Privatisation Commission
Government of Pakistan

REQUEST FOR PROPOSAL (RFP)

HIRING OF FINANCIAL ADVISOR FOR THE PRIVATISATION OF STATE LIFE INSURANCE CORPORATION

I. Letter of Invitation

Islamabad, the __________________

Dear Sir/ Madam,

This Request for Proposal (RFP) has been addressed to the Interested Party(ies) (IP).

1) The IP will be selected as Financial Advisor under *Quality & Cost Based Selection* (QCBS) procedure as described in this RFP, in accordance with the provisions of Privatisation Commission (PC) (Hiring of Financial Advisers) Regulations, 2018.

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) IPs are required to submit their Technical & Financial Proposals along with mandatory non-refundable processing fee of <u>US$1,000 (United States Dollar One Thousand Only)</u>, by banker's cheque or wire transfer to following bank account:

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

By wire transfer to:
Bank: National Bank of Pakistan
Account Title: Privatisation Commission
Account number: PK22NBPA0341003035237661
Beneficiary Bank: National Bank of Pakistan, Main Branch (0341) G-6 Islamabad
Swift code: NBPAPKKA02I
CORRESPONDENT BANK: JP MORGAN CHASE NEWYORK
Swift code: CHASUS33

For payment in PKR, please use the following account:
Bank: National Bank of Pakistan
Title: Privatisation Commission Interest Bearing Account
Account number: 3035236082
IBAN: PK72NBPA0341003035236082
Branch Code: 0341 - Main Branch, Islamabad
Beneficiary's Name: Privatisation Commission, Islamabad.

Yours sincerely,

Advisor (III)
Privatisation Commission
4th Floor, Kohsar Block, New Pak Secretariat,
Constitution Avenue, Islamabad.
Phone No.+92-51-920 5146/47

Email: advisorins@privatisation.gov.pk

II: Instructions to Financial Advisor / Interested Parties

[Note: Instructions to Financial Advisor / Interested Parties shall not be modified. Any necessary changes corresponding to the GCA, shall be introduced only through the Data Sheet.

Definitions

(a) "Client" means Privatisation Commission (the "PC") established under section 3 of the Privatisation Commission Ordinance, 2000;

(b) "Consortium" means a group of body corporates or firms that have agreed to be jointly and severally responsible for the obligations 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 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 Advisor for the privatisation of State Life Insurance Company Limited (SLIC);

(h) "Interested Party" or "IP" means a body corporate or firm which has submitted an Expression of Interest through a formal 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 Advisor; and

(k)"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 under the Terms of Reference (TORs). <u>The proposals should be made in separate marked and sealed envelopes and in separate password protected electronic files with password to be</u>

provided at the time of opening of bids, for both technical and financial proposals.

1.2 IPs should familiarize themselves with assignment conditions and take them into account in preparing their proposals. To obtain first-hand information on the assignment, IPs may attend a pre-proposal meeting if it is specified in the Data Sheet. IPs may contact the Client to obtain clarifications under paragraph 2.

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 at its sole discretion, to cancel, suspend, modify, or terminate the Request for Proposals (RFP) process, or annul the selection process at any time prior to award of FASA, without thereby incurring any liability to the Client.

Conflict of Interest

1.4 The Client requires that IP to provide professional, objective, and impartial advice and at all times hold the Client's interest paramount, strictly avoid conflicts with other assignments or their own corporate interests and act without any consideration for future work.

1.5 IPs 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 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;

(c) 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

(d) 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 <u>The Data Sheet indicates how long IPs' proposals must remain valid after the submission date.</u> 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 and Amendment of RFP Documents

2.1 <u>IP may request a clarification of any part of the RFP documents up to the time indicated in the Data Sheet before the proposal submission deadline</u>. 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 The shortlisted IPs may suggest any change in the Data Sheet of RFP or special conditions of FASA at the time of pre-proposal meeting (if arranged). The decision on any such proposal for change in Data Sheet of RFP or special conditions of FASA shall exclusively rests with the Client.

2.3 At any time before the submission of proposals, the Client may amend the RFP by issuing an addendum in writing or by standard electronic means addressed to all shortlisted IPs. The IPs shall acknowledge receipt of all amendments. 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

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 and staffing schedule. Guidance on the content of this section of the technical proposals is provided under Form TECH-3.

(c) The list of the proposed key personnel by area of expertise, the position that would be assigned to each staff team member, and their tasks (Form TECH-4).

(d) CVs of the key personnel 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 IP 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. <u>Electronic submission of proposals/ copies will be accepted with password protection provided hard-copies are also submitted subsequently within reasonable time</u>.

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.

5.2 The evaluation committee shall evaluate the proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation 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.

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 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, 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.

6. Negotiations 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.

7. Availability of Professional staff	7.1	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.
8. Substitution/ association of IP or Sub-Contractor	8.1	If an IP considers that it may enhance its expertise for the assignment by associating with other party in the form of Consortium or Sub-Contractor, it may do so, as per the requirement of the Terms of Reference (ToRs). It shall in such case procure a separate statement of exclusivity from the Sub-Contractor.However, subsequently in case of substitution of any consortium member(s) or Sub-Contractor(s), consent of the Client shall be required.
Third Party(s)	8.2	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. It shall in such case procure a separate statement of exclusivity from the Third Party.
9. Only One Proposal	9.1	The IP (including individual members of any consortium) its Sub-Contractors and Third Party(s), shall submit only one proposal either in its own name or as part of a Consortium. <u>If a party including any member of IP Consortium or Sub-Contractor or Third Party(s) submits or participates in more than one proposal, all such proposals shall be disqualified and rejected</u>.
10. Conclusion of the negotiations	10.1	After negotiations under paragraph 6.1, the Client and the FA shall initial 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.
11. Award of FASA	11.1	The Client shall award FASA to the selected IP and promptly notify all others who have submitted proposals.
	11.2	The FA is expected to commence the assignment on the date and at the location specified in the Data Sheet.

11.3 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 Advisor (‘FA’) as determined by the Client.

Instructions to IP

DATA SHEET

Paragraph Reference	
1.2	**Pre-proposal meeting** N/A
1.8	Proposals must remain valid for 120 days after the submission/due date. The main Technical Proposal should not exceed 100 A4 size pages
2.1	**Clarifications may be requested not later than seven (07) Working Days prior to the last date of submission of proposals.** The contact information for requesting clarifications is on the following official email or in writing to: Email: advisorins@privatisation.gov.pk Transaction Advisor (III) Privatisation Commission 4th Floor, Kohsar Block, New Pak Secretariat, Constitution Avenue, Islamabad, Pakistan.
3.1	Proposals shall be submitted in the English language.
4.3	IP must submit the original and five (05) copies and password protected soft copies of the Technical and Financial Proposals. In case of electronic submission, password of only technical proposal to be shared at the time of opening of Technical Proposals while password of financial proposal is to be shared at the time of opening of their Financial Proposal. Evidence of deposit of processing fee (made prior to the deadline) shall also be provided.
4.5	**The Proposal submission address is:** Transaction Advisor (III) Privatisation Commission 4th Floor, Kohsar Block, New Pak Secretariat, Constitution Avenue, Islamabad, Pakistan. Telephone: +92-51-920 5146/47 email: advisorins@privatisation.gov.pk Proposals must be submitted not later than August 13, 2026 till 1500 Hours PKT.

<table>
<tr><td>4.6</td><td>The Client will open the technical proposals on the last date of submission at 1600 Hours PKT.</td></tr>
<tr><td>5.</td><td>
<table>
<tr><th>S. No.</th><th>Evaluation criteria</th><th>Marks</th></tr>
<tr><td>1</td><td>2</td><td>3</td></tr>
<tr><td>(a)</td><td>Specific Firm or Consortium experience related to the assignment

1. Global ranking/ international credibility of Consortium Lead. Ranked in internationally recognized league tables for Mergers & Acquisitions (M&A) transactions determined by PC in its sole and absolute discretion since Jan 2023.

(05 Marks)
<u>Marking Scheme</u>
• Top 20 – 05 marks
• 21 to 40 – 03 marks
• 41 to 60 – 01 mark
• 61 Onward/Unranked – Nil

2. Experience of Consortium Lead as Lead Financial/Transaction Advisor
Demonstrated experience of the Consortium Lead, acting as Lead Financial/Transaction Advisor, in successfully completing transaction advisory assignments involving M&A.

(10 Marks)
<u>Marking Scheme</u>
• Completed assignments (any sector): 08 marks
✓ 05 or more – 08 marks
✓ 03–04 – 05 marks
✓ 01–02 – 03 marks

• One or more completed transaction in life insurance sector – 02 marks
<u>Notes</u>
• Only quote assignments completed since 01 January 2011. For life insurance sector assignments, transactions completed since 01 January 2001 may be quoted</td><td>30</td></tr>
</table>
</td></tr>
</table>

- *Net Asset Value of the transaction entity, broad scope of work performed by the Consortium Lead and evidence of completion/financial closure (where applicable) shall be submitted for each assignment (maximum 10 assignments)*
- *Privatisation Commission, at its discretion, may require additional information*

3. Demonstrated experience of the consortium member firm, in successfully completing similar Initial Public Offering (IPO) as Consultant to the Issue.

(07 marks)

Marking scheme:

- Completed mandate:
  - ✓ 05 or more – 07 marks
  - ✓ 03 – 04 – 04 marks
  - ✓ 01 – 02 – 02 marks

Note:

- *In case the proposal has not been submitted by a Consortium, the experience of IP will be considered against this criteria*
- *IF IP Lead has relevant IPO experience, it will also be considered for this criteria*
- *Only quote transactions completed since 01 January 2011*
- *Net Asset Value of the transaction entity and size of the IPO, broad scope of work of IP and evidence of completion for each assignment must be submitted (maximum for 10 transactions)*
- *Privatisation Commission, at its discretion, may require additional information*

4. Demonstrated experience of the Consortium (excluding the Consortium Lead and IPO Consultant to the Issue) in completing similar M&A mandates.

