



ADVERTISEMENT

Hiring of Consultancy Services for Restructuring of PIACL Invitation for Submission of Technical & Financial Proposals

Pakistan International Airlines Corporation Ltd. (PIACL), the national flag carrier of Pakistan, operates over a network spanning over 20 countries across the globe, and to over 25 cities within Pakistan.

PIACL seeks to hire the services of reputable corporate finance/accounting and legal firms as the “Consultants” or “Financial Adviser”, with extensive experience in corporate restructuring, demerger, preferably in airline businesses, to assist and advise PIACL in formulation and implementation of Restructuring Plan together with consequential corporate actions under the Companies Act 2017 and PIAC (Conversion) Act 2016. A detailed request for proposals (RFP) and draft agreement for provision of advisory services / FASA (in pdf format) along with the scope of work are available at <https://www.piac.com.pk/corporate/sales-procurement/tenders> and can be downloaded free of cost.

Interested parties are requested to submit the technical and financial proposals conforming to instructions in the RFP by: (1). Email to gm.cm@piac.aero (only password protected proposals will be considered); or (2). through courier or physically (five copies each of Technical & Financial Proposals) delivered at the office of undersigned. Each interested party shall pay a non-refundable processing/ tender fee of PKR 10,000/- (Rupees Ten Thousand only) by banker’s cheque/ wire transfer to bank account given in the RFP, on or before 06 October 2023 (Friday) at 3:00 pm (PKT). The electronic proposals, which are not password protected, will be rejected. The technical proposals accompanied by processing/ tender fee will be opened at 3:30 pm on the same day in presence of interested parties or their reps, which/who opt to be present at the tender room SCM building Karachi. The interested party, who has submitted electronic proposals, shall provide password of the technical proposal only between 3:25 pm to 3:40 pm on 06 October 2023 at the time of opening technical proposal in person or through email. Date and time for provision of password of financial proposal will be communicated through email to the interested party who has qualified the technical proposal.

PIACL reserves the right to reject any or all bids or cancel the tender process at any stage in line with PPRA rules.

General Manager Contract Management

Supply Chain Management Building

PIA Head Office, Karachi

Telephone: 021-99044216

Email: gm.cm@piac.aero



PAKISTAN INTERNATIONAL AIRLINES CORPORATION LIMITED

Request for Proposals (RFP)

“Financial Advisory Services for Restructuring of Pakistan International Airlines Corp Ltd”

Closing Date & Time for Submission of Proposals:	<u>06 October 2023 at 03:00 PM</u>
Opening Date & Time (Technical Proposals):	<u>06 October 2023 at 03:30 PM</u>

Section I. Request for Proposal

[Pakistan International Airlines Corporation Limited]



Proposal No:

for

[Financial Advisory Services for Restructuring of Pakistan International Airlines Corp Ltd]

Date:

1. This Invitation for submission of Proposals follows the Procurement Notice for this Project which appeared on PPRA website and in the national daily newspapers.
2. The Pakistan International Airlines Corporation Limited now invites proposals to provide the following consulting services: Financial Advisory Services for Restructuring of Pakistan International Airlines Corporation Limited. More details on the services are provided in the Terms of Reference.
3. A firm will be selected under [*Quality & Cost Based Selection Method (QCBS)*] and procedures described in this RFP.
4. The RFP includes the following documents:
 - Section 1 - Letter of Invitation
 - Section 2 - Instructions to Interested Parties
 - Section 3 - Data Sheet
 - Section 4 - Technical Proposal - Standard Forms
 - Section 5 - Financial Proposal - Standard Forms
 - Section 6 - Ineligible Countries
 - Section 7 - Terms of Reference
 - Section 8 - Financial Advisory Services Agreement (FASA)
5. Please submit your proposal on the following address:
General Manager Contract Management Supply Chain Management Building
PIA Head Office, Karachi Telephone: 021-99044216 Email: gm.cm@piac.aero

Section II. Instructions to Interested Parties

A. General Provisions

<p>1. Definitions</p>	<p>1.1 Definition</p> <ul style="list-style-type: none"> a) "Affiliate" means an individual or an entity that directly or indirectly controls, is controlled by, or is under common control with the Interested Party. b) "Applicable Law" means the laws and any other instruments having the force of law in Pakistan, or in such other country as may be specified in the Data Sheet, as they may be issued and in force from time to time. c) "Authority" means the Public Procurement Regulatory Authority of Pakistan. d) "consortium" means an association with or without a legal personality distinct from that of its members, of more than one <i>Interested Parties</i> where one member has the authority to conduct all business for and on behalf of any and all the members of the consortium. e) "Contract" or "FASA" means a legally binding written Financial Advisory Services Agreement signed between the Procuring Agency and the Interested Party selected as Financial Adviser and includes all the attached documents like General Conditions of Agreement (GCA), Special Conditions of Agreement (SCA), and Appendices. f) "Data Sheet" means an integral part of the Instructions to Interested Parties that is used to reflect specific country and assignment conditions to supplement, but not to overwrite, the provisions of the Instructions to Interested Parties. g) "Day" means a calendar day. h) "Expert" means an Expert of the Interested Party or a Sub-Contractor. i) "Interested Party" means a legally-established professional firm or an entity that is interested to provide the Services to the Procuring Agency under the Contract. j) "Key Expert(s)" means an individual professional whose skills, qualifications, knowledge and experience are critical to the performance of the Services under the Contract and whose CV is taken into account in the technical evaluation of the Interested Party's proposal. k) "Non-Key Expert(s)" means an individual professional provided by the <i>Interested Party</i> or its Sub-Contractor and who is assigned to perform the Services or any part thereof under the Contract and whose CVs are not evaluated individually. l) "Procuring Agency" means the Pakistan International Airlines Corporation Limited registered under the
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	<p>Companies Act 2017 (law of Pakistan).</p> <p>m) "Proposal" means the Technical Proposal and the Financial Proposal of the Interested Party.</p> <p>n) "Services" means the work to be performed by the <i>Interested Party</i> pursuant to the Contract.</p> <p>o) "Sub-Contractor" means an entity to whom the <i>Interested Party</i> intends to subcontract any part of the Services while remaining responsible to the Procuring Agency during the performance of the Contract.</p> <p>p) "TORs" means the Terms of Reference that explain the objectives, scope of work, activities, and tasks to be performed, respective responsibilities of the Procuring Agency and the <i>Interested Party</i>, and expected results and deliverables of the assignment.</p>
<p>2. Introduction</p>	<p>2.1 The Procuring Agency intends to select a Financial Adviser in accordance with the method of selection specified in the Data Sheet. The eligible Interested Parties are invited to submit a Technical Proposal and a Financial Proposal, as specified in the Data Sheet, for Services required for the assignment named in the Data Sheet. The Proposal will be the basis for negotiating and ultimately signing the Contract (FASA) with the selected Interested Party as the Financial Adviser.</p> <p>2.2 The Interested Parties should familiarize themselves with the local conditions and take them into account in preparing their Proposals, including attending any meeting or pre-proposal conference if one is specified in the Data Sheet. Attending any such meeting/ pre-proposal conference is optional and is at the Interested Party's expense. Virtual presence will also be facilitated by the Procuring Agency.</p> <p>2.3 The Procuring Agency will timely provide, at no cost to the Interested Parties, the inputs, relevant project data, and documents etc. required for the preparation of the Interested Party's Proposals as specified in the Data Sheet.</p>
<p>3. Conflict of Interest</p>	<p>3.1 The Interested Party selected as Financial Adviser is required to provide professional, objective, and impartial advice, at all times holding the Procuring Agency's interest paramount, strictly avoiding conflicts with other assignments or its own corporate interests, and acting without any consideration for future work.</p> <p>3.2 The Interested Party shall disclose to the Procuring Agency any situation of actual or potential conflict that impacts its or its contractor's capacity to serve the best interest of its Procuring Agency. Failure to disclose such situations may lead to the disqualification of the Interested Party/ Financial Adviser or the termination of its Contract and/or sanctions by the Procuring</p>

	<p>Agency or the Authority.</p> <p>3.3 Without limitation on the generality of the foregoing, the Interested Party selected as Financial Adviser shall not be hired under the circumstances set forth below:</p>
	<p>a. Conflicting activities: <u>Conflict between consulting activities and procurement of goods, works or non-consulting services:</u> a firm that has been engaged by the Procuring Agency to provide goods, works, or non-consulting services for a project, or any of its Affiliates, shall be disqualified from providing consulting services resulting from or directly related to those goods, works, or non-consulting services. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, or any of its Affiliates, shall be disqualified from subsequently providing goods or works or non-consulting services resulting from or directly related to the consulting services for such preparation or implementation.</p>
	<p>b. Conflicting assignments: <u>Conflict among consulting assignments:</u> a Financial Adviser (including its Experts and Sub-Contractors) or any of its Affiliates shall not be hired for any assignment that, by its nature, may be in conflict with another assignment of the Financial Adviser for the same or for another Procuring Agency.</p>
	<p>c. Conflicting relationships: <u>Relationship with the Procuring Agency's staff:</u> a Financial Adviser (including its Experts and Sub-Contractors) that has a close business or family relationship with a professional staff/ officer/ manager of the Procuring Agency, or of a recipient of a part of the financing in case the project is financed by some financing institution) who are directly or indirectly involved in any part of (i) the preparation of the Terms of Reference for the assignment, (ii) the selection process for the Contract, or (iii) the supervision of the Contract, may not be awarded a Contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the Procuring Agency throughout the selection process and the execution of the Contract.</p>
<p>4. Unfair Competitive Advantage</p>	<p>4.1 Fairness and transparency in the selection process require that the Interested Parties or their Affiliates competing for a specific assignment do not derive a competitive advantage from having already provided consulting services related to the assignment in question to the Procuring Agency. To that end, the Procuring Agency shall indicate in the Data Sheet and make available to all</p>

	eligible Interested Parties together with this RFP all information that would in that respect give such Interested Party any unfair competitive advantage over competing Interested Parties.
5. Corrupt and Fraudulent Practices	<p>5.1 The Authority requires compliance with its Regulatory Framework in regard to corrupt and fraudulent practices.</p> <p>5.2 In further pursuance of the Regulatory Framework, Interested Party shall permit and shall cause their agents (where declared or not), sub-contractors, service providers, suppliers, and personnel, to permit the Procuring Agency to inspect all accounts, records and other documents relating to proposal submission, and contract performance (in the case of award), and to have them audited by auditors appointed by the Procuring Agency.</p>
6. Equal Opportunity	<p>6.1 The Procuring Agency permits Interested Parties (eligible companies/ firms, including consortiums and their individual members) from all countries to offer consulting services for the project.</p> <p>6.2 Furthermore, it is the Interested Party's responsibility to ensure that its Affiliates, Experts, consortium members, Sub-Contractors, agents (declared or not), service providers, suppliers and/or their employees meet the eligibility requirements.</p>
a. Sanctions	6.3 A firm or an individual declared blacklisted by the Authority shall be ineligible to participate in the procurement process or to be awarded a contract, during such period of time as the Authority may determine. The list of debarred firms and individuals is available at the electronic address of the Authority specified in the Data Sheet .
b. Prohibitions	6.4 Firms and individuals of a country or goods manufactured in a country may be ineligible if so indicated in the Data Sheet (Ineligible Countries) and Section 6.
c. Restrictions for public employees	<p>6.5 Government officials and civil servants of Pakistan are not eligible to be included as Experts in the Interested Party's Proposal unless such engagement does not conflict with any employment or other laws, regulations, or policies of the Federal Government, and they:</p> <ul style="list-style-type: none"> (i) are on leave of absence without pay, or have resigned or retired; (ii) are not being hired by the same agency they were working for before going on leave of absence without pay, resigning, or retiring; and (iii) their hiring would not create a conflict of interest. <p>(In case of resignation or retirement, for a period of at least two years, or the period established by statutory provisions</p>

	applying to civil servants or government employees whichever is longer.)
B. Preparation of Proposals	
7. General Considerations	7.1 In preparing the Proposal, the Interested Party is expected to examine the RFP in detail. Material deficiencies in providing the information requested in the RFP may result in rejection of the Proposal.
8. Cost of Preparation of Proposal	8.1 The Interested Party shall bear all costs associated with the preparation and submission of its Proposals, and the Procuring Agency shall not be responsible or liable for those costs, regardless of the conduct or outcome of the selection process. The Procuring Agency is not bound to accept any proposal, and reserves the right to annul the selection process in accordance with the procurement regulatory framework at any time prior to Contract award, without thereby incurring any liability to the Interested Party.
9. Language	9.1 The Proposal, as well as all correspondence and documents relating to the Proposal exchanged between the Interested Party and the Procuring Agency, shall be written in the language(s) specified in the Data Sheet .
10. Documents Comprising the Proposal	10.1 The Proposal shall comprise the documents and forms listed in the Data Sheet . 10.2 If specified in the Data Sheet , the Interested Party shall include a statement of an undertaking of the Interested Party to observe, in competing for and executing a contract, the Procuring Regulatory Framework regarding corrupt and fraudulent practices.
11. Only One Proposal	11.1 The Interested Party (including the individual members of any consortium) shall submit only one Proposal, either in its own name or as part of a consortium in another Proposal. If an Interested Party, including any consortium member, Sub-Contractor submits or participates in more than one proposals, all such proposals shall be disqualified and rejected. 11.2 This does not, however, preclude a Sub-Contractor, or the Interested Party's staff from participating as Key Experts and Non-Key Experts in more than one Proposal when circumstances justify and if stated in the Data Sheet and subject to regulatory instructions, if any. In such eventuality, its necessity should be properly explained in the Data Sheet and there should not be any evaluation of that aspect of the Proposal.
12. Proposal Validity	12.1 Proposals shall remain valid for the period specified in the

