that all of its observations on the deliverable are conveyed to the Financial Adviser in a consolidated form and not in a piecemeal manner. The Financial Adviser shall, within the period specified in SCA, submit the revised deliverable to the Client.
- 31.2.5 The Financial Adviser 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

Adviser 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 Adviser 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 Adviser 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 Settlement**

33.1 The Parties shall seek to resolve any dispute amicably by 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 Adviser shall indemnify, protect and defend at Financial Adviser'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 Adviser, 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 Adviser, 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 Adviser, 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 Adviser 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 Adviser's liability hereunder shall continue to subsist.

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

35.4 The Client undertakes to keep the Financial Adviser, 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 Adviser'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 Adviser 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 Adviser, 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 Adviser 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 Adviser. 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 Adviser 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 (e)	“consideration price” means the value of the property in the transaction approved by the Federal Government;
1.1 (f)	“day” means a calendar day under the Gregorian calendar;
1.1 (j)	“financial closure” means the completion of the transaction;
4.1	The language is <u>English</u> .
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>Advisor (F&amp;RE)</u></p> <p>Address: <u>4<sup>th</sup> Floor, Kohsar Block, New Pak Secretariat, Constitution Avenue, Islamabad, Pakistan.</u></p> <p>Telephone: <u>Ph: (+92-51-9216514)</u></p> <p>Email: ('advisorfre@privatisation.gov.pk')</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 Adviser:(<i>Name &amp; Designation</i>)</p>
9.1	The Agreement shall come into force and effective on the date mentioned at the beginning of this Agreement.
10.1	Termination of Agreement for Failure to Become Effective.
11.1	<b>Commencement of Services:</b>

	Services will be commenced within (05) days after this Agreement comes into force and becomes effective.																		
<b>12.1</b>	<b>Expiration and Duration of Agreement:</b>  The Agreement is valid for initial period of (24) months unless extended in writing with mutual consent of the Parties.																		
<b>24.1</b>	<b>List of Sub-contractors/ Consortium Member:</b>																		
<b>26.1(b)</b>	Client shall ensure provision of copies of title documents and other record relating to the property to the Financial Adviser that is available with any entity, directly or indirectly, controlled by the Federal Government and is required for the purposes of the transaction.  Client shall assist the Financial Adviser for coordination with any of the relevant entity of the Federal Government for the purposes of the transaction.																		
<b>28.1</b>	<b>The Agreement price is:</b> PKR (in figures & words including remuneration, out of pocket expenses and success fee).																		
<b>30.1</b>	Payment shall be made to the Financial Adviser in PKR.																		
<b>27.1 &amp; 31.2</b>	<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"> <thead> <tr> <th>Sr. No.</th> <th>Deliverables</th> <th>% of Retainer fee</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Approval of Transaction Structure by the Federal Cabinet</td> <td>___%</td> </tr> <tr> <td>2</td> <td>Prequalification of Interested Parties/Bidders by the PC Board</td> <td>___%</td> </tr> <tr> <td>3</td> <td>Finalization of Drafts of Bidding Documents &amp; Transaction Related Agreements to Pre-Qualified Bidders and its issuance by the PC</td> <td>___%</td> </tr> <tr> <td>4</td> <td>Completion of Bidding process and Approval of the Successful Bidder by the Federal Cabinet</td> <td>___%</td> </tr> <tr> <td>5</td> <td>Signing of Agreement(s) with Successful Bidder and Financial Closure.</td> <td>___%</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 Adviser and its sub-contractor(s) in the performance of the Services:</p> <ol style="list-style-type: none"> <li>Hotel and subsistence costs actually incurred and based on corporate rates for both the FA and PC nominated officials;</li> <li>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>Miscellaneous travel expenses such as the cost of the transportation to and from Airports Taxes Passport, visas, travel permits, vaccination;</li> <li>Expenses on marketing roadshows and advertisements; and</li> </ol>	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.	___%
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.	___%																	

	<p>e) Third party costs or fee.</p> <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 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 Adviser 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 Adviser (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 taking 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