(**08 marks**)

Marking scheme:

- Completed mandate (any sector): – 08 marks
  - ✓ 05 or more – 08 marks
  - ✓ 03-04 – 05 marks
  - ✓ 01-02 – 03 marks

Note:

		• *In case the proposal has not been submitted by a Consortium, the experience of IP/Consortium Lead will be considered against this criteria* • *Only quote mandates completed since 1st January 2011. For life insurance sector, mandates completed since January 2001 may be quoted* • *Net Asset Value of the transaction entity, broad scope of work and evidence of completion for each assignment must be submitted (maximum for 10 transactions)* • *Transaction related to life insurance sector are preferred* • *Privatisation Commission, at its discretion, may require additional information*	
	(b)	**Competence of Team** i) Name, qualification & relevant experience of the Project Director ii) Names, qualifications & relevant experiences of key personnel of the Consortium Lead for the assignment iii) Names, qualifications & relevant experiences of key personnel of each member firm of the Consortium (other than Consortium Lead) & Sub-Contractor firm(s) for the assignment/ transaction iv) Structure & composition of the Consortium and division of responsibilities **1. FA Project Team Leader/Nominated Project Director** with a minimum of ten (10) years' experience in leading transaction advisory assignments relating to M&A. **(04 marks)** Marking scheme: • 05 or more completed assignments – 04 marks • 03-04 completed assignments – 03 marks • 01-02 completed assignments – 01 marks **2. Designated Core Transaction Team Profile** Maximum 10 CVs of the Core Team. **(05 marks)**	**30**

3. Law Firm having proven expertise and experience in providing legal advisory services in transaction advisory assignments involving M&A, together with demonstrated experience in at least one completed IPO.

(05 marks)

<u>Marking scheme:</u>

- 05 or more completed assignments – 05 marks
- 03-04 completed assignments – 03 marks
- 01-02 completed assignments – 01 marks

Note:

- *Evidence of relevant experience to be provided*

4. Accountancy and Tax Firm must be a registered Category A Chartered Accountant Firm (as per the State Bank of Pakistan's list) with the latest satisfactory QCR rating, having proven experience in providing accounting & tax advisory services in transaction advisory assignments involving M&A.

(05 marks)

<u>Marking scheme:</u>

- 03 or more completed assignments – 05 marks
- 01-02 completed assignments – 02 marks

Note:

- *In case IP is providing these services itself, then IP will be evaluated against this criteria*
- *Evidence of relevant experience to be provided*

5. Actuarial Firm/ Actuarial Adviser (IP/Sub-Contractor) shall have proven experience in providing actuarial valuation advisory services to life insurance companies.

(05 Marks)

<u>Marking Scheme</u>

- 03 or more completed assignments – 05 marks
- 01–02 completed assignments – 02 marks

Note:

		• *In case the IP is providing these services itself, the IP shall be evaluated against this criterion.* • *Evidence of relevant experience shall be provided.* **6. Human Resources Firm** (IP/Sub-Contractor) must have proven experience in conducting human resource due diligence, assessing employee-related liabilities and providing HR advisory services in transaction advisory assignments involving M&A. **(03 marks)** <u>Marking scheme:</u> • 03 or more completed assignments – 03 marks • 01-02 completed assignments – 02 marks *Note:* • *Demonstrated track-record of having worked with GOP/GOP entities* • *In case IP is providing these services itself, then IP will be evaluated against this criteria* • *Evidence of relevant experience to be provided* **7. Marketing and Media Management Firm** (IP/ Sub-Contractor) must have proven experience in developing and implementing marketing/PR & investor communication, stakeholder engagement and media management programmes for large corporates or major public sector organizations**.** **(03 marks)** <u>Marking scheme:</u> • 03 or more completed assignments – 03 marks • 01-02 completed assignments – 01 marks *Note:* • *Demonstrated track-record of having worked with GOP/GOP entities* • *In case IP is providing these services itself, then IP will be evaluated against this criteria* • *Evidence of relevant experience to be provided*	

	(c)	**Work plan and methodology** i) Understanding of the GOP's objectives for privatisation of commercial entities owned by GOP ii) Understanding of the strategic, commercial and regulatory considerations associated with both Equity Sale and IPO, including the proposed methodology for evaluation and recommendation of the optimal divestment/privatisation mode iii) Major activities, key milestones, anticipated challenges and indicative timelines for completion of the Transaction iv) Approach to successfully complete the transaction v) Acquaintance with legal & regulatory regime/ framework in which the entity is operating vi) Spell out a robust and effective investor outreach and marketing strategy for developing investor interest and facilitating successful completion of the Transaction **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)** i) Anticipated issues/challenges in this Transaction ii) Envisaged divestment/privatisation mode and transaction structure options iii) Proposed strategy for completion of transaction within the indicative timelines iv) Strategy to address HR and employee related matters	**25**

<table>
<tr><td></td><td>v) Methodology for actuarial review, embedded value assessment and treatment of policyholder liabilities
vi) Critical success factors for completion of privatisation transaction for the entity

Note:
• IP is required to submit mapping of activities along with its detailed proposal
• 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.

2. Identification of potential investor universe and design of an effective marketing strategy/Investor Out-reach plan, appropriate to the recommended divestment/privatisation mode.
(10 Marks)</td><td></td></tr>
<tr><td>(d)</td><td>Effectiveness of presentation

i) Understanding of assignment and execution strategy
ii) Preliminary understanding of the Transation and the approach for evaluating the optimal divestment/privatisation mode and Transaction Structure
i) Acquaintance with legal & regulatory framework
ii) Key potential issues/ challenges in executing the Transaction
iii) Timelines of project completion/ milestones
iv) Identification of potential investor base (domestic & international)
v) Effectiveness of proposed marketing & communications strategy for investor out-reach</td><td>15</td></tr>
</table>

	Total Points/Marks for the three criteria: 100 **The minimum total technical score required to pass is: 70 Points/ Marks**
5.2	**Scoring of technical and financial proposals:** 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:- St = Str x 100/Stmax where Stmax = Score of the highest ranked IP on technical criteria. The financial score (Sf) shall be calculated in the following manner, namely:- Sf = 100 x (Fmin/Ff) where Fmin = Lowest total fee bid and Ff = Total fee bid by the IP under consideration. The combined technical and financial proposal score (Sc) shall be calculated in the following manner, namely: - Sc = 0.80 x St + 0.20 x Sf
7.2	**Expected date for the commencement of the Services:** Immediately after signing of FASA.

III: Technical Proposal - Standard Forms

[*Comments in brackets* [] *provide guidance to the short-listed 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 associated Sub-Contractor & Third Parties*]

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.

We remain,

Yours sincerely,

Authorized Signature [*In full and initials*]: ______________________________
Name and Title of Signatory: ____
Name of Firm: ____
Address: ____

FORM TECH-1B TECHNICAL PROPOSAL SUBMISSION FORM

Please provide a summary table as per the Evaluation Criteria given at para 5 of the Instructions to IP and as per format below:

Sr.No	Evaluation Criteria	IP's Response	Document/ Evidence in IP's Proposal	Reference Page for Document/ Evidence
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				

FORM TECH-2 IP'S ORGANIZATION AND EXPERIENCE

A - Organization

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

B - Experience

[*Using the format below, provide information on each assignment for which your entity, and each associate/Sub-Contractor for this assignment, was legally contracted as an entity or as one of the major entities within an association/Joint venture, 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 current US$):
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:	

[Additionally, submit a summary table for all transactions (max 10), for each consortium member with separate M&A and IPO List].

Sr.No	**Year Completed**	**Client**	**Transaction Net Asset Value (US$ Million)***	**Transaction Highlights/ Insights**	**Services Provided**	**Page Ref**

**US$ Value at the time of transaction completion*

FORM TECH-3 DESCRIPTION OF APPROACH, METHODOLOGY AND WORK PLAN FOR PERFORMING THE ASSIGNMENT

[*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) <u>Technical Approach and Methodology.</u> 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) <u>Work Plan.</u> 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) <u>Organization and Staffing.</u> In this regard, you should propose the structure and composition of your team. You should list the main disciplines of the assignment, the key expert responsible, and proposed technical and support staff.

Note: Please avoid repetition of provided TORs.

Form TECH-4 Team Composition and Task Assignments

Name of Staff	Organisation	Area of Expertise	Position Assigned	Task Assigned

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

1. **Proposed Position** [*only one candidate shall be nominated for each position*]: ________________

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

____

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

4. **Years of Experience**: ____________________ **Nationality**: ______________________

5. **CNIC No (**if Pakistani**): N/A**________________ **or Passport No: N/A**________________

6. **Education**:

Degree	*Major/Minor*	*Institution*	*Date (MM/YYYY)*

7. **Membership of Professional Associations**: ________________________________

____

8. **Other Training** [*Indicate significant training since degrees under 6 - Education were obtained*]: ____

____

____

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

____

10. **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.*]:

Employer	*Position*	*From (MM/YYYY)*	*To (MM/YYYY)*

11. Detailed Tasks Assigned

[*List all tasks to be performed under this assignment*]

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

[*Among the assignments in which the staff has been involved, indicate the following information for those assignments that best illustrate staff capability to handle the tasks listed under point 11.*]

1) Name of assignment or project: ______________________

   Year: ______________________

   Location: ______________________

   Client: ______________________

   Main project features: ______________________

   Positions held: ______________________

   Activities performed: ______________________

2) Name of assignment or project: ______________________

   Year: ______________________

   Location: ______________________

   Client: ______________________

   Main project features: ______________________

   Positions held: ______________________

Activities performed: ______________________________

n) Name of assignment or project: ______________________________

Year: ______________________________

Location: ______________________________

Client: ______________________________

Main project features: ______________________________

Positions held: ______________________________

Activities performed: ______________________________

13. 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: ______________________________

IV. 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} 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.

We remain,

Yours sincerely,

Authorized Signature {In full and initials}: ______________________________
Name and Title of Signatory: ____
In the capacity of: ____
Address: ____
E-mail: __________________________

FORM FIN-2 SUMMARY OF COSTS

Financial Proposal US$	
1. Milestone based Retainer Fee for Phases I, II, III	*(Insert number here)*
2. Out of Pocket Expense (Should match the amount in Form FIN-3) *Please see Notes below*	*(Insert number here)*
3. Grand Total (1+2) (Should match the amount in Form FIN-1) **(Note: Weightage: 70%)**	*(Insert number here)*
4. Success Fee (%) (On achievement of Financial Closure) **(Note: Weightage: 30%)**	• *Insert %* • *% 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 amount prior to opening of Financial Proposals - pursuant to Regulation 9 of PC hiring of FA Regulations 2018.*
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 remuneration and 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 up to four (04) 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: *Third Parties if engaged by the FA, will be paid from Out of Pocket Expenses.*

Note 6: *The IP shall submit separate fee proposals for the envisaged Transaction i.e. separate fee proposals for divestment/privatisation through equity sale and IPO. PC shall take the average of both for evaluation purposes only. For ease of understanding:*