	<p>Data Sheet after the Proposal submission deadline prescribed by the Procuring Agency. To ensure the validity of proposal, Data Sheet may mandate submission of bid/proposal security or bid/proposal securing declaration as a complementary bid/proposal securing instrument having the validity twenty-eight days more than the bid/proposal validity period.</p> <p>12.2 During this period, the Interested Party shall maintain its original Proposal without any change, including the availability of the Key Experts, the proposed rates and the total price.</p> <p>12.3 If it is established that any Key Expert nominated in the Interested Party's Proposal was not available at the time of Proposal submission or was included in the Proposal without his/her confirmation, such Proposal shall be disqualified and rejected for further evaluation, and may be subject to blacklisting and debarment.</p>
<p>a. Extension of Validity Period</p>	<p>12.4 If considered necessary, an extension can be made in case of exceptional circumstances (beyond the control of the Procuring Agency) after recording the reasons in writing. Such extension shall be only once, and the period of the extension should be determined keeping in view of the circumstances under which such extension is deemed to be necessary, however, the same shall not be more than the original bid validity period. The request and the responses shall be made in writing. Moreover, any such extension shall be solicited and procured in advance prior to the expiry of original (or initial) bid validity period. Bid/Proposal Securing Instrument shall also be extended in conformity with the period of extension.</p> <p>12.5 If the Interested Party agrees to extend the validity of its Proposal, it shall be done without any change in the original Proposal and with the confirmation of the availability of the Key Experts.</p> <p>12.6 The Interested Party has the right to refuse to extend the validity of its Proposal in which case such Proposal will not be further evaluated.</p>
<p>b. Substitution of Key Experts at Validity Extension</p>	<p>12.7 If any of the Key Experts become unavailable for the extended validity period, the Interested Party shall provide a written adequate justification and evidence satisfactory to the Procuring Agency together with the substitution request. In such case, a replacement Key Expert shall have equal or better qualifications and experience than those of the originally proposed Key Expert. The technical evaluation score, however,</p>

	<p>will remain to be based on the evaluation of the CV of the original Key Expert.</p> <p>12.8 If the Interested Party fails to provide a replacement Key Expert with equal or better qualifications, or if the provided reasons for the replacement or justification are unacceptable to the Procuring Agency, such Proposal will be rejected.</p>
c. Sub-Contracting	<p>12.9 The Interested Party shall not subcontract the whole of the Services without prior permission in writing of the Procuring Agency. This prohibition, however, shall not apply to Sub-Contractors who are part of the Proposals.</p>
	<p>12.10 The Proposal Securing Declaration is required to protect the Procuring Agency against the risk of Interested Party's conduct which would warrant the Interested Party to face the blacklisting or debarment proceedings in accordance with regulatory framework.</p>
	<p>12.11 Any Proposal not accompanied by a Proposal Securing Declaration shall be rejected by the Procuring Agency as non-responsive.</p>
	<p>12.12 The Proposal Securing Declaration of a consortium must be in the name of the consortium submitting the Proposals.</p>
	<p>12.13 The successful Interested Party's Proposal Securing Declaration will be discharged upon the signing the contract/ FASA.</p>
	<p>12.14 A Interested Party shall be suspended from being eligible for tendering in any contract with the Procuring Agency for the period of time indicated in the Proposal Securing Declaration:</p> <ul style="list-style-type: none"> (a) if the Interested Party withdraws its Proposal, except as provided in Clause 12.6 of this Section; or (b) in the case of a successful Interested Party, if the Interested Party fails within the specified time limit to sign the contract/ FASA.
13. Clarification and Amendment of RFP	<p>13.1 The Interested Party may request a clarification of any part of the RFP during the period indicated in the Data Sheet before the Proposals' submission deadline. Any request for clarification must be sent in writing, or by standard electronic means, to the Procuring Agency's address indicated in the Data Sheet. The Procuring Agency will respond in writing, or by standard electronic means, and will send written copies of the response (including an explanation of the query but without identifying its</p>

	<p>source) to all eligible Interested Parties. Should the Procuring Agency deem it necessary to amend the RFP as a result of a clarification or at its own initiative, it shall do so following the procedure described below:</p> <ul style="list-style-type: none"> (a) At any time before the proposal submission deadline, the Procuring Agency may amend the RFP by issuing/publishing an amendment in writing through an addendum of RFP. (b) If the amendment is substantial, the Procuring Agency may extend the proposal submission deadline to give the Interested Parties reasonable time to take an amendment into account in their Proposals. <p>13.12 The Interested Party who has already submitted the proposal prior to any amendments in the RFP, may submit a modified Proposal or a modification to any part of it based on the respective amendment in the RFP at any time prior to the proposal submission deadline. No modifications to the Technical or Financial Proposal shall be accepted after the deadline.</p>
<p>14. Preparation of Proposals - Specific Considerations</p>	<p>14.1 While preparing the Proposal, the Interested Party must give particular attention to the following:</p> <ul style="list-style-type: none"> (a) The Procuring Agency may indicate in the Data Sheet the Procuring Agency's estimated total cost of the assignment. This estimate is indicative and the Proposal shall be based on the Interested Party's own estimates for the same. (b) If stated in the Data Sheet, the Interested Party shall include in its Proposal at least the same time input (in the same unit as indicated in the Data Sheet) of Key Experts, failing which the Financial Proposal will be adjusted for the purpose of comparison of proposals and decision for award in accordance with the procedure in the Data Sheet.
<p>15. Technical Proposal Format and Content</p>	<p>15.1 The Technical Proposal shall not include any information regarding Financial Proposal. A Technical Proposal containing material financial information shall be declared non-responsive.</p> <p>15.2 Depending on the nature of the assignment, the Interested Party is required to submit the Technical Proposal as indicated in the Data Sheet and using the Standard Forms provided with the RFP.</p>
<p>16. Financial</p>	<p>16.1 The Financial Proposal shall be prepared using the</p>

Proposal	Standard Forms provided with the RFP. It shall list all costs associated with the assignment, including reimbursable expenses indicated in the Data Sheet .
a. Taxes	16.2 The Financial Adviser and its Sub-Contractors are responsible for meeting all tax liabilities arising out of the Contract/ FASA unless stated otherwise in the Data Sheet . Information on taxes in the Procuring Agency's country is provided in the Data Sheet .
b. Currency of Proposal	16.3 The Interested Party may express the price for its Services in the currency or currencies as stated in the Data Sheet . If indicated in the Data Sheet , the portion of the price representing local cost shall be stated in the national currency/ Pakistan Rupees (PKR).
c. Currency of Payment	16.4 Payment under the Contract shall be made in the currency or currencies in which the payment is requested in the Proposal.
C. Submission, Opening and Evaluation	
17. Submission, Sealing, and Marking of Proposals	<p>17.1 The Interested Party shall submit a signed and complete Proposal comprising the documents and forms in accordance with the RFP (Documents Comprising Proposal). The submission can be done by email, mail or physically delivered at the address of the Procuring Agency mentioned in the Data Sheet. If specified in the Data Sheet, the Interested Party has the option of submitting its Proposals electronically subject to fulfillment of conditions mentioned in the Data Sheet.</p> <p>17.2 An authorized representative of the Interested Party shall sign the original submission letters in the required format for both the Technical Proposal and Financial Proposal and shall initial all pages of both. The authorization shall be in the form of a written power of attorney attached to the Technical Proposal.</p> <p style="padding-left: 40px;">17.2.1 A Proposal submitted by a consortium shall be signed by all members so as to be legally binding on all members, or by an authorized representative who has a written power of attorney signed by each member's authorized representative.</p> <p>17.3 Any modifications, revisions, interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the person signing the Proposal.</p> <p>17.4 The signed Proposal shall be marked "ORIGINAL", and</p>

Withdrawal of bids

its copies marked "COPY" as appropriate. The number of copies is indicated in the **Data Sheet**. All copies shall be made from the signed original. If there are discrepancies between the original and the copies, the original shall prevail.

17.5 The original and all the copies of the Technical Proposal shall be placed inside of a sealed envelope clearly marked "**TECHNICAL PROPOSAL**", "[Consultancy Services for Restructuring of Pakistan International Airlines Corporation Limited]", reference number, name and address of the Interested Party, and with a warning "**DO NOT OPEN UNTIL [06 OCTOBER 2023 AT 3.30 PM].**"

17.6 Similarly, the original Financial Proposal shall be placed inside of a sealed envelope clearly marked "**FINANCIAL PROPOSAL**" followed by the name of the assignment, reference number, name and address of the Interested Party, and with a warning "**DO NOT OPEN WITH THE TECHNICAL PROPOSAL.**"

17.7 The sealed envelopes containing the Technical and Financial Proposals shall be placed into one outer envelope and sealed. This outer envelope shall bear the submission address, RFP reference number, the name of the assignment, Interested Party's name and the address, and shall be clearly marked "**DO NOT OPEN BEFORE [06 OCTOBER 2023 AT 3.30 PM]**".

17.8 If the envelopes and packages with the Proposal are not sealed and marked as required, the Procuring Agency will assume no responsibility for the misplacement, loss, or premature opening of the Proposal.

17.9 The Proposal or its modifications must be sent to the address indicated in the **Data Sheet** and received by the Procuring Agency no later than the deadline indicated in the **Data Sheet**, or any extension to this deadline. Any Proposal or its modification received by the Procuring Agency after the deadline shall be declared late and rejected, and promptly returned unopened.

17.10 An Interested Party may withdraw its Proposal after it has been submitted, provided that written notice of the withdrawal of the Proposal, is received by the Procuring Agency prior to the deadline for submission of Proposal.

17.11 Revised Proposal may be submitted after the withdrawal of the original Proposal.

	<p>17.12 First, envelopes marked "WITHDRAWAL" shall be opened and read out and the envelope with the corresponding bid shall not be opened, but returned to the Bidder. No bid withdrawal shall be permitted unless the corresponding Withdrawal Notice contains a valid authorization to request the withdrawal and is read out at bid opening.</p>
<p>18. Confidentiality</p>	<p>18.1 From the time the Proposals are opened to the time the Evaluation Report is published, the Interested Party should not contact the Procurement Evaluation Committee of the Procuring Agency on any matter related to its Technical and/or Financial Proposal. Information relating to the evaluation of Proposals shall not be disclosed to the Interested Parties who submitted the Proposals or to any other party not officially concerned with the process, until the publication of the Evaluation Report.</p> <p>18.2 Any attempt by Interested Party or anyone on behalf of the Interested Party to influence improperly the Procuring Agency in the evaluation of the Proposals may result in the rejection of its Proposals, and may be subject to the application of prevailing blacklisting procedures.</p> <p>18.3 Notwithstanding the above provisions, from the time of the Proposals' opening to the time of publication of evaluation report, if an Interested Party wishes to contact the Procurement Evaluation Committee or the Procuring Agency on any matter related to the selection process, it should do so only in writing.</p>
<p>19. Opening of Proposal (Technical Proposals)</p>	<p>19.1 The Procuring Agency will open all Proposals, in public, in the presence of Interested Parties or their representatives who choose to attend (physically or virtually), and other parties with a legitimate interest in the Proposal opening proceedings at the place, on the date and at the time, specified in the Data Sheet. The Interested Party' representatives present shall sign a register as proof of their attendance. In case of virtual attendance, video shall be recorded.</p> <p>19.2 First, envelopes marked "WITHDRAWAL" shall be opened and read out and the envelope with the corresponding Proposal shall not be opened, but returned to the Interested Party. No Proposal withdrawal shall be permitted unless the corresponding Withdrawal Notice contains a valid authorization to request the withdrawal and is read out at bid opening.</p> <p>19.3 Second, outer envelopes marked "SUBSTITUTION"</p>