Equity Sale (A)		**IPO (B)**	
Milestone based Retainer Fee (1)	xxx	Milestone based Retainer Fee (1)	xxx
Out of Pocket Expenses (OPE) (2)	xxx	Out of Pocket Expenses (OPE) (2)	xxx
Grand Total (1+2)	xxx	**Grand Total (1+2)**	xxx
Average of Grand Total (A) and (B) (3)			xxx

Equity Sale (C)		**IPO (D)**	
Success Fee	%	Success Fee	%
Success Fee (% of Sale Proceeds)*	xxx	Success Fee (% of Sale Proceeds)	xxx
Average of Success Fee (C) and (D) (4)			xxx

Total bid amount (for evaluation purpose only)	Total bid amount (for evaluation) will be calculated based on the following formula: (70% x Average of Grand Total (3) + 30% x Average of Success Fee (4))

** % 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 amount prior to opening of Financial Proposals - pursuant to Regulation 9 of PC hiring of FA Regulations 2018.*

FORM FIN-3 BREAKDOWN OF OUT OF POCKET EXPENSES

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

S. No.	Type of Out of Pocket Expenses	Cost (US$)
1		
2		
3		
4		
5		
6		
	Total	

NOTE:

(a) Out of pocket expenses shall not exceed the sum stated above.
(b) FA, its employees, Sub-Contractors and professional staff are expected to make prudent decisions in incurring out of pocket expenses.
(c) International air travel may not be made above business class while domestic air travel in Pakistan may not be above economy plus.
(d) Hotel accommodation may not be above 5 star hotel but stay in a 4 star hotel may be preferred for most of the professional staff.

APPENDIX – A

TERMS OF REFERENCE (TORs)

For Appointment Of Financial Advisor ('FA') For The Privatisation Of State Life Insurance Corporation (SLIC)

1. Introduction

State Life Insurance Corporation of Pakistan ("SLIC or the Company) was incorporated in Pakistan on November 01, 1972 under the Life Insurance Nationalization Order, 1972 (LINO) and is the largest life insurance company in Pakistan. SLIC is wholly owned by the Government of Pakistan (GOP) and carries on life insurance, health insurance, accident insurance, family takaful and other related insurance businesses through an extensive nationwide network comprising of zonal and regional offices across Pakistan, together with overseas operations in the United Arab Emirates.

The Government of Pakistan, through the Privatisation Commission (PC), intends to undertake the divestment/privatisation of up to one hundred percent (100%) of its shareholding in SLIC. The Financial Advisor to be engaged under this TOR shall first evaluate and recommend the optimal divestment/privatisation mode i.e. whether through:

(a) An Equity Sale to a local or international investor together with transfer of management control; or
(b) An IPO together with listing of SLIC on the Pakistan Stock Exchange (PSX)

and shall thereafter execute the approved divestment/privatisation mode under the direction of the Privatisation Commission/ Government of Pakistan.

For this purpose, any subsidiary of SLIC shall be considered part of the envisaged Transaction.

The Privatisation Commission (PC) of the Government of Pakistan (GOP) invites proposals for advisory services (proposals) from reputed Investment Banks and Advisory Groups who have proven track record of successfully undertaking similar assignments to act as Financial Advisor (FA) to the Privatisation Commission for the Transaction. The Financial Advisor (FA) shall provide comprehensive transaction advisory services covering all phases of the Transaction. The Financial Advisor to be engaged under this TOR shall advise the PC/ GOP on the transaction structure including the appropriate divestment/privatisation mode, percentage of shares to be divested, transaction mechanics, sequencing, valuation approach, restructuring (if required) and execution process.

Given that the Transaction involves one of Pakistan's largest financial institutions operating in the life insurance sector, the Financial Advisor shall constitute a multidisciplinary team with proven experience in privatisation, mergers and acquisitions, capital market transactions and insurance sector transactions. For successful completion of the Transaction, the Financial Advisor shall associate suitably qualified specialist advisers/subcontractors, including legal, accountancy & tax, actuary, human resources and such other specialist advisers as may be necessary for successful completion of the Transaction. The details of such specialist advisers shall form part of the Proposal. The Financial Advisor shall remain solely responsible for advising the Privatisation Commission on all matters relating to the Transaction, coordinating the activities of the specialist advisers engaged for the Transaction and successfully completing all activities required under this TOR.

2. Objectives

The Government of Pakistan seeks to maximize value from the proposed divestment/privatisation of SLIC while ensuring the long-term sustainability of the Company, strengthening corporate governance, enhancing operational efficiency, protecting policyholders' interests and promoting the continued development of Pakistan's insurance sector.

Broadly, GOP has the following objectives:

(a) Unlock the intrinsic commercial value of the SLIC through the optimal divestment/privatisation mode, whether by attracting a strategic private sector investor possessing the requisite financial strength, technical expertise and management capability, or through an IPO resulting in listing of SLIC on the Pakistan Stock Exchange, thereby broadening public ownership and promoting capital market development; and

(b) Improve business, operational and financial performance of SLIC through enhanced corporate governance, technology up-gradation, improved risk management, operational efficiencies, strengthened human resource capabilities and, where appropriate, capital market discipline, depending upon the approved divestment/privatisation mode.

The Financial Advisor shall provide a full spectrum of transaction advisory services covering all phases of the Transaction, commencing with inception, due diligence, market sounding and sector review; followed by transaction structuring, valuation, recommendation on the preferred divestment/privatisation mode; and thereafter execution of the approved Transaction.

3. Definition of the Approach

The Transaction is expected to involve the divestment/privatisation of up to one hundred percent (100%) of the Government of Pakistan's shareholding in SLIC.

<u>The Financial Advisor shall evaluate and recommend the optimal divestment/privatisation mode from the following primary options</u>:

a) **Equity Sale** — sale of a controlling equity stake to a local or international strategic investor together with transfer of management control; or

b) **IPO** — offer of shares to the public together with listing of SLIC on the Pakistan Stock Exchange (PSX)

A privatisation transaction of this nature requires market sounding, due diligence and sector review, followed by transaction structuring and valuation — since valuation is a direct output of the structuring exercise — and only thereafter, a fully informed recommendation on preferred divestment/privatisation mode shall be made to the Government of Pakistan. Broadly, TOR has been structured in three phases:

Phase-I. Inception, Preliminary Market Sounding, Sector Review & Global Experience and Company Due-Diligence

Phase-II. Transaction Structure, Preliminary Valuation and Divestment/Privatisation Mode

Phase-IIIA or Phase-IIIB. Equity Sale Execution or IPO & Listing Execution

Phase I establishes the factual foundation consisting of a comprehensive understanding of SLIC's business, financial position, actuarial profile, legal standing, and the sector in which it operates. Phase II uses that foundation to develop the transaction structures and preliminary valuation under each divestment/privatisation mode, prior to recommend the optimal divestment/privatisation mode to the CCOP/ Federal Cabinet. Execution will commence following Cabinet's approval for the preferred divestment/privatisation mode.

The following considerations may also apply:

a) Financial Advisor may identify measures (if any) required for cleaning up the balance sheet with no cash impact on the GOP; and

b) Where the approved divestment/privatisation mode is Equity Sale with transfer of management control, the Government of Pakistan may require the successful investor to retain employees of SLIC for a specified period following completion of the Transaction. Where the approved divestment/privatisation mode is an IPO, the Financial Advisor shall recommend appropriate measures relating to corporate governance and compliance with all/applicable listing, securities and insurance regulatory requirements

4. Scope of Work

This section identifies the principal activities to be undertaken by the Financial Advisor and should not be construed as an exhaustive list of activities required for the successful completion of the Transaction. The Financial Advisor shall be responsible for undertaking all activities necessary to successfully complete the Transaction under the approved divestment/privatisation mode in accordance with international best practices and applicable laws.

The Financial Advisor shall submit technical and financial proposals demonstrating a clear understanding of the objectives of the Transaction, the scope of work, the proposed methodology and the relevance of its previous experience for undertaking this assignment.

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

PC expects the transaction process to be interactive, with regular liaison among the FA, PC, Commerce Division, Securities & Exchange Commission of Pakistan ('SECP') and the management of the SLIC, on the least. 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 will consist of preparation of Implementation Plan, comprehensive due-diligence exercise, a report on the recommended transaction structure including the recommended way forward between Equity Sale with transfer of management control and an IPO, valuation model, marketing of the Transaction, identifying and pre-qualifying prospective investors, finalization of bidding/IPO documents and share sale/ purchase agreement, determining reserve price/price range and completing the transaction based on preferred mode of divestment/privatisation. Where required, certain activities, such as development of valuation model, soft marketing and identifying the spectrum of prospective investors will be carried out simultaneously with other activities.

The overall activity is expected to comprise of the following distinct phases. However, the Financial Advisor may be required to carry out these phases sequentially or in parallel, as communicated by the Privatisation Commission.

4.1 Phase-I: Inception, Preliminary Market Sounding, Sector Review & Global Experience and Company Due-Diligence

4.1.1: Inception Report

After signing of the FASA, the Financial Advisor will commence the work with a kickoff meeting.

The objective of the kickoff meeting is to establish the coordination mechanism amongst the Financial Advisor, Privatisation Commission, SLIC, Ministry of Commerce, GOP, & SECP (if required) and review the overall implementation plan and timelines of the activities defined in the TOR. The meeting shall also provide an opportunity to clarify any matter relating to the interpretation of the scope of work.

This meeting will broadly cover the following (including but not limited to):

i) Brief overview of various aspects of the SLIC

ii) Confirm the organization of the Financial Advisor's team (including the project leader and experts) and the detailed functions of the experts

iii) Indicative schedule of meetings, reviews, presentations, periodic progress reports along with objectives

iv) Detailed implementation schedule covering all principal activities and milestones necessary for completion of the approved divestment/privatisation mode, aligned with the indicative timeline approved by the Government of Pakistan, confirmation of all deliverables, their scope, sequencing and delivery schedule, including the Implementation Plan, interface requirements, in particular the designation of representatives of GOP, MOC, SECP (on need basis) and SLIC

v) Any specific issues requiring attention of the Privatisation Commission on immediate basis

vi) Other issues or details of tasks and activities requiring clarification by the Financial Advisor or the Privatisation Commission

In case of inconsistencies between the FASA and the presentation of the meeting, the former will prevail unless specifically, and in writing, agreed otherwise. Under no circumstances, the meeting would be used to redefine the scope of services agreed under FASA. In case of inconsistencies between the Contract and the meeting, the former will rule unless specifically, and in writing, agreed otherwise.

The Financial Adviser will deliver an Inception Report summarizing the results and commitments of the kickoff meeting.

Deliverables

i) Inception Report

ii) Implementation Plan containing sequencing and timeline of tasks/ activities/ milestones

4.1.2: Preliminary Market Sounding

This shall start immediately after Inception Report. The purpose of this task is to (including but not limited to):

i) Assess market interest and Identify potential investors (for both Equity Sale and IPO segment)

ii) Develop investor profiles, including their financial capacity, technical capability, investment objectives, experience in insurance or other financial institutions, and suitability for participation in the Transaction

iii) Seek input/ recommendations from the potential investors which may add value in successful closure of the Transaction including facilitating FA's recommendation on preferred divestment/privatisation mode

iv) Conduct meetings, presentations and discussions with potential investors, investment institutions and other relevant market participants to obtain market feedback and assess investor appetite

v) Assess investor preference regarding the proposed divestment/privatisation mode (Equity Sale versus IPO), transaction structure, percentage of shareholding to be divested and any conditions that may influence investor participation. The Financial Advisor is expected to reach out to the potential investors, both local and international who are likely to be interested in the transaction

Deliverable

A preliminary market sounding report covering the above and also mentioning the meetings conducted, investors contacted along with the feedback and responses for each investor segment (Equity Sale vs IPO)

4.1.3: Sector Review and Global Experience

This shall start immediately after Inception Report. The purpose of this task is to (including but not limited to):

i) Review the sector, outlook, regulatory challenges, identity prevalent trends, red flag issues, global practices, industry analysis, etc.

ii) Review of the local insurance sector specially life insurance including market segments being served, distribution channel, products and services being offered, contribution of these segments in total revenue and profitability

iii) Benchmark SLIC against appropriate regional and international life insurance companies

iv) Identify Potential areas of improvement for the insurance sector with implication on Life Insurance Sector

v) Review Privatisation of global insurance entities/business cases, identifying the ticket sizes, portfolio composition, company, transaction structure, key parameters, etc. with specific coverage of preferred privatisation models & modes (Equity Sale vs IPO)

vi) Assess the capacity of Pakistan's capital market to successfully absorb an initial public offer of SLIC considering historical IPO activity, institutional investor base, retail investor participation, liquidity considerations, market timings, etc.

Deliverable

A Sector Review and Global Experience Report covering the above scope.

4.1.4: Company Due-Diligence

The company due-diligence shall commence immediately after inception report. The Financial Advisor will conduct a comprehensive review and analysis of SLIC's operations (commercial, financial, actuarial, legislative, legal & regulatory, organisational, environmental, social and governance (ESG) and human resources, etc.), ownership and all matters relevant to the Transaction. Review of the Financial Advisor will also cover quality of assets & liabilities of the SLIC and their potential impact on the proposed privatisation. Financial advisor will be required to Identity any red flags and recommend possible solutions.

The Privatisation Commission, will facilitate the Financial Advisor in conducting the due-diligence including providing the required information and documentation.

(A) Business, Commercial, Financial and Actuarial

i) Review the latest available audited financial statements including the audited accounts for the last five years and analyze financial performance and financial position, different aspects of the business, and comment on any issue that can impact this Transaction. Identify trends in Balance

Sheet including quality of assets & liabilities, Profit & loss and Cash flow statements, contingent liabilities, provisioning, etc., which have significance for the Transaction

ii) Detailed review of SLIC operations, business/investment plans, geographical footprint & network, products/ services currently offered and venues for expansion to enhance value for privatization

iii) Conduct a comprehensive actuarial review including actuarial valuation methodologies, policy holder liabilities, actuarial reserves, statutory funds, bonus philosophy and other actuarial matters material to valuation or investor interest and perform independent actuarial valuation in this regard where required

iv) Carry out fair market valuation of both owned and investment properties and identify any issues affecting ownership, utilization or marketability

v) Undertake a comprehensive review of SLIC's tax position, including historic compliance, pending litigation, contingent tax liabilities and potential tax exposures that may affect the Transaction.

vi) Any other aspect relevant to the Transaction

(B) Legal and Regulatory

i) Review and analysis of the insurance sector's legal & regulatory framework applicable to this Transaction. Highlighting issues/ impediments specific to the execution of the Transaction

ii) Review of licenses, material contracts, immoveable properties, litigation matters, borrowings, related party transactions, and other statutory requirements of the entity

iii) Review title deeds and ownership documents relating to all immovable properties and other significant assets of SLIC, identify any encumbrances, defects in title or ownership disputes and recommend appropriate measures for their resolution prior to execution of the Transaction.

iv) Identify, through its legal team, all approvals, consents, exemptions, waivers, no-objection certificates and regulatory clearances required for implementation of each proposed divestment/privatisation mode and prepare applications to obtain them, when required

v) Any other aspect relevant to the Transaction

(C) Human Resources

i) Review different aspects relating to human resources/ manpower of the SLIC including governing laws/ regulations and contract terms of SLIC's workforce and existing employee litigation matters

ii) Review various components of the manpower costs (including pension and employee relating liabilities) at organizational level across various specialties/ pay scales

iii) Identify relevant stakeholders especially employees and specify engagement plan to mitigate social and operational disruptions

iv) Develop and implement a regular and periodic communication strategy for all stakeholders (internal as well as external)

v) Any other aspect relevant to the Transaction

Deliverables

i) Due-Diligence Reports identifying issues and FA's recommended solutions for the GOP

ii) Summary Report on Key Findings of Due-Diligence Reports

4.2 Phase-II: Transaction Structure, Preliminary Valuation and Divestment/Privatisation Mode

Based on the findings of Phase I — comprising of Company Due Diligence, Preliminary Market Sounding, Sector Review & Global Experience — the Financial Advisor shall develop, analyze and evaluate the available transaction structure options for divestment/privatisation of SLIC under equity sale with transfer of management control or an IPO and recommend accordingly.

The Financial Advisor shall, inter alia, undertake the following:

(A) Development of Transaction Structure Options

The Financial Advisor shall develop detailed transaction structure options, covering atleast the following matters for each option (including but not limited to):

i) Identify possible transaction structure options under Equity Sale and IPO
ii) Percentage of Government of Pakistan shareholding to be divested
iii) Sequencing of key activities
iv) Principal commercial terms and conditions
v) Regulatory requirements and approvals required
vi) Key legal documentation required
vii) Allocation of principal transaction risks
viii) Major conditions precedent
ix) Recommended mitigants for identified risks
x) Any amendments required to legal documentation, corporate structure, governance framework or business operations to maximize value

(B) Comparative Assessment of Structure Options

For each transaction structure option, the Financial Advisor shall undertake a comprehensive comparative assessment covering (including but not limited to):

i) Pros/cons of each proposed transaction structure

ii) Implementation complexity and execution certainty
iii) Alignment with Government objectives
iv) Transaction costs

(C) Restructuring Assessment

As an integral part of developing the transaction structure options, the Financial Advisor shall identify and recommend any legal, regulatory, financial, operational, actuarial, organizational or governance measures within SLIC that are necessary to facilitate successful implementation of the proposed Transaction. Such restructuring requirements shall be assessed and documented for each structure option and shall cover, as applicable (including but not limited to):

i) balance sheet optimization
ii) resolution of title defects or legal deficiencies identified during due diligence
iii) corporate actions required prior to the Transaction
iv) regulatory or licensing gaps requiring resolution
v) workforce and pension-related matters
vi) Any other measure necessary to maximize value, improve marketability or satisfy investor and regulatory requirements

(D) Preliminary Valuation Based on International Best Practices

In line with the international best practices, preliminary valuation of SLIC shall be undertaken as an integral part of the Transaction Structuring exercise. Since the value of SLIC is materially affected by the transaction structure — including the percentage of shareholding to be divested/privatized, the mode of divestment/privatisation and the proposed commercial terms — valuation shall be performed for each structure option developed above. The output of the valuation shall assist the financial advisor's recommendation on divestment/privatisation mode.

(E) Transaction Structure and Divestment/ Privatisation Mode Recommendation

Based on the above assessment and analysis, the Financial Advisor shall provide its recommendation on the preferred:

i) Transaction Structure; and

ii) Divestment/Privatisation Mode (Equity Sale Vs IPO)

The Financial Advisor shall also explain the rationale for not recommending the alternate mode.

Financial Advisor is expected to make presentations to the Privatisation Commission Board, MOC, CCOP/ Federal Cabinet or any other stakeholder, required for approval of the recommended Transaction Structure and divestment/privatisation mode. 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.

Deliverable

Recommended Transaction Structure and Divestment/Privatisation Mode (Equity Sale Vs IPO) Report

4.3 Phase-III: Equity Sale/ IPO Execution

Activities to be performed under Phase-III will depend on the approved Transaction Structure & Divestment/Privatisation Mode by GOP.