	<p>shall be opened. The inner envelopes containing the Substitution Proposal shall be exchanged for the corresponding Original Proposal being substituted, which is to be returned to the Interested Party unopened. No envelope shall be substituted unless the corresponding Substitution Notice contains a valid authorization to request the substitution and is read out and recorded at bid opening.</p> <p>19.4 Next, outer envelopes marked “MODIFICATION” shall be opened. No Technical Proposal and/or Financial Proposal shall be modified unless the corresponding Modification Notice contains a valid authorization to request the modification and is read out and recorded at the opening of the Proposal. Any Modification shall be read out along with the Original Proposal except in case of Single Stage Two Envelope Procedure where only the Technical Proposal, both Original as well as Modification, are to be opened, read out, and recorded at the opening. Financial Proposal, both Original and Modification, will remain unopened till the prescribed financial Proposal opening date.</p> <p>19.5 The Procuring Agency’s evaluation committee shall conduct the opening of the Technical Proposals in the presence of the Interested Parties’ authorized representatives who choose to attend (in person, or online if this option is offered in the Data Sheet). The opening date, time and the address are stated in the Data Sheet. The envelopes with the Financial Proposal shall remain sealed until they are opened in accordance with the RFP.</p> <p>19.6 At the opening of the Technical Proposals the following shall be read out: (i) the name and the country of the Interested Party or, in case of a consortium, the name of the consortium, the name of the lead member and the names and the countries of all members; (ii) the presence or absence of a duly sealed envelope with the Financial Proposal; (iii) any modifications to the Proposal submitted prior to proposal submission deadline; and (iv) any other information deemed appropriate or as indicated in the Data Sheet.</p>
<p>20. Proposals Evaluation</p>	<p>20.1 The evaluators of the Technical Proposals shall have no access to the Financial Proposals until the technical evaluation is concluded.</p> <p>20.2 The Interested Party is not permitted to alter or modify its Proposal in any way after the proposal submission deadline. While evaluating the Proposals, the Procuring Agency will conduct the evaluation solely on the basis of the</p>

	submitted Technical and Financial Proposals.
21. Evaluation of Technical Proposals	<p>21.1 The Procuring Agency's evaluation committee shall evaluate the Technical Proposals on the basis of their responsiveness to the Terms of Reference and the RFP, applying the evaluation criteria, sub-criteria, and point system specified in the Data Sheet. Each responsive Proposal will be given a technical score. A Proposal shall be rejected at this stage if it does not respond to important aspects of the RFP or if it fails to achieve the minimum technical score indicated in the Data Sheet.</p>
22. Public Opening of Financial Proposals	<p>22.1 After the technical evaluation is completed, the Procuring Agency shall issue the Technical Evaluation Report containing all the information regarding responsiveness or non-responsiveness of the Interested Party along with the technical scores. The Financial Proposal of non-responsive Interested Party will be returned unopened after completing the selection process and Contract/ FASA signing. The Procuring Agency shall notify those Interested Parties that have achieved the minimum overall technical score and inform them of the date, time and location for the opening of the Financial Proposals. The opening date should allow the Interested Parties sufficient time to make arrangements for attending the opening (physical or virtual). The Interested Parties attendance at the opening of the Financial Proposals (in person or virtual) is optional and is at the Interested Party's choice. The Procuring Agency may combine the date & time for declaring/ notifying technical score and opening of Financial Proposals with prior intimation seeking attendance of the Interested Parties, if they chose to be present.</p> <p>22.2 The Financial Proposals shall be opened by the Procuring Agency's evaluation committee in the presence of the representatives of those Interested Parties who chose to be present. At the opening, the names of the Interested Parties, and the overall technical scores, including the break-down by criterion, shall be read aloud. The Financial Proposals will then be inspected to confirm that they have remained sealed and unopened. These Financial Proposals shall be then opened, and the total prices read aloud and recorded. Copies of the record shall be sent to all Interested Parties who submitted Proposals.</p>
23 Correction of Errors	<p>23.1 Activities and items described in the Technical Proposal but not priced in the Financial Proposal, shall be assumed to be included in the prices of other activities or items, and no corrections are made to the Financial Proposal.</p>

24 Taxes	24.1 The Procuring Agency's evaluation of the Financial Adviser's Financial Proposal shall be inclusive of taxes and duties in the in accordance with the instructions in the Data Sheet .
25 Conversion to Single Currency	25.1 For the evaluation purposes, prices shall be converted to a single currency using the selling rates of exchange, source and date indicated in the Data Sheet .
26 Quality- and Cost-Based Selection (QCBS)	26.1 The total score is calculated by weighting the technical and financial scores and adding them as per the formula and instructions in the Data Sheet . The Interested Party achieving the highest combined technical and financial score will be invited for negotiations.
D. Negotiations and Award	
27 Negotiations	<p>27.1 The negotiations will be held at the date and address indicated in the Data Sheet with the Interested Party's representative(s) who must have written power of attorney to negotiate and sign a Contract/ FASA on behalf of the Interested Party. Such negotiations may take place virtually but proper record of the negotiations shall be maintained by the Procuring Agency.</p> <p>27.2 The Procuring Agency shall prepare minutes of negotiations that are signed by the Procuring Agency and, unless virtually recorded, the Interested Party's authorized representative.</p>
a. Availability of Key Experts	<p>27.3 The invited Interested Party selected as Financial Adviser shall confirm the availability of all Key Experts included in the Proposal as a pre-requisite to the negotiations, or, if applicable, a replacement in accordance with the RFP. Failure to confirm the Key Experts' availability may result in the rejection of the Interested Party's Proposal and the Procuring Agency proceeding to negotiate the Contract with the next-ranked Interested Party.</p> <p>27.4 Notwithstanding the above, the substitution of Key Experts at the negotiations may be considered if due solely to circumstances outside the reasonable control of and not foreseeable by the Interested Party, including but not limited to death or medical incapacity. In such case, the Interested Party shall offer a substitute Key Expert to negotiate the Contract/ FASA, who shall have equivalent or better qualifications and experience than the original Key Expert.</p>
b. Technical negotiations	27.5 The negotiations include discussions on the special conditions of the Contract limited to milestones, payment

	<p>schedule, implementation schedule and duration; and finalizing the “Description of Services” part of the Contract/ FASA. These discussions shall not alter the original scope of Services under the TORs or the terms of the Contract, lest the quality of the final product, its price, or the relevance of the initial evaluation be affected or to give an unfair advantage to the successful/ highest ranked Interested Party selected as Financial Adviser over the competitors/ other Interested Parties.</p>
<p>c. Financial Negotiations</p>	<p>27.6 There shall be no financial negotiations except only to the extent of clarification of the Interested Party’s tax liability and how it should be reflected in the Contract/ FASA.</p>
<p>28 Conclusion of Negotiations</p>	<p>28.1 The negotiations are concluded with a review of the finalized draft Contract/ FASA, which then shall be initialed by the Procuring Agency and the Interested Party’s/ Financial Adviser’s authorized representative.</p> <p>28.2 If the negotiations fail, the Procuring Agency shall inform the Interested Party in writing of all pending issues and disagreements and provide a final opportunity to the Interested Party to respond. If disagreement persists, the Procuring Agency shall terminate the negotiations informing the Interested Party of the reasons for doing so; and the Procuring Agency will invite the next-ranked Interested Party to negotiate a Contract/ FASA. Once the Procuring Agency commences negotiations with the next-ranked Interested Party, the Procuring Agency shall not reopen the earlier negotiations with the highest ranked Interested Party.</p>
<p>29 Award of Contract</p>	<p>29.1 Subject to Clause 28 of this Section, the Procuring Agency will award the Contract to the Interested Party selected as Financial Adviser whose Proposal has been determined to be substantially responsive to the RFP Documents and who has been declared as Most Advantageous Interested Party, provided that such Interested Party has been determined to be:</p> <ul style="list-style-type: none"> a) eligible in accordance with the provisions of RFP; b) is determined to be qualified to perform the Contract satisfactorily; and c) successful negotiations have been concluded, if any. <p>29.2 The selected Financial Adviser is expected to commence the assignment on the date and at the location specified in the Data Sheet.</p>

	<p>29.3 The project shall be implemented in accordance with the TORs and continuation of financial advisory services shall be subject to satisfactory performance of the Financial Adviser as determined by the Procuring Agency.</p>
<p>30 Grievance Redressal Mechanism</p>	<p>30.1 The Procuring Agency shall constitute a Grievance Redressal Committee (GRC) comprising of odd number of persons with proper power and authorization to address the complaint. The GRC shall not have any of the members of Procurement Evaluation Committee. The committee must have one subject specialist depending upon the nature of the procurement.</p> <p>30.2 Any Interested Party can file its written complaint against the eligibility parameters or any other terms and conditions prescribed in the prequalification or bidding documents found contrary to provision of Procurement Regulatory Framework, and the same shall be addressed by the GRC well before the bid submission deadline.</p> <p>30.3 Any Interested Party feeling aggrieved by any act of the Procuring Agency after the submission of its bid may lodge a written complaint concerning its grievances not later than seven days of the announcement of technical evaluation report and five days after issuance of final evaluation report.</p> <p>30.4 In case, the complaint is filed against the technical evaluation report, the GRC shall suspend the procurement proceedings till the decision of the complaint.</p> <p>30.5 In case, the complaint is filed after the issuance of the final evaluation report/ opening of financial proposals, the complainant cannot raise any objection on procurement process or technical evaluation report except evaluation of financial proposals.</p> <p>30.6 The GRC shall investigate and decide the complaint within ten days of its receipt.</p> <p>30.7 Any Interested Party or the Procuring Agency not satisfied with the decision of the GRC may file Appeal before the Authority within thirty days of communication of the decision of GRC subject to depositing the prescribed fee and in accordance with the procedure issued by the Authority. The decision of the Authority shall be considered as final.</p>
<p>31 Mechanism of Blacklisting</p>	<p>31.1 The Procuring Agency shall bar for not more than the time prescribed in rule 19 of the Public Procurement Rules, 2004 from participating in their respective procurement</p>

- proceedings, Interested Party /Financial Adviser who:
- (a) involved in corrupt and fraudulent practices as defined in rule 2 of the Public Procurement Rules, 2004;
 - (b) fails to perform his contractual obligations; or
 - (c) fails to abide by the bid securing declaration.

31.2 The show cause notice shall contain:

- (a) precise allegation, against the Interested Party /Financial Adviser;
- (b) the maximum period for which the Procuring Agency proposes to debar the Interested Party /Financial Adviser from participating in any public procurement of the Procuring Agency; and
- (c) the statement, if needed, about the intention of the Procuring Agency to make a request to the Authority for debarring the Interested Party /Financial Adviser from participating in public procurements of all the procuring agencies.

31.3 The Procuring Agency shall give minimum of seven days to the Interested Party /Financial Adviser for submission of written reply of the show cause notice.

31.4 In case, the Interested Party/Financial Adviser fails to submit written reply within the requisite time, the Procuring Agency may issue notice for personal hearing to the Interested Party /Financial Adviser/ authorize representative of the Interested Party /Financial Adviser and the Procuring Agency shall decide the matter on the basis of available record and personal hearing, if availed.

31.5 In case the Interested Party/Financial Adviser submits written reply of the show cause notice, the Procuring Agency may decide to file the matter or direct issuance of a notice to the Interested Party /Financial Adviser for personal hearing.

31.6 The Procuring Agency shall give minimum of seven days to the Interested Party /Financial Adviser for appearance before the specified officer of the Procuring Agency for personal hearing. The specified officer shall decide the matter on the basis of the available record and personal hearing of the Interested Party /Financial Adviser, if availed.

31.7 The procuring Agency shall decide the matter within fifteen days from the date of personal hearing unless the personal hearing is adjourned to a next date and in such an

eventuality, the period of personal hearing shall be reckoned from the last date of personal hearing.

31.8 The Procuring Agency shall communicate to the Interested Party /Financial Adviser the order of debarring the bidder or contractor from participating in any public procurement with a statement that the Interested Party /Financial Adviser may, within thirty days, prefer a representation against the order before the Authority.

31.9 Such blacklisting or barring action shall be communicated by the Procuring Agency to the Authority and respective Party in the form of decision containing the grounds for such action. The same shall be publicized by the Authority after examining the record whether the procedure defined in blacklisting and debarment mechanism has been adhered to by the Procuring Agency.

31.10 The Interested Party/ Financial Adviser may file the review petition before the Review Petition Committee of the Authority within thirty days of communication of such blacklisting or barring action after depositing the prescribed fee and in accordance with the relevant Regulations of the Authority. The Committee shall evaluate the case and decide within ninety days of filing of review petition.

31.11 The Review Petition Committee shall serve a notice in writing upon all respondent of the review petition. The notices shall be accompanied by the copies of review petition and all attached documents of the review petition including the decision of the procuring agency. The parties may file written statements along with essential documents in support of their contentions. The Committee may pass such order on the representation as it may deem fit.

31.12 The Authority on the basis of decision made by the Review Petition Committee either may debar an Interested Party/ Financial Adviser from participating in any public procurement process of all or some of the procuring agencies for such period as deemed appropriate or acquit the bidder from the allegations. The decision of the Authority shall be final.