Phase-IIIA: Equity Sale

If GOP approves Equity Sale with transfer of management control, following activities will be performed by the FA (including but not limited to):

4.3.1: Marketing

The Financial Advisor is expected to market the transaction throughout as an ongoing activity.

iii) The Financial Advisor shall market the transaction and attract maximum number of investors meeting the criteria for participation in the bidding process

iv) The Financial Advisor shall develop a teaser document/ marketing material and present the investment opportunity to potential investors

v) The Financial Advisor shall develop and implement a comprehensive marketing/PR strategy for attracting qualified strategic investors possessing the requisite financial strength, insurance sector expertise and management capability for successful ownership and operation of SLIC

vi) The Financial Advisor shall organize domestic and international roadshows, where appropriate, for promoting the Transaction. The Financial Advisor shall identify and engage with potential strategic investors having demonstrated experience in the insurance and financial services sector, while also approaching other investors possessing the financial capability and operational expertise necessary to successfully manage and grow SLIC

vii) The Financial Advisor shall develop and implement a media engagement and communication strategy covering print, electronic and digital media, highlighting the objectives and benefits of the proposed Transaction

viii) Financial Advisor shall remain available for meeting, presentations and discussions with potential investors

Deliverables

i) Marketing Strategy & Plan including list of potential investors and their profile

ii) Communication Plan

iii) Teaser Document/ Marketing Material, Media Kit

iv) Roadshows/ Meetings with potential investors

v) Complete briefs on all the interactions with the investors

4.3.2: Information Memorandum (IM)

i) The information memorandum will be a comprehensive marketing document for pre-qualified bidders. IM will contain all information and analysis that would be required by prequalified bidders for the Transaction

ii) The Financial Advisor will prepare the proposed Information Memorandum based on the results and activities carried out in Phase I & II. IM will contain detailed information on the SLIC including organization structure, management, etc. The IM will also include information on the process and envisaged timeline for the Transaction

iii) The Financial Advisor will present the draft Information Memorandum to Privatisation Commission for their review, comment and approval

Deliverable

Information Memorandum for the Transaction

4.3.3: Valuation Model and Reserve Price

The purpose of the valuation model is to assess the potential value of the entity and calculate the Reserve Price.

i) Develop a comprehensive valuation model for SLIC by applying internationally accepted valuation methodologies appropriate to the nature of a life insurance company, including (but not limited to): Embedded Value (EV); Discounted Cash Flow (DCF) Methodologies and their variants; Comparable Company Analysis; Precedent Transaction Analysis; Asset-Based Valuation Methodologies; and Market Multiple Methodologies. Financial Advisor will identify and recommend the most optimal valuation techniques and carry out the calculations for the Reserve Price for the Transaction
ii) Assess the suitability of each valuation methodology having regard to SLIC's business, including(but not limited to): future new business potential; actuarial assumptions; policyholder liabilities; statutory funds; investment portfolio; solvency position; profitability; and regulatory capital requirements
iii) The valuation shall include sensitivity analysis based on changes in key assumptions, including investment returns, mortality, persistency, expense assumptions, technology investment and operational efficiencies.

iv) Prepare a Valuation Data Book containing (but not limited to): valuation methodologies adopted; assumptions; detailed workings; sensitivity analysis; valuation conclusions; and any limitations affecting the valuation
v) Present the valuation methodology, assumptions, sensitivity analysis and valuation conclusions to the Privatisation Commission Board

Deliverable

Valuation Model resulting in Reserve Price and Sensitivity Analysis Report with assumptions and results for SLIC

4.3.4: Expression of Interest and Pre-Qualification

The Financial Advisor will prepare the documents for the solicitation of Expression of Interest (EOI) and Request for Statement of Qualification (RSOQ) including pre-qualification criteria, for pre-qualification of potential bidders for the SLIC in this Transaction.

i) **Preparation:** The Financial Advisor shall prepare the documents for the request of EOI, including the following:

    a) A summary of the Transaction based on the approved Information Memorandum

    b) All pre-qualification criteria, with a focus on experience in efficiently running and/ or turning around the entity and capacity to inject new capital

    c) The timeline and all formal requirements to submit with the EOI, including the deadline (date and time)

    d) Any evidence or other information required to be submitted to demonstrate their qualifications

    e) The document to reserve the right of the Privatisation Commission to decide/ not to proceed with the procurement

ii) **Launch of Request for EOI:** The Privatisation Commission will review and approve the documents to launch the request for EOI. The Financial Advisor will undertake the solicitation process and shall ensure that the request for EOI is widely disseminated in the local and international media and to the potential interested parties to foster a competitive process.

iii) **Evaluation of EOIs and Prequalification of Bidders:** The Financial Advisor will undertake evaluation of the Statement of Qualifications (SOQs) received, against the criteria and determine the pre-qualified parties that meet at least the minimum requirements to participate in the privatisation process.

    a) The Financial Advisor will prepare a report encapsulating the process followed, EOIs submitted, SOQs received, and results, recommending the pre-qualified parties with the corresponding assessment, approved qualification criteria and justification. The recommendations will be submitted before the Board of the Privatisation Commission, which will review and approve the pre-qualified bidders, who will then be invited to the next stage of the bidding process

b) Establishment of Virtual Data Rooms for facilitating due-diligence by the pre-qualified bidders. This will include development and signing of non-disclosure agreements with the pre-qualified bidders before granting access to the data rooms and managing data rooms including answering any queries

c) Financial Advisor will be required to conduct site visits, expert sessions and presentations on the business plans, etc., to facilitate pre-qualified bidders in their respective buy-side due-diligence

Deliverables

i) EOI documents & draft Advertisement

ii) Request for Statement of Qualification

iii) Pre-Qualification Criteria and its approval from the Privatisation Commission Board

iv) Review of the SOQs submitted and its evaluation Report

v) Approval of Pre-Qualified Bidders from Privatisation Commission Board

vi) Establishing and managing the Virtual Data Room

4.3.5: Bidding Documents

The Financial Advisor will be responsible for preparing the bidding documents including instructions to bidders, planning the process and timetable, evaluation criteria for the bidders (insurance, operational, and financial, etc.), and legal agreements (the Sale of Shares Agreement, NDA, etc.).

In particular, the Financial Advisor will prepare the following information for the bidding documents along with bid application form:

i) The deadline for bid submissions

ii) The structure of bids, as separate technical and financial proposals, and the minimum content and format required for the proposals

iii) The mode to submit bids (electronic submissions or paper submissions)

iv) The minimum qualification requirements (bids that do not comply with those requirements will be rejected) and the technical and financial evaluation criteria

v) The draft of the legal agreement(s) along with a separate report highlighting the post privatisation material risks for GOP/ the entity/ End-consumers, including risk of exploitation of any legal/ regulatory provisions by the buyer to the dis-advantage of Government/ the entity/ End-consumers; and appropriate protections in legal agreement(s)

vi) Scheduled deadline for requests for clarifications and comments and response to comments received

vii) Schedule pre-bid meetings with PQBs, site visits if required, respond to queries raised by PQB, negotiate with PQBs to finalized the bidding documents/agreements

viii) Planned timelines for the evaluation of proposals, selected bids, negotiation, and award

ix) The Financial Advisor may revise the bidding documents according to the instructions received from the Privatisation Commission and feedback from pre-qualified bidders

x) The Financial Advisor will ensure that all documents are prepared in accordance with local and international disclosure requirements and should meet good business practice norms

Deliverables

Bidding documents including Legal Agreements

4.3.6: Bidding Process

i) The Financial Advisor will execute the entire bidding process on behalf of the Privatisation Commission, including but not limited to pre-bid conference(s), facilitation of bidder's due-diligence, data room set-up, revision of bidding documents (if necessary), solicitation of bids/ proposals, questions period, bid opening and evaluation, recommendations on the award and post-bid activities, etc.

ii) The bidding will consist of a competitive tender process, which will be exhaustively explained in the bidding documents. The Financial Advisor will be required to recommend a bidding structure and any bid evaluation criteria which will further enhance the process. The Financial Advisor could propose other requirements as considered appropriate for this type of bidding

iii) The Financial Advisor will include in the bidding documents the forms required to be submitted by the bidders as part of their bids

iv) The Reserve Price will be confidential, and the Privatisation Commission will instruct the Financial Advisor on who can access that information

v) Following bidding, the Financial Advisor will be responsible to assist Privatisation Commission to obtain necessary GOP approvals and developing the requisite correspondences

Deliverables

i) Bidding Results

ii) Approval of Bidding process/ results by the Federal Cabinet/ GOP

4.3.7: Award and Signing of Agreements

i) The Financial Advisor will present the evaluation of the investors' bids for the entity to the Privatisation Commission with the ranking results according to the evaluation criteria, for Privatisation Commission/ GOP approval

ii) The winner among the bidders approved by the GOP/ Privatisation Commission will be considered preferred bidder for the entity and subject to approval of the Federal Cabinet, will be invited for signing of Sale of Shares Agreement

iii) The Financial Advisor is expected to assist the Privatisation Commission in negotiating with the pre-qualified bidders, if required, as per rules, and ensure compliance with the terms of sale. The Financial Adviser will oversee the completion of all post-sale legal formalities

4.3.8: Financial Closure

i) The Financial Advisor will assist the preferred bidder of the Transaction in all aspects of the Transaction that they may need for the Financial Closure

ii) The Financial Advisor will assist and facilitate Privatisation Commission/ GOP to achieve Financial Closure of the deal

iii) The Financial Advisor will also arrange for compliance with the terms of sale including transfer of sale proceeds by the successful bidder to GOP nominated accounts followed by notification of Financial Closure in the official gazette

iv) The Financial Advisor will oversee the eventual transfer through the completion of all post sale legal formalities

Deliverable

Financial Closure of the Transaction

Phase-IIIB: IPO

If GOP approves IPO/Capital Market divestment/privatisation mode, following activities will be performed by the FA (including but not limited to):

4.3.9: Marketing, Roadshows and Investor Engagement

The Financial Advisor shall develop and implement a comprehensive marketing and investor engagement program designed to generate broad investor interest, maximize participation and support successful execution of the IPO.

i) The Financial Advisor shall, inter alia, undertake the following (including but not limited to):

   a) Develop and implement a comprehensive marketing/ communication/ PR strategy for the IPO targeting domestic and international institutional investors, high-net-worth investors and retail investors, as appropriate
   b) Prepare investor presentations, teaser documents and other marketing materials highlighting SLIC's investment proposition, business model, financial performance, growth strategy, competitive position, corporate governance framework and key investment considerations
   c) Develop and implement an investor engagement program aimed at enhancing market understanding of SLIC, the life insurance sector and the proposed IPO, and promoting informed investor participation
   d) Conduct pre-deal investor engagement meetings with institutional investors to assess investor appetite, obtain pricing feedback and refine the proposed offer structure prior to commencement of the book-building process
   e) Organize and participate in domestic and international roadshows, strategic media engagement, management presentations, analyst briefings, investor conferences and one-on-one investor meetings, where appropriate.
   f) Design and implement a comprehensive retail investor awareness campaign through print, electronic, digital and social media platforms to maximize retail participation in the IPO
   g) Maintain regular engagement with investors throughout the marketing process, document investor feedback and recommend any changes to the proposed offer structure, pricing strategy or marketing approach considered necessary to maximize the success of the IPO

Deliverables

i) Marketing Strategy and Marketing/Communication Plan
ii) Investor Presentation/ Analyst Briefing
iii) Teaser Document, Marketing Material
iv) Investor Engagement Program
v) Roadshow Schedule and Completion Report
vi) Investor Feedback Report summarizing investor concerns, demand trends, pricing feedback and recommendations arising from investor engagement activities