Section III. Data Sheet

A. General Provisions	
Clause [Section II]	Conditions of Services as Supplement to Section II
1.1(b)	Law of Pakistan shall be the Applicable Law.
2.1	<p>Name of Procuring Agency: <u>Pakistan International Airlines Corporation Limited (PIACL)</u></p> <p>Method of selection: <u>Quality & Cost Based Selection</u></p> <p>Financial Proposal is to be submitted in separate envelope as per the as per the Single Stage Two Envelop Bidding Procedure.</p> <p>The name of the assignment is: <u>Consultancy Services for Restructuring of Pakistan International Airlines Corporation Limited</u></p>
2.2	<p>A pre-proposal conference/meeting will be held: No</p> <p>Date, time & place for presentation of Interested Parties as part of evaluation process: [09 October 2023 at 10.30 am at PIA Building, AK Fazal-e-Haq Road, Blue Area, Islamabad</p> <p>Contact person/ coordinator: [Agha M Majid Hussain, Deputy General Manager PIACL, PIA Building, AK Fazal-e-Haq Road, Blue Area, Islamabad Phone/ WhatsApp: 0331 2473205 Email: agha.majid@piac.aero]</p>
2.3	Input of Procuring Agency: The Procuring Agency will provide the following inputs, project data, reports, etc. to facilitate the preparation of the Proposals by the Interested Parties: [Not applicable]
4.1	<p>Interested Parties are encouraged to visit the website of the Procuring Agency for information about the Procuring Agency: https://www.piac.com.pk/corporate</p> <p>Any information required by any Interested Party and Procuring Agency is willing to share such information, the Procuring Agency will share the information with all the Interested Parties.</p>
6.3	<p>A list of debarred firms and individuals is available at the website of the Authority: https://ppra.org.pk/</p>
6.4	<p>List of Ineligible Nationalities/ Countries:</p> <ol style="list-style-type: none"> 1. India 2. Israel
B. Preparation of Proposals	

9.1	<p>The language of the Proposals and other communication is: “English”.</p> <p>All correspondence shall be in English.</p>
10.1	<p>The Proposal shall comprise the following:</p> <p>1st Inner Envelope with the Technical Proposal:</p> <ol style="list-style-type: none"> 1. Authorization/ Power of Attorney to sign the Proposal 2. TECH-1 3. TECH-4 4. TECH-5 <p>2nd Inner Envelope with the Financial Proposal:</p> <ol style="list-style-type: none"> 1. FIN-1 2. FIN-2 3. FIN-3 4. Statement of Undertaking
10.2	<p>Statement of Undertaking is required: Yes</p>
11.2	<p>Is participation of Sub-Contractor/ Key Expert in more than one Proposal permissible: No</p>
12.1	<p>Proposals shall be valid until: <i>90 days from the last date of submission of the proposals</i></p> <p>Is submission of bid/proposal security or declaration required: No</p> <p>If bid/proposal security or declaration required, it’s format: [Not Applicable]</p>
13.1	<p>Clarification of any part of RFP may be requested no later than 07 days prior to the submission deadline for the Proposals.</p> <p>The contact information for requesting clarifications is:</p> <p>Telephone: 021-99044216</p> <p>Email: gm.cm@piac.aero</p>
14.1	<p>Estimated Key Experts’ time input or Procuring Agency’s estimated total cost for services: <i>[Not applicable]</i></p>
15.2	<p>The format of the Technical Proposal:</p> <p>Submission of the Technical Proposal in a wrong format may lead to the Proposal being deemed non-responsive to the RFP requirements.</p>
16.1	<p>Reimbursable out of pocket Expenses:</p> <p>The out-of-pocket expenses shall be paid as per actual expenses and shall consist of following and be reasonably incurred by the Financial Adviser, its sub-contractors and Experts in the performance of the Services:</p> <ol style="list-style-type: none"> a) Hotel and subsistence costs actually incurred and based on corporate rates for both the Financial Adviser and Procuring Agency personnel provided that stay in Procuring Agency operated or partner hotels shall be preferred; b) The cost of domestic & international transportation of the FA personnel and Procuring Agency nominated officials by the most appropriate means of

	<p>transport and the most direct practicable route provided that air travel through PIA flights or flight/ air travel arranged by the Procuring Agency through partner airlines shall be preferred;</p> <p>c) Miscellaneous travel expenses such as the cost of the transportation to and from Airports, Taxis, Passport, visas, travel permits, vaccination etc.;</p> <p>d) Expenses on advertisement/ marketing etc.;</p> <p>e) Third party costs or fee hired by the Financial Adviser for performance of any specialized part of the Services with the prior approval of the Procuring Agency; and</p> <p>f) Any other out of pocket expenses ancillary to the above expenses or necessary for the performance of Services approved by the Procuring Agency.</p>
16.2	<p>The Financial Proposal shall be inclusive of taxes and there shall not be any price adjustment due to any cause.</p> <p>Normally, the following taxes apply on similar consultancy services in Pakistan:</p> <ol style="list-style-type: none"> 1. Income Tax @ 11% on remuneration. 2. Sales Tax on Services @ 17% on remuneration. <p>{Benefit on the basis of any treaty to avoid double taxation can also be obtained. Interested Parties are encouraged to undertake their due diligence on applicability of taxes in Pakistan. Most of this information is available online.}</p>
16.3	<p>The Financial Proposal shall be stated in the following currencies: Pakistan Rupees (PKR)</p>
C. Submission, Opening and Evaluation	
17.1	<p>The Interested Parties “shall” have the option of submitting their Proposals electronically: Yes</p> <p>The electronic submission procedures:</p> <ol style="list-style-type: none"> (a) Proposals shall be sent from an authentic and verifiable source/ address to the following electronic address of the Procuring Agency: Email: gm.cm@piac.aero (b) Both technical proposal and financial proposal should be in an un-editable pdf format and password protected. In case any of these proposals is not in proper format or password protected, the proposals will be considered as non-responsive. (c) The Interested Party shall provide password before the opening of the proposal [technical and financial separately]. Failure to provide password between 05 minutes before and not later than 10 minutes after the opening of each of these proposals shall make the Proposals non-responsive. (d) The Proposal shall reach the Procuring Agency before the time fixed for submission of Proposals and should comply with all the other requirements of RFP.

	(e) The Procuring Agency may require the Interested Party to send the original hard copies of the electronic Proposals within time fixed by the Procuring Agency. The envelopes and other requirements on such Proposals contained in RFP apply to original hard copies sent under this clause.																								
17.4	<p>The Interested Party must submit:</p> <p>(a) Technical Proposal: one (1) original and 04 copies; [only one copy in case of electronic submission of proposals].</p> <p>(b) Financial Proposal: one (1) original.</p>																								
17.7	<p>The Proposals must be submitted no later than:</p> <p>Date: 06/ 10/ 2023</p> <p>Time: 03.00 PM PKT [Pakistan Standard Time]</p>																								
17.9	<p>The Proposal submission address is: GM Contract Management, Supply Chain Management Department, PIAC Head Office, Karachi. Tel: 021- 9904 4216</p> <p>Email: gm.cm@piac.aero</p>																								
19.5	<p>An online option to witness the opening of the Technical Proposals is available: Yes</p> <p>The Interested Party shall provide password between 05 minutes before and not later than 10 minutes after the opening of the Technical Proposals. Failure to provide password in person or through email before that time to the extent of the Technical Proposal shall make the proposals non-responsive.</p> <p>The opening shall take place at:</p> <p>Date: 06/ 10/ 2023</p> <p>Time: 03:30 PM PKT</p>																								
19.6	In addition, the following information will be read aloud at the time of opening of the Technical Proposals: As in RFP.																								
21.1	<p>Technical Evaluation</p> <table border="1"> <thead> <tr> <th></th> <th>Criteria</th> <th>Max Points</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Interested Parties / Consortium Credentials and Experience</td> <td>35</td> </tr> <tr> <td>2</td> <td>Project Team's Profile and Experience</td> <td>50</td> </tr> <tr> <td>3</td> <td>Understanding of the Assignment and Proposed Methodology including Presentation of Technical Proposal to the Client</td> <td>15</td> </tr> <tr> <td></td> <td>Total</td> <td>100</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>1</th> <th>Interested Party / Consortium Credentials and Experience</th> <th>Max Points (35)</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>Successfully Completed Corporate Restructuring Assignments of similar nature and scale during last 15 years [3 points for each project]</td> <td>15</td> </tr> <tr> <td>B</td> <td>Experience in successfully undertaking corporate restructuring in</td> <td>10</td> </tr> </tbody> </table>		Criteria	Max Points	1	Interested Parties / Consortium Credentials and Experience	35	2	Project Team's Profile and Experience	50	3	Understanding of the Assignment and Proposed Methodology including Presentation of Technical Proposal to the Client	15		Total	100	1	Interested Party / Consortium Credentials and Experience	Max Points (35)	A	Successfully Completed Corporate Restructuring Assignments of similar nature and scale during last 15 years [3 points for each project]	15	B	Experience in successfully undertaking corporate restructuring in	10
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B	Experience in successfully undertaking corporate restructuring in	10																							

	the airline industry of similar nature and scale during last 20 years [5 points for each project]	
C	Experience with local and international financial institutions on successfully completing financial / debt restructuring of similar nature and scale during last 15 years [2.5 points for each project]	5
D	Global Presence and Ranking in respective League Tables	5
2	Project Team's/ Key Experts' Profile and Experience	Max Points (50)
A	Profile and Experience of Key Expert/ Engagement Director/Partner of Corporate Finance/Accounting Firm showcasing Corporate Restructuring Experience of Similar Nature and Scale and Qualification, preferably in aviation sector during last 15 years (05 points for each successfully completed assignment/ 10 points for a successfully completed project in aviation sector)	15
B	Profile and Experience of Key Expert/ Engagement Partner of Law Firm showcasing Corporate Restructuring Experience of Similar Nature and Scale and Qualification, preferably in aviation sector during last 15 years (05 points for each successfully completed assignment/ 10 points for a successfully completed project in aviation sector)	15
C	Profile and Experience of other Key Experts/ Team Members working on Corporate Restructuring Assignments of similar nature & scale during last 15 years i.e. (i) Debt Restructuring Specialist (10 points) (ii) Corporate Finance Specialist (10 points)	20
3	Understanding of the Assignment and Proposed Methodology including Presentation of Technical Proposal	Max Points (15)
A	Understanding of the Assignment	7
B	Proposed Methodology with Work Plan containing pragmatic approaches towards achieving the Assignment's desired objectives and targeted milestones set in TOR within the stipulated timeline	8
<p>.....</p> <p>Minimum technical score (St) required to pass technical evaluation: [75]</p>		
22.1	<p>An online option to witness the opening of the Financial Proposals is available: Yes</p> <p>The online opening procedure shall be:</p> <p>The Interested Party bidder shall provide password 05 minutes before the opening of the Financial Proposals or not later than 10 minutes after the time fixed for opening of the Financial Proposals. Failure to provide password within that time in person or through email shall make the Proposal non-responsive. The Procuring Agency shall communicate time for opening of the Financial Proposals to the Interested Parties which have submitted the proposals.</p>	

24.1	The Interested Party shall include all direct and indirect taxes applicable to rendering of services under the Terms of Reference in Pakistan as well as in the country of the Interested Party.
25.1	Selling rate of PKR on 06/10/2023 issued by the State Bank of Pakistan.
26.1 (QCBS)	<p>Scoring of Technical and Financial Proposals:</p> <p>All proposals shall be evaluated based on Quality (Technical) and Cost based (Financial) criteria with 75% weightage for technical evaluation and 25% weightage for financial evaluation</p> <p>Overall Score (OS) will be awarded as per following formula: $OS = (TES \times 75\%) + (FES \times 25\%)$</p> <p>Whereas:</p> <p>TES = Technical Evaluation Score</p> <p>FES = Financial Evaluation Score = ("Lowest Consultancy Fee" / "Offered Consultancy Fee" x 100)</p> <p>Firm with highest Overall Score will be ranked as 'Highest Evaluated Bidder'.</p>
D. Negotiations and Award	
27.1	<p>Expected date and address for contract negotiations:</p> <p>Date: 09-October-2023</p> <p>Address: General Manager Contract Management Supply Chain Management Building PIA Head Office, Karachi</p> <p>Telephone: 021-99044216 Email: gm.cm@piac.aero</p>
29.1	<p>The publication of the contract award information following the completion of the contract negotiations and contract signing will be done as following: <i>The information will be published on the following websites:</i> https://www.piac.com.pk/corporate and https://ppra.org.pk/</p> <p>The publication will be done within 15 days after the contract signing.</p>
29.2	<p>Expected date for the commencement of the Services:</p> <p>Date: 17 October 2023 at: 09.00 AM</p>

Section IV. Technical Proposal – Standard Forms

CHECKLIST OF REQUIRED FORMS

Required (√)	FORM	DESCRIPTION	Page Limit
	TECH-1	Technical Proposal Submission Form.	
“√” If applicable	TECH-1 Attachment	If the Proposal is submitted by a consortium, attach a copy of the consortium agreement.	
“√” If applicable	Power of Attorney	No pre-set format/form. In the case of a consortium, several are required: a power of attorney for the representative of the lead member to represent all consortium members	
√	TECH-2	Interested Party’s Organization and Experience.	
√	√	TECH-3 Description of the Approach, Methodology, and Work Plan for Performing the Assignment	
√	√	TECH-4 Work Schedule and Planning for Deliverables	
√	√	TECH-5 Team Composition, Key Experts Inputs, and attached Curriculum Vitae (CV)	

All pages of the original Technical and Financial Proposal shall be initialed by the same authorized representative of the Interested Party who signs the Proposal.