4.3.10: IPO Readiness, Listing Preparation and Regulatory Compliance

i) The Financial Advisor shall undertake all activities necessary to prepare SLIC for listing on the Pakistan Stock Exchange (PSX) and successful completion of the IPO process in accordance with the applicable legal and regulatory framework

ii) The Financial Advisor shall identify, prepare, coordinate and obtain all approvals, consents, exemptions, waivers and regulatory clearances necessary for successful completion of the Transaction
iii) The Financial Advisor shall, inter alia, undertake the following:

a) Review SLIC's readiness for listing on the Pakistan Stock Exchange through IPO and identify any legal, regulatory, governance, operational, financial or disclosure deficiencies requiring resolution prior to launch of the IPO
b) Review compliance with the Companies Act, 2017, the Securities Act, 2015, the Public Offering Regulations, the PSX Regulations, the Listed Companies (Code of Corporate Governance) Regulations and all other applicable legal and regulatory requirements, and recommend measures necessary to achieve full compliance
c) Prepare, review, coordinate and finalize all applications, offering documents, regulatory submissions, disclosures, notices, certificates and other documentation necessary for obtaining approvals required for listing through IPO
d) Coordinate with the Securities and Exchange Commission of Pakistan (SECP), Pakistan Stock Exchange (PSX), Central Depository Company of Pakistan Limited (CDC), National Clearing Company of Pakistan Limited (NCCPL), share registrar, underwriters, bankers, legal advisers, auditors and other intermediaries to ensure timely completion of all activities required for successful execution of the IPO
e) Develop and implement an IPO readiness program covering corporate governance, board composition, committee structure, statutory compliance, public disclosures, investor communications and all other listing readiness requirements
f) Prepare a comprehensive IPO and Listing Implementation Plan setting out all regulatory approvals, critical activities, responsibilities, interdependencies and timelines necessary for successful completion of the IPO
g) Monitor progress of all approvals and implementation activities, promptly identify any delay or impediment that may adversely affect the Transaction, recommend corrective measures and keep the Privatisation Commission informed through periodic progress reports
h) Assist the Privatisation Commission in obtaining all approvals of the Government of Pakistan and prepare all correspondence, briefing papers, summaries and other documentation required for obtaining such approvals
i) Undertake any other activity considered necessary for successful completion of the IPO and listing of SLIC

Deliverables

i) IPO Readiness Assessment Report
ii) IPO and Listing Implementation Plan
iii) Regulatory Approval Matrix together with periodic status reports
iv) All applications, regulatory submissions and listing documentation required for the IPO
v) All regulatory approvals, consents, exemptions, waivers and clearances required for successful completion of the IPO and listing

4.3.11: Prospectus

i) The Prospectus shall constitute the principal offering and marketing documents for the proposed IPO and shall contain all information and disclosures required under the applicable legal and regulatory framework, together with such other information as may be necessary to enable prospective investors to make an informed investment decision
ii) The Financial Advisor shall prepare, coordinate and finalize the Prospectus based on the findings and activities undertaken during Phases I & II of the Transaction. The prospectus shall, inter alia, include information relating to SLIC, its business, management, financial position, the proposed IPO and the envisaged transaction timetable
iii) The Financial Advisor shall submit the draft Prospectus to the Privatisation Commission for review, comments and approval, and shall obtain all regulatory approvals required for their issuance under the applicable legal and regulatory framework
iv) Any other relevant matter

Deliverable

i) Prospectus (including Abridged Prospectus, where applicable)
ii) Regulatory approvals of Prospectus from SECP, PSX and any other competent authority

4.3.12: Valuation Model and Share Price/ Price Range for IPO

The purpose of the valuation model is to assess the potential value of the entity and calculate the share price.

i) Develop a comprehensive valuation model for SLIC by applying internationally accepted valuation methodologies appropriate to the nature of a life insurance company, including (but not limited to): Embedded Value (EV); Discounted Cash Flow (DCF) Methodologies and their variants; Comparable Company Analysis; Precedent Transaction Analysis; Asset-Based Valuation Methodologies; and Market Multiple Methodologies. Financial Advisor will identify and recommend the most optimal valuation techniques and carry out the calculations for the share price/price range for the IPO
ii) Assess the suitability of each valuation methodology having regard to SLIC's business, including(but not limited to): embedded value; future new business potential; actuarial assumptions; policyholder liabilities; statutory funds; investment portfolio; solvency position; profitability; and regulatory capital requirements
iii) The valuation shall include sensitivity analysis based on changes in key assumptions, including investment returns, mortality, persistency, expense assumptions, technology investment and operational efficiencies.
iv) Prepare a Valuation Data Book containing (but not limited to): valuation methodologies adopted; assumptions; detailed workings; sensitivity analysis; valuation conclusions; and any limitations affecting the valuation
v) Present the valuation methodology, assumptions, sensitivity analysis and valuation conclusions to the Privatisation Commission Board

Deliverable

Valuation Model resulting in Share Price/Price Range and Sensitivity Analysis Report with assumptions and results for SLIC

4.3.13: Pricing, Public Offering and Share Allocation

i) The Financial Advisor shall develop and implement the pricing strategy and manage the public offering and share allocation process in accordance with the offering method approved by the Government of Pakistan and the applicable legal and regulatory framework
ii) The Financial Advisor shall, inter alia, undertake the following:

a) Recommend the proposed structure of the public offering, including the offering method (Fixed Price Method or Book Building Method), size of the offering, institutional and retail allocation, employee or other reserved tranches (where applicable), underwriting arrangements (where required) and any other structural features considered appropriate for successful execution of the IPO
b) Where the approved offering method is the **Book Building Method**, recommend the proposed Floor Price, Price Band or such other pricing parameter as may be required under the applicable Public Offering Regulations, having regard to the approved valuation, investor feedback, prevailing market conditions and other relevant commercial considerations. The Financial Advisor shall prepare the necessary working papers, presentations and supporting documentation for obtaining the approvals of the Privatisation Commission, the Government of Pakistan and other competent authorities, as applicable, and shall assist in obtaining the approvals of the Securities and Exchange Commission of Pakistan (SECP) and PSX required under the applicable legal and regulatory framework. The proposed Floor Price, Price Band or other confidential pricing parameters approved by the Government of Pakistan shall remain confidential until their authorized disclosure in accordance with the applicable legal and regulatory framework. The Financial Advisor shall coordinate and manage the public subscription process in accordance with the applicable Public Offering Regulations and all other applicable legal and regulatory requirements
c) Manage and coordinate the Book Building process in accordance with the applicable Public Offering Regulations and ensuring compliance with all applicable legal and regulatory requirements
d) Where the approved offering method is the **Fixed Price Method**, recommend the proposed Offer Price or such other pricing parameter as may be required under the applicable Public Offering Regulations, having regard to the approved valuation, prevailing market conditions, investor feedback and other relevant commercial considerations. The Financial Advisor shall prepare the necessary working papers, presentations and supporting documentation for obtaining the approvals of the Privatisation Commission, the Government of Pakistan and other competent authorities, as applicable, and shall assist in obtaining the approvals of the Securities and Exchange Commission of Pakistan (SECP) and PSX required under the applicable legal and regulatory framework. The Financial Advisor shall coordinate and manage the public

subscription process in accordance with the applicable Public Offering Regulations and all other applicable legal and regulatory requirements. The price or other confidential pricing parameters approved by the Government of Pakistan shall remain confidential until their authorized disclosure in accordance with the applicable legal and regulatory framework

e) Analyze investor demand, subscription levels, pricing outcomes and other relevant market information arising from the approved offering process and prepare a comprehensive report for the Privatisation Commission
f) Coordinate with the underwriters (where appointed), book runner(s), bankers to the issue, Central Depository Company of Pakistan Limited (CDC), National Clearing Company of Pakistan Limited (NCCPL), share registrar and other intermediaries for successful completion of the approved public offering process, collection of subscriptions, processing of payments and allotment of shares
g) Recommend the final share allocation amongst institutional investors, retail investors and any reserved categories in accordance with the approved offering structure, the applicable legal and regulatory framework and the approved allocation policy
h) Advise the Privatisation Commission on any price stabilization mechanism, over-allotment option, green-shoe option (where legally permissible) or other post-offering market support mechanism considered appropriate under the applicable legal and regulatory framework

Deliverables

i) Recommendation of the proposed public offering structure
ii) Recommendation of the proposed offering method (Fixed Price Method or Book Building Method)
iii) Recommendation of the proposed Price, Floor Price, Price Band or other applicable pricing parameters
iv) Public Offering Results Report, including demand analysis, pricing outcomes, subscription analysis and recommendations
v) Share Allocation Recommendation
vi) Confirmation of successful completion of the approved public offering process

4.3.14: Listing, Settlement and Financial Closure

i) The Financial Advisor shall coordinate and oversee all activities necessary for successful listing of SLIC on the Pakistan Stock Exchange (PSX), settlement of the IPO and achievement of Financial Closure.
ii) The Financial Advisor shall, inter alia, undertake the following:

a) Coordinate with the Securities and Exchange Commission of Pakistan (SECP), Pakistan Stock Exchange (PSX), Central Depository Company of Pakistan Limited (CDC), National Clearing Company of Pakistan Limited (NCCPL), share registrar, bankers to the issue and other relevant intermediaries to ensure successful completion of all listing, settlement and post-offering activities
b) Assist the Privatisation Commission in completion of all post-allotment formalities, including transfer of sale proceeds to the Government of Pakistan's designated account(s), completion of all statutory filings, publication of required notifications and compliance with all post-listing obligations

c) Ensure successful admission of SLIC's shares to listing on the Pakistan Stock Exchange and coordinate commencement of trading in accordance with the applicable legal and regulatory framework
d) Coordinate completion of all post-offering legal, regulatory and contractual requirements necessary for successful completion of the IPO
e) Advice the Privatisation Commission/SLIC on any post-listing price stabilization measures, investor relations strategy or post-listing obligations considered appropriate under the applicable legal and regulatory framework
f) Submit a Post-Transaction Completion Report summarizing the IPO process, listing, settlement, principal outcomes, key lessons learned and any post-listing recommendations

Deliverables

i) Confirmation of Successful Listing on the Pakistan Stock Exchange
ii) Confirmation of Successful Settlement of the IPO
iii) Confirmation of Transfer of Sale Proceeds to the Government of Pakistan
iv) Completion of all post-offering legal and regulatory formalities
v) Post-Transaction Completion Report
vi) Financial Closure of the Transaction