Form TECH-1
Technical Proposal Submission Form

{Location, Date}

To:

Dear Sir:

We, the undersigned, offer to provide the consulting services for Restructuring of the Pakistan International Airlines Corporation Limited in accordance with your Request for Proposals dated *[Insert Date]*. We are hereby submitting our Proposals, which includes this Technical Proposal and a Financial Proposal sealed in a separate envelope.

{If the Interested Party is a consortium, insert the following: We are submitting our Proposal a consortium with: {Insert a list with full name and the legal address of each member, and indicate the lead member}. We have attached a copy {insert: “of our letter of intent to form a consortium” or, if a consortium is already formed, “of the consortium agreement”} signed by every participating member, which details the likely legal structure of and the confirmation of joint and severable liability of the members of the said consortium. {OR

If the Interested Party’s Proposal includes Sub-Contractors, insert the following: We are submitting our Proposal with the following firms/ companies as Sub-Contractors: {Insert a list with full name and address of each Sub- Contractor.}

We hereby declare that:

- (a) All the information and statements made in this Proposal are true and we accept that any misinterpretation or misrepresentation contained in this Proposal may lead to our disqualification by the Procuring Agency.
- (b) Our Proposal shall be valid and remain binding upon us until *[insert day, month and year in accordance with Sections 2 and 3 of RFP]*.
- (c) We have no conflict of interest in accordance with Section 2 of RFP.
- (d) In competing for (and, if the award is made to us, in executing) the Contract, we undertake to observe the laws against fraud and corruption, including bribery, in force in the country of the Procuring Agency.
- (e) Except as stated in the RFP, we undertake to negotiate a Contract on the basis of the proposed Key Experts. We accept that the substitution of Key Experts for reasons other than those stated in the RFP may lead to the termination of Contract negotiations.
- (f) Our Proposal is binding upon us and subject to any modifications resulting from the Contract negotiations.

We undertake, if our Proposal is accepted and the Contract is signed, to initiate the Services related to the assignment no later than the date indicated in the Data Sheet.

We understand that the Procuring Agency is not bound to accept any Proposal that the Procuring Agency receives.

We remain,

Yours sincerely,

Authorized Signature {In full and initials}: _____

Name and Title of Signatory: _____

Name of Interested Party (company’s name or consortium’s name):

In the capacity of: _____

Address: _____

Contact information (phone and e-mail): _____

{For a consortium, either all members shall sign or only the lead member, in which case the power of attorney to sign on behalf of all members shall be attached}

Form TECH-2
INTERESTED PARTY'S ORGANIZATION AND EXPERIENCE

Form TECH-2: a brief description of the Interested Party's organization and an outline of the recent experience of the Interested Party that is most relevant to the assignment. In the case of a consortium, information on similar assignments shall be provided for each partner. For each assignment, the outline should indicate the names of the Interested Party's Key Experts and Sub-Contractors who participated, the duration of the assignment, the contract amount (total and, if it was done in a form of a consortium or a sub-consultancy, the amount paid to the Interested Party), and the Interested Party's role/involvement.

A - Interested Party's Organization

1. Provide here a brief description of the background and organization of your company/ firm, and – in case of a consortium – of each member for this assignment.
2. Include organizational chart and a list of Board of Directors

B - Interested Party's Experience

1. List only previous similar assignments successfully completed in the last [10] years.
2. List only those assignments for which the Interested Party was legally contracted by any Client as a company or was one of the consortium partners. Assignments completed by the Interested Party's individual experts working privately or through other consulting firms cannot be claimed as the relevant experience of the Interested Party, or that of the Interested Party's partners or sub-contractors, but can be claimed by the Experts themselves in their CVs. The Interested Party should be prepared to substantiate the claimed experience by presenting copies of relevant documents and references if so requested by the Procuring Agency.

Section 4. Technical Proposal – Standard Forms

Duration	Assignment name/& brief description of main deliverables/outputs	Name of Procuring Agency/ Client & Country of Assignment	Approx. Contract value (in US\$ or PKR)/ Amount paid to your firm	Role on the Assignment
{e.g., Jan.2014-Apr.2015}			{e.g., US\$ 1 mill/ US\$ 0.5 mill or PKR}	{e.g., Lead partner in a consortium A&B&C}
{e.g., Jan-May 2016}			{e.g., US\$ 3 mill/ US\$ 2 mill or PKR}	{e.g., sole Financial Adviser}

Form TECH-3

DESCRIPTION OF APPROACH, METHODOLOGY, AND WORK PLAN IN RESPONDING TO THE TERMS OF REFERENCE

Form TECH-3: a description of the approach, methodology and work plan for performing the assignment, including a detailed description of the proposed methodology and staffing for training, if the Terms of Reference specify training as a specific component of the assignment.

{Suggested structure of your Technical Proposal (in FTP format):

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

- a) **Technical Approach and Methodology.** {Please explain your understanding of the objectives of the assignment as outlined in the Terms of Reference (TORs), the technical approach, and the methodology you would adopt for implementing the tasks including on the [environmental and] social aspects to deliver the expected output(s), and the degree of detail of such output. Please do not repeat/copy the TORs.}
- b) **Work Plan.** {Please outline the plan for the implementation of the main activities/tasks of the assignment, their content and duration, phasing and interrelations, milestones (including interim approvals by the Procuring Agency), and tentative delivery dates of the reports. The proposed work plan should be consistent with the technical approach and methodology, showing your understanding of the TOR and ability to translate them into a feasible working plan. A list of the final documents (including reports) to be delivered as final output(s) should be included here. The work plan should be consistent with the Work Schedule Form.}
- c) **Organization and Staffing.** {Please describe the structure and composition of your team, including the list of the Key Experts, Non-Key Experts and relevant technical support staff.}

Form TECH-4
WORK SCHEDULE AND PLANNING FOR DELIVERABLES

N°	Deliverables ¹ (D-..)	Months											
		1	2	3	4	5	6	7	8	9	n	TOTAL
D-1	{e.g., Deliverable #1: Report A												
	1) data collection												
	2) drafting												
	3) inception report												
	4) incorporating comments												
	5)												
	6) delivery of final report to Procuring Agency}												
D-2	{e.g., Deliverable #2:.....}												

- 1 List the deliverables with the breakdown for activities required to produce them and other benchmarks such as the Procuring Agency’s approvals. For phased assignments, indicate the activities, delivery of reports, and benchmarks separately for each phase.
- 2 Duration of activities shall be indicated in a form of a bar chart.
3. Include a legend, if necessary, to help read the chart.

Form TECH-5
TEAM COMPOSITION, ASSIGNMENT, AND KEY EXPERTS' INPUTS

N°	Name of Key Expert	Key Expert's Input/ Assignment
K1		
K2		
K3		

**FORM TECH-5
(CONTINUED)
CURRICULUM VITAE (CV)**

Position Title and No.	{e.g., K-1, TEAM LEADER}
Name of Expert:	{Insert full name}
Date of Birth:	{Year of Birth}
Country of Citizenship/Residence	

Education: {List college/ university or other specialized education, giving names of educational institutions, dates attended, degree(s)/ diploma(s) obtained}

Employment record relevant to the assignment: {Starting with present position, list in reverse order. Please provide dates, name of employing organization, titles of positions held, types of activities performed and location of the assignment, and contact information of previous Procuring Agency's and employing organization(s) who can be contacted for references. Past employment that is not relevant to the assignment does not need to be included.}

Period	Employing organization and your title/position. Contact info for references	Country	Summary of activities performed relevant to the Assignment
[e.g., May 2005-present]	[e.g., advisor/Financial Adviser to...] For references: Tel...../e-mail.....; Mr. Hbbbbbb, manager/CEO]		

Membership in Professional Associations and Publications:

Language Skills (indicate only languages in which you can work): _____

Adequacy for the Assignment:

Detailed Tasks Assigned on Interested Party’s Team of Experts:	Reference to Prior Work/Assignments that Best Illustrates Capability to Handle the Assigned Tasks
{List all deliverables/tasks as in TECH- 4 in which the Expert will be involved)	

Expert’s contact information: (e-mail, phone.....)

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications, and my experience, and I am available, as and when necessary, to undertake the assignment in case of an award. I understand that any misstatement or misrepresentation described herein may lead to my disqualification or dismissal by the Procuring Agency.

{day/month/year}



Name of Expert
Date

Signature

{day/month/year}



Name of authorized
Date

Signature

Representative of the Interested Party
(the same who signs the Proposal)

Section V. Financial Proposal - Standard Forms

{*Notes to Interested Party* shown in brackets { } provide guidance to the Interested Party to prepare the Financial Proposals; they should not appear on the Financial Proposals to be submitted.}

Financial Proposal Standard Forms shall be used for the preparation of the Financial Proposal according to the instructions provided in Section 2.

- FIN-1 Financial Proposal Submission Form
- FIN-2 Summary of Costs
- FIN-3 Reimbursable/ 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}, 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 the Data Sheet as the bid validity period.

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

Item	Bid/Cost
Cost of the Financial Proposal	
Including:	
Milestone Based Remuneration Fee in PKR	Total_____
(2) Out of pocket Expense in PKR {Should match the amount in Form FIN-3}	Total_____
<u>Total Bid / Cost / Fee of the Financial Proposal:</u> {Should match the amount in Form FIN-1}	

Note 1: Cost incurred pertaining to hiring of third party (ies), if required, shall be borne by the Interested Party from out-of-pocket expenses with the prior approval of the Procuring Agency. Please note that all third parties will be finalized/ appointed after consulting and acquiring approval from the Procuring Agency. For clarity, it is disclosed that the Procuring Agency shall separately conduct evaluation of its and its subsidiaries assets/ properties.

Note 2: The Interested Party shall provide details for all out of pocket expenses associated with successful accomplishment of the transaction/ restructuring and the Procuring Agency shall not assume responsibility of incurring additional cost on any of the activity. Any disclaimer by the Interested Party in this regard shall lead to disqualification.

Note 3: The Interested Party shall submit proposals inclusive of all applicable taxes.

FORM FIN-3 BREAKDOWN OF REIMBURSABLE/ OUT OF POCKET EXPENSES

The above-mentioned out-of-pocket expenses, paid at cost shall consist of following, where relevant, and be reasonably incurred by the *Interested Party* and its sub-contractors in the performance of the Services:

S. No.	Type of Out of Pocket Expenses	Cost (PKR)
1		
2		
3		
	Total	

NOTE:

Out of pocket expenses shall not exceed the sum stated above and reimbursable on proof actuals expenses in the performance of the Services.

Proposal Securing Declaration

[The Interested Party shall fill in this Form in accordance with the instructions indicated.]

Date: *[insert date (as day, month and year)]*

Proposal No.: *[insert number of Proposal process]*

Alternative No.: *[insert identification No if this is a Proposal for an alternative]*

To:

We, the undersigned, declare that:

We understand that, according to your conditions, Proposals must be supported by a Proposal Securing Declaration.

We accept that we will automatically be suspended from being eligible for Bidding in any contract with the Procuring Agency for the period of time as determined by the Authority if we are in breach of our obligation(s) under the Proposal conditions, because we:

- (a) have withdrawn or modified our Proposal during the period of Proposal Validity specified in the Form of Proposal;
- (b) Disagreement to arithmetical correction made to the Proposal price; or
- (c) having been notified of the acceptance of our Proposal by the Procuring Agency during the period of Proposal Validity, (i) failure to sign the contract/ FASA if required by Procuring Agency to do so or (ii) fail or refuse to comply with any other condition precedent to signing the contract/ FASA included in the RFP.

We understand this Proposal Securing Declaration shall expire if we are not the successful Interested Party, upon the earlier of (i) our receipt of your notification to us of the name of the successful Interested Party; or (ii) twenty-eight (28) days after the expiration of our Proposal.

Signed: *[insert signature of person whose name and capacity are shown]* In the capacity of *[insert legal capacity of person signing the Proposal Securing Declaration]*

Name: *[insert complete name of person signing the Proposal Securing Declaration]*

Duly authorized to sign the Proposal for and on behalf of: *[insert complete name of Interested Party]*

Dated on _____ day of _____, _____ *[insert date of signing]*
Corporate Seal (where appropriate)

Section VI. Ineligible Countries

All the Interested Parties are allowed to participate in the subject procurement without regard to nationality, except the Interested Parties of some nationality, prohibited in accordance with policy of the Federal Government/ Government of Pakistan.