5. Financial Advisor's Responsibilities

The responsibilities of the Financial Advisor shall include but not to be limited to, the following:

i) Providing all resources, expertise and services necessary to achieve the objectives of GOP in relation to the proposed divestment/privatisation of SLIC, including recommending the optimal divestment/privatisation mode and executing the approved Transaction, whether through Equity Sale or IPO, drawing upon the Financial Advisor's experience in privatisation, mergers and acquisitions, capital market transactions and insurance sector transactions

ii) <u>The activities specified in the Terms of Reference (TOR) should be viewed only as indicative, and Financial Advisor is expected to spell out a complete set of activities required to successfully complete the approved divestment/privatisation mode</u> in accordance with international best practices and applicable laws

iii) Appointing a suitably qualified Project Director/ Team Leader who shall assume overall responsibility of the project/ Transaction and act as principal point of contact with Privatisation Commission, GOP and its other departments & agencies on all matters related to the Transaction including legal, financial, technical etc. Appointing a senior level focal person for day-to-day coordination with Privatisation Commission/ GOP

iv) Preparation of complete Transaction documentation. All Transaction documentation will require approval of the PC before release to the parties

v) Developing and presenting mechanism for Project Reviews, Presentation of the Reports and other project management activities based on the Financial Advisor's experience on other similar transactions/ privatisation

vi) Ensure that all information, assumptions, analyses, financial models and data used in the assignment are complete, accurate, reliable and appropriately verified

vii) As part of the privatisation process, make presentation to Privatisation Commission, Privatisation Commission Board, Cabinet Committee on Privatisation (CCOP)/ Federal Cabinet and any other forum as and when requested by Privatisation Commission/ GOP

viii) Adopting most transparent course for the entire process in line with international best practices and applicable local laws and ensure maximum possible disclosure at all stages of the T process

ix) The Financial Advisor will maintain all records of the Transaction for a period of five year from the termination of activities under the FASA. During this period the FA will assist the PC in dealing with queries and issues related to the transaction (if any)

6. GOP Responsibilities

Privatisation Commission's responsibilities include but are not limited to:

i) Giving, in a timely manner, the required Government approvals to enable the timely Privatisation of the entity

ii) Provide access to the Financial Advisor to the data and documents necessary for the preparation and successful completion of the Transaction

iii) Facilitate the Financial Advisor in obtaining necessary visas and work permits for completing the assignment

7. Assignment Completion

Privatisation Commission intends to privatise SLIC and complete the Transaction. within shortest practicable timeframe Therefore, Privatisation Commission/ GOP expects the Financial Advisor to plan the activities by allocating suitable resources and where admissible, carryout the activities simultaneously. The Financial Advisor must ensure to submit an implementation plan/ timeline to complete the scope of work within the shortest possible timeline. Privatisation Commission/ GOP in its absolute discretion may amend the timeline mentioned/ indicated.

8. Indicative Milestones and Time Frame

It is envisaged to bring SLIC for privatisation in second quarter of 2027 or earlier (depending on divestment/privatisation mode), if market conditions are conducive. An indicative timetable for this process is attached as Appendix C.

APPENDIX-B

Privatisation Commission
Government of Pakistan

FINANCIAL ADVISORY SERVICES AGREEMENT FOR STATE LIFE INSURANCE CORPORATION OF PAKISTAN

FINANCIAL ADVISORY SERVICES AGREEMENT

This Agreement (hereinafter called the "Financial Advisory Services Agreement") is made on the _______day of the month of ________, 2026:

Between

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

and

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

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

WHEREAS

(a) The Client has published the "Request for Proposal" to engage the Financial Advisor to provide certain services as defined in Appendix 'A' of this Agreement (hereinafter called the "Services");

(b) In response to the Request for Proposal, the interested parties submitted their technical and financial proposals on the basis of which the Client selected the Financial Advisor;

(c) The Parties represent that this Agreement constitutes binding legal obligations and the persons signing this agreement are competent and legally authorized to bind the Parties; and

(d) The Financial Advisor represents to the Client that it, along with its sub-contractors, has the required professional skills, personnel, expertise and technical resources to provide the Services to perform this Agreement.

NOW THEREFORE, the Parties agree as follows:

1. The following documents attached to this Agreement shall form an integral part of the Agreement:

   I. The General Conditions of the Agreement;
   II. The Special Conditions of the Agreement;
   III. Appendices:
      Appendix A: Terms of Reference;
      Appendix B: Implementation Schedule;
      Appendix C: Integrity Pact.

2. The General Conditions of the Agreement shall not be changed and any permissible change required in the General Conditions shall be effected through Special Conditions of the Agreement.

3. The mutual rights and obligations of the Client and the Financial Advisor shall be as set forth in the Agreement, in particular:

(a) the Financial Advisor shall carry out the Services in accordance with the provisions of the Agreement; and

(b) the Client shall make payments to the Financial Advisor in accordance with the provisions of the Agreement.

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

For and on behalf of Privatisation Commission

____

(Name & Designation)

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

____

(Name & Designation)

Witnesses:

1. ____
2. ____

I. GENERAL CONDITIONS OF THE AGREEMENT

A. GENERAL PROVISIONS

1. Definitions: The terms used in this Agreement shall have the following meanings:

(a) "Agreement" means the Financial Advisory Services Agreement signed between the Client and the Financial Advisor;

(b) "Applicable Law" means any common or customary law, constitutional law, any statute, Act, regulation, resolution, rule, ordinance, enactment, judgment, order, code, decree, directive, notification, clarification, guideline, policy, requirement or any other governmental direction having the force of law in the Islamic Republic of Pakistan;

(c) "SLIC" means State Life Insurance Corporation, a XXX Public Limited Company incorporated under the Companies Ordinance, XXX and having its head office at XXX, XXX

(d) "Client" means Privatisation Commission (the "PC") established under the Privatisation Commission Ordinance, 2000;

(e) "Consortium" means a group of body corporates or firms that have agreed to be jointly and severally responsible for the obligations under this Financial Advisory Services Agreement (FASA);

(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) "Expert" means a key expert, non-key expert, or any other personnel of the Financial Advisor, assigned by the Financial Advisor to perform the Services or any part of Services under the Agreement;

(i) "Financial Advisor" means the external Advisor hired by the Client under the Agreement;

(j) "Financial Closure" means the transfer of sale proceeds by the successful bidder to the GOP/ Client nominated accounts and the corresponding transfer of the majority or full ownership of SLIC pursuant to the sales agreement executed by the GOP or its nominated entity with the successful bidder;

(k) "GCA" means these General Conditions of Agreement;

(l) GOP means the "Federal Government" or the Government of the Islamic Republic of Pakistan

(m) "Local Currency" means Pakistani Rupees or PKR;

(n) "Nominee" means a legal entity authorized by the Financial Advisor and approved by the Client for the purpose of receiving payments due to the Financial Advisor under this Agreement or parts thereof and specified in the SCA;

(o) "Party" means the Client or the Financial Advisor, and "Parties" mean both of them;

(p) "SCA" means the Special Conditions of Agreement by which the GCA may be amended or supplemented but not over-written;

(q) "Services" means the work to be performed by the Financial Advisor pursuant to the Agreement described in Appendix-A;

(r) "Sub-Contractor" means an entity to whom the Financial Advisor sub-contracts any part of the Services while remaining responsible for the performance of the Agreement;

(s) "Success Fee" means the amount to be paid by the Client to the Financial Advisor as defined in the SCA;

(t) "Third Party" means any person or entity other than the Sub-Contractor engaged by the Financial Advisor for performance of Services under the FASA;

(u) "Transaction" means as defined in Terms of Reference (ToRs) and SCA.

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 Advisor. The Financial Advisor, subject to the Agreement, has complete charge of the experts and Sub-Contractors performing the Services and shall be responsible for the Services performed by an expert or a Sub-Contractor.

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 Advisor shall be executed by the individuals in accordance with the SCA.

8. *Corrupt and Fraudulent Practices*

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

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

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

(b) may terminate the Agreement if it determines that the Financial Advisor has, directly or through an agent, engaged in a corrupt or fraudulent practice, or any collusive or coercive practice in competing for the Agreement; and

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

B. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF AGREEMENT

9. Effectiveness of Agreement

9.1 This Agreement shall come into force and effect on the date (the "effective date") of the Client's notice to the Financial Advisor instructing to begin carrying out the Services. This notice shall confirm that the effectiveness conditions, if any, listed in the SCA have been met.

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 Advisor shall confirm availability of key experts or professional staff and begin carrying out the Services not later than the number of days after the effective date specified in the SCA.

12. Expiration and Duration of Agreement

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

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

13. Entire Agreement

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

14. Modifications or Variations

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

15. Force Majeure

a.	**Definition**	15.1 For the purposes of Clause CGA 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 expert, 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.
		15.3Force 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**	15.5A 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.
		15.6A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any case not later than seven (07) days following the occurrence or first occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give written notice of the restoration of normal conditions as soon as possible and in any case not later than three (03) days following the restoration of normal conditions.
		15.7 Any period within which a Party shall, pursuant to this Agreement, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

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

(a) demobilize, in which case the Financial Advisor shall be reimbursed for additional costs they reasonably and necessarily incurred, and, if required by the Client, in reactivating the Services; or

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

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

16. Suspension

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

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

17. Termination

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

a. By the Client

17.1.1. The Client may terminate this Agreement in case of the occurrence of any of the events specified in paragraphs (a) to (f) of this Clause. In such an occurrence, the Client shall give prior written notice of termination to the Financial Advisor: (i) in case of the events referred to in paragraphs (a) to (d); at least thirty (30) days' written notice; (ii) in case of the event referred to in paragraph (e); and (iii) at least five (5) days' written notice in case of the event referred to in paragraph (f).

(a) If the Financial Advisor fails to remedy a failure in the performance of its obligations under the Agreement, as specified in a notice of suspension pursuant to Clause GCA 17.

(b) If the Financial Advisor becomes (or, if the Financial Advisor consists of more than one entity, if any of its members becomes) insolvent or bankrupt or enter into any agreement with their creditors for relief of debt or take advantage of any law for the benefit of debtors or go into liquidation or receivership whether compulsory or voluntary.

(c) If the Financial Advisor fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause GCA 34.

(d) If, as the result of Force Majeure, the Financial Advisor is unable to perform a material portion of the Services for a period of not less than thirty (30) days.

(e) If the Client, in its sole discretion and for any reason whatsoever, decides to terminate the Agreement.

(f) If the Financial Advisor fails to confirm availability of Key Experts or professional staff as required under Clause GCA 11.

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

b. By the Financial Advisor

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

(a) If the Client fails to pay any money due to the Financial Advisor pursuant to the Agreement and not subject to dispute pursuant to Clause GCA 34 within forty-five (45) days after receiving written notice from the Financial Advisor that such payment is overdue.

(b) If, as the result of Force Majeure, the Financial Advisor is unable to perform a material portion of the Services for a period of not less than sixty (60) days.

(c) If the Client fails to comply with any final decision reached as a result of arbitration pursuant to Clause GCA34.

(d) If the Client is in material breach of its obligations pursuant to the Agreement and has not remedied the same within forty-five (45) days.

c. Cessation of Rights and Obligations

17.1.4. Upon termination of the Agreement pursuant to Clauses 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; and (iii) 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 Clauses GCA 17a or GCA 17b, the Financial Advisor shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum.

e. Payment upon Termination

17.1.6. Upon termination of the Agreement, the Client shall make the following payments to the Financial Advisor:

(a) payment for Services satisfactorily performed prior to the effective date of termination; and

(b) in the case of termination pursuant to paragraphs (d) and (e) of Clause GCA 17.1.1, reimbursement of any reasonable cost incidental to the prompt and orderly termination of the Agreement, including the cost of the return travel of the experts or professional staff.

C. OBLIGATIONS OF THE FINANCIAL ADVISOR.

18. General

a. Standard of Performance

18.1 The Financial Advisor shall perform and carry out the Services with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and shall observe sound management practices. The Financial Advisor shall always act, in respect of any matter relating to the Agreement or to the Services, as a faithful 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 Advisor shall employ and provide such qualified and experienced experts or professional staff and Sub-Contractors as are required to carry out the Services.

b. Law Applicable to Services

18.3. The Financial Advisor shall perform the Services in accordance with the Agreement and the applicable law and shall take all practicable steps to ensure that its expert, professional staff and Sub-Contractor comply with the applicable law.

19. Conflict of Interests

19.1. The Financial Advisor shall hold the Client's interests paramount, without any consideration for future work, and strictly avoid conflict with other assignments or its own corporate interests.

a. Prohibition of Conflicting Activities

19.1.1 The Financial Advisor shall not engage, and shall cause its experts, 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 Advisor their Sub-Contractors & Third Parties, have an obligation and shall ensure that its experts, 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 Advisor or the termination of the Agreement.

19.1.3 The Financial Advisor shall promptly (and in any event within five (5) business days) disclose in writing to the Client any fact or circumstance that arises during the term that would or might constitute a breach of clause 19.1.1 and 19.1.2 above or otherwise create an actual, potential or perceived conflict of interest.

19.1.4 The Financial Advisor shall immediately withdraw from and cease any engagement or relationship that would constitute a breach of this General Condition 19 upon becoming aware of the same and shall take all necessary steps to mitigate any adverse impact on the Transaction.

20. Confidentiality

20.1 Except with the prior written consent of the Client, the Financial Advisor and its experts, professional staff, Sub-Contractors & Third Party(s) shall not, at any time, communicate to any person or entity any confidential information acquired in the course of the Services, nor shall they make public the recommendations formulated in the course of, or as a result of, the Services.

21. Liability of the Financial Advisor

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

22. Reporting Obligations

22.1 The Financial Advisor shall submit to the Client the reports, documents and information as specified in SCA.

23. Proprietary Rights of the Client in Reports and Records

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

D. EXPERTS AND SUB-CONTRACTORS

24. Replacement of Key Experts or Sub-Contractors

24.1 Except as the Client may otherwise agree in writing, the Financial Advisor shall not make any change in the key experts, professional staff or Sub-Contractors mentioned in the Agreement.

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

25. Removal of Experts or Sub-contractors

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

25.2 In the event that any of the expert, professional staff, Third Party or Sub-Contractor is found by the Client to be incompetent or incapable in discharging assigned duties, the Client, specifying the grounds therefore, may request the Financial Advisor to provide a replacement.

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

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

E. OBLIGATIONS OF THE CLIENT

26. Assistance and Exemptions

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

(a) assist the Financial Advisor by providing requisite information or documents as are necessary to enable the Financial Advisor to perform the Services.

(b) provide to the Financial Advisor any other assistance as is specified in the SCA.

27. Payment Obligation

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

F. PAYMENTS TO THE FINANCIAL ADVISOR

28. Agreement Price

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

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

29. Taxes and Duties

29.1 The Financial Advisor is responsible for meeting the tax liabilities arising out of the Agreement, as per applicable Laws.

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 deliverables as per implementation schedule comprising remuneration;

(ii) out of pocket expenses shall be paid on lump-sum basis against deliverables along with remuneration 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 financial closure of the transaction.

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

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

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

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

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

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

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

G. FAIRNESS AND GOOD FAITH

32. Good Faith

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

H. SETTLEMENT OF DISPUTES

33. Amicable 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.

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 expert or professional staff, 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 expert or professional staff, 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 expert or 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 the amount of remuneration fees fixed under the.

36.1 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 experts and Sub-Contractors, nor for any members of any family of any such person.

36. Insurance

37. Integrity Pact

38. Severability

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

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.

II. SPECIAL CONDITIONS OF THE AGREEMENT

Number of GC Clause	Amendments of, and Supplements to, Clauses in the General Conditions of Agreement
1.1(b) and 3.1	The agreement shall be construed in accordance with the law of the Islamic Republic of Pakistan.
4.1	The language is: English.
6.1 and 6.2	**The addresses are:** Client: Privatisation Commission, Government of Pakistan Attention: Address: 4th Floor, Kohsar Block, New Pak Secretariat, Constitution Avenue, Islamabad, Pakistan. Telephone: +92(51)-____________ Fax: +92(51)-9203076 Email: _______________________ FA: ____ ____ Attention: ____ Address:____
7.1	**The Authorized Representatives are:** For the Client: For the Financial Advisor**:***(Name & Designation)*
9.1	The Agreement shall come into force and effective after signing by both the Parties.
10.1	**Termination of Agreement for Failure to Become Effective:** The time period shall be ________ days.
11.1	**Commencement of Services:** Services will be commenced within _____ days after signing of the Agreement.

<table>
<tr><td>12.1</td><td>Expiration and Duration of Agreement:

The Agreement is valid for initial period of <u>twenty four (24)</u> months unless extended in writing with mutual consent of the Parties.</td></tr>
<tr><td>26.1(b)</td><td>___________________________________</td></tr>
<tr><td>28.1</td><td>The Agreement price is: Pak Rupees(PKR)/US$ (in figures & words including remuneration, out of pocket expenses and success fee).</td></tr>
<tr><td>30.1</td><td>Payment shall be made to the Financial Advisor in Pak Rupees (PKR)/US$.</td></tr>
<tr><td>27.1
&
31.2</td><td>The Payment Schedule:
i. The Client shall make payment against the deliverables as per following schedule:
<table>
<tr><th>Sr. No.</th><th>Deliverable</th><th>% of Retainer fee as total lump-sum cost (which may include both retainer fee and out of pocket expenses or only the retainer fee), except success fee</th></tr>
<tr><td>1</td><td>Approval of comprehensive legal, financial and technical due diligence report etc. ______________</td><td>___%</td></tr>
<tr><td>2</td><td>Approval of marketing and advertisement material along with plan and bidding documents.</td><td>___%</td></tr>
<tr><td>3</td><td>Execution of marketing and advertisement plan to the satisfaction of the Client and approval of the final valuation of ___________.</td><td>___%</td></tr>
<tr><td>4</td><td>Completion of bidding process including approvals.</td><td>___%</td></tr>
<tr><td>5</td><td>Signing of sale agreement with successful bidder(s).</td><td>____%</td></tr>
<tr><td>6</td><td>Financial closure and submission of original documents/materials of transaction to Client.</td><td>_____%</td></tr>
</table>
ii. The out-of-pocket expenses, paid _____ (lump-sum or as per actual) shall consist of following, where relevant, and be reasonably incurred by the</td></tr>
</table>

	Financial Advisor and its Sub-Contractor(s) in the performance of the Services: a) Hotel and subsistence costs actually incurred and based on corporate rates including cost of Telephone and faxes; b) The cost of domestic and international transportation of the personnel by the most appropriate means of transport and the most direct practicable route; and c) Miscellaneous travel expenses such as the cost of the transportation to and from Airports Taxies Passport, visas, travel permits, vaccination. 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.
31.2.1	**Approval of Deliverables:** The Client shall convey its approval of deliverables within _____ (___) days.
31.2.3	**Part Payment of Deliverables:** The Client shall make part payment equivalent to _____% of the invoice value.
31.2.4	**Submission of Deliverables:** The Financial Advisor shall submit the revised deliverable to the Client within ____ (___) days.
31.2.6	**The accounts are:** for local currency: ________________________ ________________________ ________________________ ________________________ ________________________

APPENDIX-A

TERMS OF REFERENCE

APPENDIX-B

IMPLEMENTATION SCHEDULE

APPENDIX-C

INTEGRITY PACT

Agreement Number: ______________________ Dated:__________________
Agreement Value: ______________________
Agreement Title: ______________________

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

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

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

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

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

__Client__ **__FA___**

Appendix-C

Indicative Milestones and Timeline

Privatisation via Equity Sale

Sr. No.	Milestones / Tasks	Date Achieved / Targeted
1	RFP for Appointment of Financial Advisor Issued	07-Jul-26
2	Financial Advisor Appointed / FASA Signed	17-Sep-26
3	Financial Advisor Issues Company Due-Diligence Report	21-Jan-27
4	Transaction Structure and Privatisation Mode Approval from GOP	01-Apr-27
5	EOI for Potential Investors Issued	22-Apr-27
6	Buy Side Due-Diligence by Pre-Qualified Investors Completed	04-Nov-27
7	Bidding	18-Nov-27
8	Financial Closure of Transaction / SPA Signed	13-Jan-28

Privatisation via IPO

Sr. No.	Milestones / Tasks	Date Achieved / Targeted
1	RFP for Appointment of Financial Advisor Issued	07-Jul-26
2	Financial Advisor Appointed / FASA Signed	17-Sep-26
3	Financial Advisor Issues Company Due-Diligence Report	21-Jan-27
4	Transaction Structure and Privatisation Mode Approval from GOP	01-Apr-27
5	Listing Application with PSX	13-May-27
6	Regulatory Approval	03-Jun-27
7	Launch and Distribution of Prospectus	10-Jun-27
8	Investor’s Roadshow	08-Jul-27
9	Public Subscription	12-Aug-27