Following nationalities/ countries are ineligible to participate in the procurement process:

1. India
2. Israel

Section VII. Terms of Reference

Section A- Scope of the Assignment

1. Background

Originally incorporated in 1955, Pakistan International Airlines Corporation continued to function as a statutory corporation under the Pakistan International Airlines Corporation Act, 1956 up until April 2016, when it was converted into Pakistan International Airlines Corporation Limited (PIACL), a public limited company under the Companies Ordinance 1984 (now Companies Act, 2017), upon enactment of the Pakistan International Airlines Corporation (Conversion) Act, 2016.

PIACL, the national flag carrier of Pakistan, operates over a network spanning over 20 countries across Asia, Europe and North America, and to 25 cities within Pakistan. PIACL is listed at Pakistan Stock Exchange (PSX) and is majority owned by the Government of Pakistan (GoP). Latest Annual Report of PIACL for the period ended in June 2023 may be perused at <https://www.piac.com.pk/corporate>

GoP, while ensuring continued operations of PIACL as a national flag carrier, intends to transfer core operations of PIACL to strategic private sector partner with the aim to revive and modernize PIACL with the injection of private sector capital, skills and technology. To enable strategic private sector participation in PIACL, the Parliament has recently approved amendments in the PIACL (Conversion) Act 2016 including provisions mandating the Federal Government to undertake requisite restructuring of PIACL, which are in addition to the corporate restructuring provisions provided for in the Companies Act 2017.

Accordingly, PIACL seeks to hire the services of consortium of reputable corporate finance / accounting firm and corporate law firm (referred to as “Consultant” or the “Financial Adviser”) with proven experience in corporate restructuring, preferably having airline restructuring experience, to assist PIACL in segregation of core airline business and non-core functions/businesses/subsidiaries along with corresponding assets/liabilities for sustainable functioning of each business; segmentation of core airline business into strategic business units (SBUs); and identification of legacy loans/liabilities/etc. for carving out, etc, with the objective to make PIACL attractive for prospective strategic private sector partnership. This will entail formulating operational, financial, HR, etc, restructuring plan by evaluating alternate corporate restructuring options pursuant to the Companies Act, 2017 & the PIACL (Conversion) Act, 2016 and implementing the restructuring framework approved by the competent fora (the ‘Assignment’).

PIACL expects the process to be an interactive one (i.e. regular interaction among the Financial Adviser, Aviation Division, PIACL and various other agencies and departments of the GOP) to enable efficient decision-making. Throughout the validity of the contract, the Financial Adviser will be expected to draw comparisons with corporate restructuring of similar nature and/or in the same sector to assist the GOP and PIACL in better understanding the issues as they arise, thereby, enabling efficient and prudent decision-making.

Accordingly, this section is designed to identify some of the activities that PIACL feels the need to be specified and should not in any way be construed as complete set of activities required under any contract resulting from this TORs. Accordingly, Financial Adviser is required to demonstrate understanding of the overall scope of work and undertake all activities required to successfully complete the assignment.

2. Scope of Work

Kick-off Meeting

Upon mobilization, a kick-off meeting will be conducted with the objective to apprise the PIACL / GoP of the overall plan of activities proposed by the Financial Adviser. The meeting will specifically cover the following:

- Overview of the current business, key issues of PIACL and consideration regarding the Assignment
- Detailed timelines of activities including key milestones and deliverables as per ToRs
- Work plan including allocation of work and supporting actions required from the management

Situation Analysis and Review of Various Aspects of PIACL Organizational Review

- Understand and identify current organizational structure, aviation and non-aviation departments and support functions

Financial Review

- Detailed financial review including analysis of core and non-core assets as well as long and short-term obligations
- Balance sheet review including fixed assets, working capital challenges and funding gaps
- Comment on net cashflow and current debt structure and debt service capacity
- Review of financial obligations including financing agreements executed by PIACL

Operational Review

- High level historical review of operations including joint ventures and subsidiaries
- Review key aviation and non-aviation assets, leases, aircraft purchase contracts, and major maintenance contract
- Review of material contracts of the business
- High-level assessment of aviation (network/route plans) and non-aviation operations (handlings, warehouse etc.)

Legal and Regulatory Review

Review incorporating documents of PIACL and its subsidiaries with the objectives of assessing legal framework and contractual obligations. Advise on the legal framework supporting the restructuring proposals including requisite disclosures and/or consents required from existing shareholders, creditors, lenders, etc.

Review and comment on the domestic regulatory framework and its comparison with international regulatory environments and contemporary practices to evaluate the effects on PIACL as a national airline carrier.

In this regard, appointed Financial Adviser will be required to review and take into consideration the existing reports available with PIACL and GoP regarding restructuring of PIACL.

Development of Alternate Restructuring Options

Financial Adviser is expected to propose alternate corporate restructuring options with the objective to segregate core airline operations of PIACL from the non-core functions/businesses undertaken by the PIACL along with rationalization of legacy loans, liabilities, human resource capital corresponding to core and non-core functions.

Financial Adviser is also required to suggest/recommend most suitable option deemed appropriate by the Financial Adviser under this Assignment, entailing optimal outcome to all stakeholders in particular the GoP as majority shareholder.

In this regard, Financial Adviser will:

- Evaluate the feasibility and implications of alternate restructuring options,
- Conduct preliminary stakeholder consultations and collaboration including current and prospective lenders and government bodies and regulators on the restructuring plan
- Develop and prepare corporate restructuring plan aimed at the following:
 - Separation of non-core businesses and legacy liabilities from PIACL's core airline business with best suited corporate structures and operating models, including legal and regulatory aspects
 - Elimination of various financial and trade indebtedness
 - Determine long-term and short-term financing needs under the plan and potential funding sources / refinancing & restructuring options
 - Perform balance sheets for all carved out businesses/units based on the restructuring plan
 - Tailored for speedy implementation and covering all legal and regulatory aspects (e.g. out of court, in court with jurisdictional analysis)

Alternate Restructuring Options including the Proposed / Recommended Option will be presented to the decision-making forums at the PIACL and GoP levels for consideration and decision.

Preparation of Scheme of Arrangement / Demerger on the Basis of Approved Restructuring Option

- Financial Adviser to prepare a roadmap for implementation of the Approved Restructuring Plan
- Drafting of the Scheme of Arrangement / Demerger on the basis of Approved Restructuring Framework
- Approach relevant stakeholders with proposals to negotiate and finalize concessions/ consents/ NOCs related to the restructuring plan
- Assist the management in preparing and finalizing legal documentation in relation to the restructuring plan
- Assist in implementation of the finalized restructuring plan from financial and legal perspective
- Assist the management in seeking approvals from all regulatory and GOP bodies on the restructuring plan

Obtaining NOCs from lenders and creditors etc. for Scheme of Arrangement

- Support and advice on agreed course of action
- Assist PIACL in seeking approvals from the Financial Institutions / Lenders on debt & capital restructuring plan
- Assist the PIACL in seeking approvals/ NOC from all relevant stakeholders/ business partners/ creditors in relation to the restructuring plan
- Assist in managing discussions with key stakeholders on debt and capital restructuring to understand their perspectives and secure their inputs, including financial institutions, government bodies and regulators
- Assist PIACL during the engagement with key stakeholders
- Communication of regular updates and assisting in the production of discussion papers and other required submissions

Filing of Scheme of Arrangement / Demerger with the Approving Authority

Financial Adviser will identify and assist PIACL and associated corporate entities in completing all corporate actions, including drafting of resolutions for consideration and approval by the respective Board(s), etc, and mandatory approvals required for filing of the Scheme of Arrangement as per approved Corporate Restructuring Framework.

Approval of Scheme of Arrangement

Financial Adviser will continue to assist PIACL and other associated corporate entities to address all queries/explanations of the approving authority besides rendering assistance in procuring any consents/NOCs/approvals asked by the approving authority for granting of the Scheme of Arrangement and/or any amendments thereof.

Completion of all Corporate Actions pursuant to the approved Scheme of Arrangement

Upon approval of the Scheme of Demerger by the approving authority, Financial Adviser will provide assistance in completing all formalities necessary to implement the approved Scheme of Arrangement.

Deliverables

1. Preparation of alternate restructuring options and its approval from relevant fora
2. Preparation of Scheme of Arrangement including detailed features, its approval from relevant fora
3. Obtaining NOCs from lenders and creditors etc for Scheme of Arrangement
4. Filing of Scheme of Arrangement with appropriate authority
5. Approval of Scheme of Arrangement
6. Completion of all actions approved in Scheme of Arrangement

Timelines

The Procuring Agency requires the Consultant / Financial Adviser to complete the assignment latest by December 2023. Accordingly, the Consultant / Financial Adviser are expected to provide detail of list of activities required to complete the assignment within the stipulated timelines as part of the technical proposal, which, after agreement of the Procuring Agency, shall become part of FASA as Implementation Schedule.

Section VIII

Financial Advisory Services Agreement



Pakistan International Airlines Corporation Limited

FINANCIAL ADVISORY SERVICES AGREEMENT

This Agreement (hereinafter called the "Financial Advisory Services Agreement") is made on the _____ day of the month of _____, 2023:

Between

Pakistan International Airlines Corporation Limited, having its office at _____ (hereinafter called the "Client") on the one hand;

and

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

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

WHEREAS

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

NOW THEREFORE, the Parties agree as follows:

1. The following documents attached to this Agreement shall form an integral part of the Agreement:
 - I. The General Conditions of the Agreement;
 - II. The Special Conditions of the Agreement;
 - III. Appendices:
 - Appendix A: Terms of Reference or Services;
 - Appendix B: Implementation Schedule; and
 - Appendix C: Integrity Pact.

2. The General Conditions of the Agreement shall not be changed and any permissible change required in the General Conditions shall be effected through Special Condition of the Agreement.
3. The mutual rights and obligations of the Client and the Financial Adviser shall be as set forth in the Agreement, in particular:
 - (a) the Financial Adviser shall carry out the Services in accordance with the provisions of the Agreement; and
 - (b) the Client shall make payments to the Financial Adviser in accordance with the provisions of the Agreement.

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

For and on behalf of Pakistan International Airlines Corporation Limited

(Name & Designation)

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

(Name & Designation)

Witnesses:

1. _____

2. _____

I. GENERAL CONDITIONS OF THE AGREEMENT

A. GENERAL PROVISIONS

1.

1. Definitions:

- 1.1 The terms used in this Agreement shall have the following meanings:
- (a) "Affiliate" means, as to any person or entity, any other individual or entity who directly or indirectly controls, is under common control with, or is controlled by such person. As used in this definition 'control' shall mean possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests), by contract.
 - (b) "Agreement" means the Financial Advisory Services Agreement signed between the Client and the Financial Adviser.
 - (c) "applicable law" means the laws and any other instruments having the force of law in the Islamic Republic of Pakistan;
 - (d) "Client" means the Pakistan International Airlines Corporation Limited.
 - (e) "day" means a working day of the Client unless indicated otherwise in SCA.
 - (f) "effective date" means the date on which this Agreement comes into force and effect pursuant to Clause GCA 9.
 - (g) "Federal Government" means the Government of Pakistan.
 - (h) "Financial Adviser" means the external adviser hired by the Client under the Agreement.
 - (i) "GCA" means these General Conditions of Agreement.
 - (j) "Party" means the Client or the Financial Adviser, and "Parties" mean both of them.
 - (k) "SCA" means the Special Conditions of Agreement by which the GCA may be amended or supplemented but not over-written.
 - (l) "Services" means the work to be performed by the Financial

Adviser pursuant to the Agreement described in Appendix-A.

- (m) “sub-contractor” means an entity to whom the Financial Adviser sub-contracts any part of the Services while remaining solely liable for the execution of the Agreement.
- (n) “third party” means any person or entity other than the Federal Government, the Client, the Financial Adviser or a sub-contractor but not a third party hired for performance of part of the Services.
- (o) “transaction” or “assignment” means the restructuring transaction as envisaged in the Services/ Terms of Reference (**Appendix-A**).

2. Relationship between the Parties

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

3. Law Governing Agreement

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

4. Language

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

5. Headings

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

6. Communications

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

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

7. Authorized Representatives

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

8. Corrupt and Fraudulent Practices

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

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

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

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

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

B. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF AGREEMENT

9. Effectiveness of Agreement

9.1 This Agreement shall come into force and effect on the date (the "effective date") mentioned in the SCA.

10. Termination of Agreement for Failure to Become Effective

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

11. Commencement of

11.1 The Financial Adviser confirms availability of key professional staff and is ready to begin carrying out the Services not later than

- Services** the number of days after the effective date specified in the SCA.
- 12. Expiration and Duration of Agreement**
- 12.1 Unless terminated earlier pursuant to Clause GCA 17, this Agreement shall remain valid till such time period as specified in SCA.
- 12.2 The Financial Adviser shall perform the Services within the time set out in the implementation schedule (**Appendix-B**).
- 13. Entire Agreement**
- 13.1 This Agreement contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth in the Agreement.
- 14. Modifications or Variations**
- 14.1 Any modification or variation of the terms and conditions of the Agreement, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties.

15. Force Majeure

a. Definition

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

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

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

b. No breach of Agreement

15.4 The failure of a Party to fulfil any of its obligations under the Agreement shall not be considered to be a breach of, or default under, the Agreement insofar 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 Adviser, upon instructions from the Client, shall either:

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

15.9 In the case of disagreement between the Parties as to the existence or extent of Force Majeure, the matter shall be settled according to Clauses GCA33&34.

16. Suspension

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

17. Termination

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

a. By the Client

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

- (a) If the Financial Adviser fails to remedy a failure in the performance of its obligations under the Agreement, as specified in a notice of suspension pursuant to Clause GCA 17.
- (b) If the Financial Adviser becomes (or, if the Financial Adviser consists of more than one entity, if any of its members becomes) insolvent or bankrupt or enter into any agreement with their creditors for relief of debt or

take advantage of any law for the benefit of debtors or go into liquidation or receivership whether compulsory or voluntary.

- (c) If the Financial Adviser fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause GCA 34.
- (d) If, as the result of Force Majeure, the Financial Adviser is unable to perform a material portion of the Services for a period of not less than thirty (30) days.
- (e) If the Client, in its sole discretion and for any reason whatsoever, decides to terminate the Agreement.
- (f) If the Financial Adviser fails to confirm availability of Key professional staff as required under Clause GCA 11.

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

b. By the Financial Adviser

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

- (a) If the Client fails to pay any money due to the Financial Adviser pursuant to the Agreement and not subject to dispute pursuant to Clause GCA 34 within forty-five (45) days after receiving written notice from the Financial Adviser that such payment is overdue.
- (b) If, as the result of Force Majeure, the Financial Adviser is unable to perform a material portion of the Services for a period of not less than sixty (60) days.
- (c) If the Client fails to comply with any final decision reached as a result of arbitration pursuant to Clause GCA35.
- (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

17.1.4. Upon termination of the Agreement pursuant to Clause GCA 10 or GCA 17, or upon expiration of this

- Obligations** Agreement pursuant to Clause GCA 12, all rights and obligations of the Parties under the Agreement shall cease, except: (i) such rights and obligations as may have accrued on the date of termination or expiration;(ii) the obligation of confidentiality set forth in Clause GCA 20;(iii) the Financial Adviser's obligation to permit inspection, copying and auditing of their accounts and records set forth in Clause GCA 24;and (iv) any right which a Party may have under the applicable law.
- d. Cessation of Services** 17.1.5. Upon termination of the Agreement by notice of either Party to the other Party pursuant to Clause GCA 17.1a or GCA 17.1b, the Financial Adviser shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum.
- e. Payment upon Termination** 17.1.6. Upon termination of the Agreement, the Client shall make the payments to the Financial Adviser for Services satisfactorily performed prior to the effective date of termination.

C. OBLIGATIONS OF THE FINANCIAL ADVISER.

18. General

- a. Standard of Performance** 18.1 The Financial Adviser shall perform and carry out the Services with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and shall observe sound management practices. The Financial Adviser shall always act, in respect of any matter relating to the Agreement or to the Services, as a fiduciary adviser to the Client, and shall at all times support and safeguard the Client's legitimate interests in any dealings with the third parties.
- 18.2. The Financial Adviser shall employ and provide such qualified and experienced professional staff and sub-contractors as are required to carry out the Services.
- b. Law Applicable to Services** 18.3. The Financial Adviser shall perform the Services in accordance with the Agreement and the applicable law and shall take all practicable steps to ensure that its professional staff and sub-contractor comply with the applicable law.

- 19. Conflict of Interests** 19.1. The Financial Adviser shall hold the Client's interests paramount, without any consideration for future work, and strictly avoid conflict with other assignments or its own corporate interests.
- a. Prohibition of Conflicting Activities** 19.1.1 The Financial Adviser shall not engage, and shall cause its professional staff and sub-contractors not to engage, either directly or indirectly, in any business or professional activities that would conflict with the activities assigned to them under the Agreement.
- b. Strict Duty to Disclose Conflicting Activities** 19.1.2 The Financial Adviser has an obligation and shall ensure that its professional staff and sub-contractors shall have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of the Client, or that may reasonably be perceived as having this effect. Failure to disclose said situations may lead to the disqualification of the Financial Adviser or the termination of the Agreement.
- 20. Confidentiality** 20.1 Except with the prior written consent of the Client, the Financial Adviser and its professional staff and sub-contractors shall not, at any time, communicate to any person or entity any confidential information acquired in the course of the Services from the Client or from an entity of the Federal Government, nor shall the Financial Adviser, affiliates, the professional staff and sub-contractors make public the recommendations formulated in the course of, or as a result of, the Services.
- 20.2 In consideration of the Client or from an entity of the Federal Government providing the Financial Adviser with Confidential Information, the Financial Adviser agrees that all Confidential Information will be held and treated by the Financial Adviser, its affiliates, and it and its affiliates' agents, sub-contractors, attorneys and employees (collectively "Financial Adviser Representatives") in confidence and will not, except as hereinafter provided or as mandated and/or required by law, without the Client's prior written consent be disclosed by the Financial Adviser or Financial Adviser Representatives and will not be used by the Financial Adviser or Financial Adviser Representatives other than in connection with the purpose described in this Agreement.
- 20.3 The term "Confidential Information" does not include information which (i) was already in the Financial Adviser's possession, (ii) was or becomes generally available to the public, or (iii) becomes available to the Financial Adviser from a third person who, insofar as is known to the Financial Adviser, is not prohibited from transmitting the information to the Financial Adviser by a

contractual, legal or fiduciary obligation to the Client or the Federal Government.

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

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

21. Liability of the Financial Adviser

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

22. Reporting Obligations

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

23. Proprietary Rights of the Client in Reports and Records

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

D. SUB-CONTRACTORS AND PROFESSIONAL STAFF

24. Replacement of Key Professional Staff or sub-contractors

24.1 Except as the Client may otherwise agree in writing, the Financial Adviser shall not make any change in the sub-contractors mentioned in the SCA.

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

25. Removal of staff or Sub-contractors

25.1 If the Client finds that any of the professional staff or sub-contractor has committed misconduct or has been charged with having committed an offence, or professional staff or sub-contractor has engaged in corrupt or fraudulent practice, or collusive, coercive or obstructive practice while performing the Services, the Financial Adviser shall, at the Client's written request, provide a replacement.

25.2 In the event that any of the professional staff or sub-contractor is found by the Client to be incompetent or incapable in

discharging assigned duties, the Client, specifying the grounds therefore, may request the Financial Adviser to provide a replacement.

25.3 Any replacement of the removed professional staff or sub-contractor shall possess equal or better qualifications and experience and is acceptable to the Client.

25.4 The Financial Adviser shall bear all costs arising out of or incidental to any removal and/or replacement of professional staff or sub-contractor.

E. HIRING OF THIRD-PARTY SERVICES

26. Hiring of Services of a Third Party

26.1 Where it is necessary to hire services of a third party for the performance of any specialized part of the Services, the Financial Adviser shall, with the prior approval of the Client, hire services of the third party for performance of that part of the Services.

26.2 The Financial Adviser shall, with the prior approval of the Client, determine the remuneration of the services being provided by the third party and make payment of such services from out-of-pocket expenses.

F. OBLIGATIONS OF THE CLIENT

27. Assistance and Exemptions

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

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

28. Payment Obligation

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

G. PAYMENTS TO THE FINANCIAL ADVISER

29. Agreement Price

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

29.2 Any change to the Agreement price specified in Clause 32 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**.

- 30. Taxes and Duties** 30.1 The Financial Adviser is responsible for meeting the tax liabilities arising out of the Agreement.
- 31. Currency of Payment** 31.1 Any payment under the Agreement shall be made in the currency specified in SCA.
- 32. Mode of Billing and Payment** 32.1 The total payments under this Agreement shall not exceed the Agreement price set forth in Clause GCA 29.1.
- 32.2 The payments under this Agreement shall be made in the following manner:
- (i) lump-sum payment shall be paid against the deliverables; and
 - (ii) out of pocket expenses shall be paid on lump-sum basis against deliverables along with remuneration or as per actual expenses (within the limit fixed in SCA) against receipts or bills specified in the SCA.
- 32.2.1 The Financial Adviser shall perform the tasks and complete the milestones within the time frame mentioned in the implementation schedule. The Client shall verify the deliverable and convey its approval within the period specified in SCA.
- 31.2.2 On receipt of approval of deliverable from the Client, the Financial Adviser shall submit invoice against the approved deliverable and the Client shall make payment within thirty (30) days of receipt of the invoice.
- 32.2.3 In case there is a delay in verification of the deliverable by the Client due to the reasons conveyed in writing to the Financial Adviser, the Client shall make a part payment against the deliverable as specified in SCA. In any eventuality, the verification of a deliverable by the Client shall not exceed forty five (45) days.
- 32.2.4 If a deliverable is found unsatisfactory, the Client shall convey its observations with remedial measures to the Financial Adviser. The Client shall ensure that all of its observations on the deliverable are conveyed to the Financial Adviser in a consolidated form and not in a piecemeal manner. The Financial Adviser shall, within the period specified in SCA, submit the revised deliverable to the Client.
- 32.2.5 The Financial Adviser shall verify a deliverable submitted by a sub-contractor before submission to the Client. In case of any payment required under SCA to be made directly to sub-contractor, the Financial Adviser shall verify the invoice of the sub-contractor

before submission to the Client.

31.2.6 All payments under the Agreement shall be made to the accounts of the Financial Adviser or a sub-contractor as specified in the SCA.

32.2.7 With the exception of the final payment under Clause GCA 32.2.2 above, payments do not constitute acceptance of the whole Services nor relieve the Financial Adviser of any obligations under the Agreement.

H. FAIRNESS AND GOOD FAITH

33. Good Faith

33.1 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.

I. SETTLEMENT OF DISPUTES

34. Amicable Settlement

34.1 The Parties shall seek to resolve any dispute amicably by mutual consultation.

34.2 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 35 shall apply for resolution of dispute.

35. Dispute Resolution

35.1 Any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, that is not resolved by the parties amicably under Clause GCA 34 after a party's delivery to the other party of 14 days prior notice of such dispute shall, upon the written request of either party, be referred to and finally resolved by arbitration under the applicable law. The arbitration shall be determined by a single, independent, impartial arbitrator appointed by the Chief Justice, Islamabad High Court on application of any of the party.

35.2 The seat, or legal place, of arbitration shall be Islamabad.

35.3 In the absence of any agreement on venue of arbitration between the parties, Islamabad shall be venue of arbitration.

35.4 The Parties agree that the Courts in Islamabad shall have

exclusive jurisdiction with respect to the award or any litigation relating to or arising out of the Agreement.

J. MISCELLANEOUS

36.1 The Financial Adviser shall indemnify, protect and defend at Financial Adviser's own expense, the Client, its Chairman, managing director, directors, officers and employees, from and against any and all actions, claims, losses, damages or liabilities of a third party arising out of any act by the Financial Adviser, its professional staff, sub-contractor or employee to the extent that such fault is finally determined by a court or arbitral tribunal to have resulted from any act of the Financial Adviser, its professional staff, sub-contractor or employee.

36. Indemnification

36.2 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.

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

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

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

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

the other Party in connection with the Agreement.

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

37. Insurance

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

38. Integrity Pact

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

39. Severability

39.1 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.

40. Privity of Contract

40.1 The Financial Adviser shall coordinate the management of the transaction, act as single point of contact for the sub-contractors and any third party hired for any part of the Services. The parties understand and undertake that the sub-contractors and any third party hired for any part of the Services are in contractual relationship with the Financial Adviser. Nothing in this Agreement shall create or deem to create any legal or contractual relationship between the Client and a sub-contractor or third party hired by the Financial Adviser for any part of the Services.

II. SPECIAL CONDITIONS OF THE AGREEMENT

Number of GC Clause	Amendments of, and Supplements to, Clauses in the General Conditions of Agreement
1.1 (e)	"day" means a calendar day under the Gregorian calendar;
4.1	The language is: <u>English</u> .
6.1 and 6.2	<p>The addresses for communication are:</p> <p>Client: Pakistan International Airlines Corporation Limited</p> <p>Attention:</p> <p>Address:</p> <p><u>Telephone:</u></p> <p><u>Email:</u></p> <p>FA: _____</p> <p>_____</p> <p>Attention: _____</p> <p>Address: _____</p> <p>Telephone: _____ WhatsApp: _____</p> <p><u>Email:</u> _____</p>
7.1	<p>The Authorized Representatives are:</p> <p>For the Client:</p> <p>For the Financial Adviser:(<i>Name & Designation</i>)</p>

9.1	The Agreement shall come into force and effective on the date mentioned at the beginning of this Agreement.									
10.1										
11.1	<p>Commencement of Services:</p> <p>Services will be commenced within (05) days after this Agreement comes into force and becomes effective.</p>									
12.1	<p>Expiration and Duration of Agreement:</p> <p>The Agreement is valid for initial period of 18 months unless extended in writing with mutual consent of the Parties.</p>									
24.1	<p>List of sub-contractors:</p>									
27.1(b)	<p>Client shall ensure provision of the documents and other record relating to the functions of the Client to the Financial Adviser that are available with it or may be made available in due course of business by the Client and are required by the Financial Adviser for the purposes of successful completion of the transaction.</p> <p>Client shall assist the Financial Adviser for coordination with any of the relevant entity of the Federal Government for the purposes of successful completion of the transaction.</p>									
29.1	<p>The Agreement price is: PKR (in figures & words including remuneration and out of pocket expenses).</p>									
32.1	<p>Payment shall be made to the Financial Adviser and a sub-contractor in PKR. Out of Packet Expenses shall also be reimbursed in PKR.</p>									
28.1 & 32.2	<p>The Payment Schedule:</p> <p>i. The Client shall make payment against the deliverables as per following schedule:</p> <table border="1" data-bbox="386 1703 1386 1885"> <thead> <tr> <th data-bbox="386 1703 505 1738">Sr.No.</th> <th data-bbox="505 1703 1114 1738">Deliverables</th> <th data-bbox="1114 1703 1386 1738">% of Retainer fee</th> </tr> </thead> <tbody> <tr> <td data-bbox="386 1738 505 1814">1</td> <td data-bbox="505 1738 1114 1814">Preparation of alternate restructuring options and its approval from relevant fora</td> <td data-bbox="1114 1738 1386 1814">10%</td> </tr> <tr> <td data-bbox="386 1814 505 1885">2</td> <td data-bbox="505 1814 1114 1885">Preparation of Scheme of arrangement including detailed features, its approval</td> <td data-bbox="1114 1814 1386 1885">15%</td> </tr> </tbody> </table>	Sr.No.	Deliverables	% of Retainer fee	1	Preparation of alternate restructuring options and its approval from relevant fora	10%	2	Preparation of Scheme of arrangement including detailed features, its approval	15%
Sr.No.	Deliverables	% of Retainer fee								
1	Preparation of alternate restructuring options and its approval from relevant fora	10%								
2	Preparation of Scheme of arrangement including detailed features, its approval	15%								

	from relevant fora	
3	Obtaining NOCs from lenders and creditors etc. for scheme of arrangement	20%
4	Filing of scheme of arrangement with appropriate authority	10%
5	Approval of scheme of arrangement	25%
6	Completion of all corporate actions as per approved Scheme of Arrangement	20%
	<p>ii. The out-of-pocket expenses shall be paid as per actual expenses and shall consist of following and be reasonably incurred by the Financial Adviser, its sub-contractors and Experts in the performance of the Services:</p> <p>g) Hotel and subsistence costs actually incurred and based on corporate rates for both the Financial Adviser and Client nominated personnel provided that stay at Client operated or partner hotels shall be preferred and the Client shall facilitate stay at such hotels;</p> <p>h) The cost of domestic & international transportation of the Financial Adviser and Client nominated officials by the most appropriate means of transport and the most direct practicable route provided that air travel through PIA flights or flight/ air travel arranged by the Client through its partner airlines shall be preferred;</p> <p>i) Miscellaneous travel expenses such as the cost of the transportation to and from Airports, Taxies, Passport, visas, travel permits, vaccination etc.;</p> <p>j) Third party costs or fee, if any, hired by the Financial Adviser for performance of any specialized part of the Services with the prior approval of the Client; and</p> <p>k) Any other out of pocket expenses ancillary to the above expenses or necessary for the performance of Services approved by the Client.</p> <p>iii. The Financial Adviser shall account for all remuneration and out of pocket expenses associated with successful accomplishment of the transaction process and the Client shall not assume responsibility of incurring additional cost on any of the activity.</p>	
32.2.1	Approval of Deliverables: The Client shall convey its approval of deliverables within ____ days.	
32.2.3	Part Payment of Deliverables: The Client shall make part payment equivalent to____% of the invoice value.	
32.2.4	Submission of Deliverables: The Financial Adviser shall submit the revised	

	deliverable to the Client within ____ (____) days.
32.2.6	The accounts of FA and its sub-contractors are: _____ _____ _____ _____ _____

APPENDIX-A

SERVICES

[Terms of Reference (TORs)]

Section A- Scope of the Assignment

1. Background

Originally incorporated in 1955, Pakistan International Airlines Corporation continued to function as a statutory corporation under the Pakistan International Airlines Corporation Act, 1956 up until April 2016, when it was converted into Pakistan International Airlines Corporation Limited (PIACL), a public limited company under the Companies Ordinance 1984 (now Companies Act, 2017), upon enactment of the Pakistan International Airlines Corporation (Conversion) Act, 2016.

PIACL/Client, the national flag carrier of Pakistan, operates over a network spanning over 20 countries across Asia, Europe and North America, and to 25 cities within Pakistan. PIACL is listed at Pakistan Stock Exchange (PSX) and is majority owned by the Government of Pakistan (GoP). Latest Annual Report of PIACL for the period ended in June 2023 may be perused at <https://www.piac.com.pk/corporate>

GoP, while ensuring continued operations of PIACL/Client as a national flag carrier, intends to transfer core operations of PIACL/Client to strategic private sector partner with the aim to revive and modernize PIACL/Client with the injection of private sector capital, skills and technology. Accordingly, PIACL/Client hired the services of the “Financial Adviser” to assist it in segregation of core airline business and non-core functions/ businesses/ subsidiaries along with corresponding assets/liabilities for sustainable functioning of each business; segmentation of core airline business into strategic business units (SBUs); and identification of legacy loans/liabilities etc. for carving out with the objective to make PIACL/Client attractive for prospective strategic private sector partnership. This will entail formulating operational, financial, HR etc. restructuring plan by evaluating alternate corporate restructuring options pursuant to the Companies Act, 2017 & the PIACL (Conversion) Act, 2016 and implementing the restructuring framework approved by the competent fora (the ‘Assignment’).

PIACL/Client expects the process to be an interactive one (i.e. regular interaction among the Financial Adviser, Aviation Division, PIACL/Client and various other agencies and departments of the GOP) to enable efficient decision-making. Throughout the validity of the Agreement, the Financial Adviser will be expected to draw comparisons with corporate restructuring of similar nature and/or in the same sector to assist the GoP and PIACL/Client in better understanding the issues as they arise, thereby, enabling efficient and prudent decision-making.

Accordingly, this section is designed to identify some of the activities that PIACL/Client feels the need to be specified and should not in any way be construed as complete set of activities required under any contract resulting from this TORs. Accordingly, Financial Adviser is required to demonstrate understanding of the overall scope of work and undertake all activities required to successfully complete the assignment.

2. Scope of Work

Kick-off Meeting

Upon mobilization, a kick-off meeting will be conducted with the objective to apprise the Client/ GoP of the overall plan of activities proposed by the Financial Adviser. The meeting will specifically cover the following:

- Overview of the current business, key issues of PIACL/Client and consideration regarding the Assignment
- Detailed timelines of activities including key milestones and deliverables as per ToRs
- Work plan including allocation of work and supporting actions required from the management

Situation Analysis and Review of Various Aspects of the Organization

- Understand and identify current organizational structure, aviation and non-aviation departments and support functions

Financial Review

- Detailed financial review including analysis of core and non-core assets as well as long and short-term obligations
- Balance sheet review including fixed assets, working capital challenges and funding gaps
- Comment on net cashflow and current debt structure and debt service capacity
- Review of financial obligations including financing agreements executed by PIACL/Client

Operational Review

- High level historical review of operations including joint ventures and subsidiaries
- Review key aviation and non-aviation assets, leases, aircraft purchase contracts, and major maintenance contract
- Review of material contracts of the business
- High-level assessment of aviation (network/route plans) and non-aviation operations (handlings, warehouse etc.)

Legal and Regulatory Review

Review incorporating documents of PIACL/Client and its subsidiaries with the objectives of assessing legal framework and contractual obligations. Advise on the legal framework supporting the restructuring proposals including requisite disclosures and/or consents required from existing shareholders, creditors, lenders, etc.

Review and comment on the domestic regulatory framework and its comparison with international regulatory environments and contemporary practices to evaluate the effects on PIACL/Client as a national airline carrier.

In this regard, appointed Financial Adviser will be required to review and take into consideration the existing reports available with Client and/or GoP regarding restructuring of PIACL/Client.

Development of Alternate Restructuring Options

Financial Adviser is expected to propose alternate corporate restructuring options with the objective to segregate core airline operations of PIACL/Client from the non-core functions/businesses undertaken by the PIACL/Client along with rationalization of legacy loans, liabilities, human resource capital corresponding to core and non-core functions.

Financial Adviser is also required to suggest/recommend most suitable option deemed appropriate by the Financial Adviser under this Assignment, entailing optimal outcome to all stakeholders in particular the GoP as majority shareholder.

In this regard, Financial Adviser will:

- Evaluate the feasibility and implications of alternate restructuring options,
- Conduct preliminary stakeholder consultations and collaboration including current and prospective lenders and government bodies and regulators on the restructuring plan
- Develop and prepare corporate restructuring plan aimed at the following:
 - Separation of non-core businesses and legacy liabilities from Client's core airline business with best suited corporate structures and operating models, including legal and regulatory aspects
 - Elimination of various financial and trade indebtedness
 - Determine long-term and short-term financing needs under the plan and potential funding sources / refinancing & restructuring options
 - Perform balance sheets for all carved out businesses/units based on the restructuring plan
 - Tailored for speedy implementation and covering all legal and regulatory aspects (e.g. out of court, in court with jurisdictional analysis)

Alternate Restructuring Options including the Proposed / Recommended Option will be presented to the decision-making forums at the entity, Client and GoP levels for consideration and decision.

Preparation of Scheme of Arrangement / Demerger on the Basis of Approved Restructuring Option

- Financial Adviser to prepare a roadmap for implementation of the recommended restructuring plan
- Drafting of the Scheme of Arrangement / Demerger on the basis of Approved Restructuring Framework
- Approach relevant stakeholders with proposals to negotiate and finalize concessions/ consents/ NOCs related to the restructuring plan
- Assist the management in preparing and finalizing legal documentation in relation to the restructuring plan
- Assist in implementation of the finalized restructuring plan from financial and legal perspective

- Assist the management in seeking approvals from all regulatory and GOP bodies on the restructuring plan

Obtaining NOCs from lenders and creditors etc. for Scheme of Arrangement

- Support and advice on agreed course of action
- Assist PIACL/Client in seeking approvals from the Financial Institutions / Lenders on debt & capital restructuring plan
- Assist the PIACL/Client in seeking approvals/ NOC from all relevant stakeholders/ business partners/ creditors in relation to the restructuring plan
- Assist in managing discussions with key stakeholders on debt and capital restructuring to understand their perspectives and secure their inputs, including financial institutions, government bodies and regulators
- Assist PIACL during the engagement with key stakeholders
- Communication of regular updates and assisting in the production of discussion papers and other required submissions

Filing of Scheme of Arrangement / Demerger with the Approving Authority

Financial Adviser will identify and assist PIACL/Client and associated corporate entities in completing all corporate actions, including drafting of resolutions for consideration and approval by the respective Board(s) etc. and mandatory approvals required for filing of the Scheme of Arrangement as per approved Corporate Restructuring Framework.

Approval of Scheme of Arrangement

Financial Adviser will continue to assist PIACL/Client and other associated corporate entities to address all queries/explanations of the approving authority besides rendering assistance in procuring any consents/NOCs/approvals asked by the approving authority for granting of the Scheme of Arrangement and/or any amendments thereof.

Completion of all Corporate Actions pursuant to the approved Scheme of Arrangement

Upon approval of the Scheme of Demerger by the approving authority, Financial Adviser will provide assistance in completing all formalities necessary to implement the approved Scheme of Arrangement.

Deliverables

1. Preparation of alternate restructuring options and its approval from relevant fora
2. Preparation of Scheme of arrangement including detailed features, its approval from relevant fora
3. Obtaining NOCs from lenders and creditors etc for Scheme of Arrangement
4. Filing of Scheme of Arrangement with appropriate authority
5. Approval of scheme of arrangement
6. Completion of all actions approved in scheme of arrangement

APPENDIX-B

IMPLEMENTATION SCHEDULE
[To be provided by the Financial Adviser]

INTEGRITY PACT

Agreement Number: _____ Dated: _____
Agreement Value: _____
Agreement Title: _____

_____(Name of Financial Adviser (FA))_____ hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from Client or any employee or consultant thereof any other entity owned or controlled by the Client or the Federal Government (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 Client, 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

Financial Adviser