



Request for Proposals For

Appointment of Consultant(s) for the Due Diligence of Summit Bank Limited (“Target Bank”)

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DEFINITIONS

“Calendar Days” means days including all holidays;

“Conflict of Interest” means -

- (i) where a consultant provides, or could provide, or could be perceived as providing biased professional advice to Sindh Bank Limited (SNDB) to obtain an undue benefit for himself or those affiliated with him;
- (ii) receiving or giving any remuneration directly or indirectly in connection with the assignment except as provided in the contract;
- (iii) any engagement in consulting or other procurement activities of a consultant or service provider that conflicts with his role or relationship with the SNDB under the contract;
- (iv) where an official of SNDB engaged in the procurement process has a financial or economic interest in the outcome of the process of procurement, in a direct or an indirect manner;

“Consultant” means a professional who can study, design, organize, evaluate and manage projects or assess, evaluate and provide specialist advice or give technical assistance for making or drafting policies, institutional reforms and includes private entities, consulting firms, legal advisors, engineering firms, construction managers, management firms, procurement agents, inspection agents, auditors, international and multinational organizations, investment and merchant banks, universities, research institutions, government agencies, nongovernmental organizations, and individuals;

“Consulting Services” means services of an advisory and intellectual nature provided by consultants using their professional skills to study, design, organize, and manage projects, encompassing multiple activities and disciplines, including the crafting of sector policies and institutional reforms, specialist advice, legal advice and integrated solutions, change management and financial advisory services, planning and engineering studies, and architectural design services, supervision, social and environmental assessments, technical assistance, and program implementation;

“Contract” means an agreement enforceable by law to provide consultancy services and includes General and Special Conditions & Specifications;

“GOS” means the Government of Sindh, Finance Department;

“SNDB” means Sindh Bank Limited;

“Target Bank” means Summit Bank Limited, the bank which these services are required to be carried out;

“Services” means any object of procurement other than goods or works, and includes consultancy services;

1- REQUEST FOR PROPOSALS

1.1 Introduction

Sindh Bank Limited (“SNDB”) was incorporated in Pakistan on October 29, 2010 as a public limited company and has been granted banking license by State Bank of Pakistan in December 2010. It commenced full scale banking business in April 2011. The Government of Sindh, through its Finance Department (“GoS”) owns 99.9% ordinary shares of Sindh Bank Limited (“SNDB”).

SNDB’s Board of Directors (“BOD”), in its 44th Board of Directors meeting held on November 21, 2016 resolved to seek in-principle approval of State Bank of Pakistan to conduct due diligence and evaluate the information to be provided by Summit Bank for the aforesaid purpose. Approval from SBP has been received on 27th December 2016.

SNDB intends to undertake the due diligence of the “Target Bank” with the possible intent to carry out acquisition/merger of the “Target Bank” through an appropriate transaction structure(s) recommended by the Consultant(s) and deemed appropriate by SNDB (‘Transaction’).

Technical and Financial Proposals (‘Proposals’) are invited from the Interested Parties (‘IPs’) comprising of Chartered Accountancy firms engaged in rendering professional services of performing financial and tax due diligence individually or as a Consortium with other consultants, including a corporate law firm (“Consultants). IPs, who are and/or have rendered professional services to the Target Bank in the past Three years or are engaged at present, are ineligible to apply.

IPs proposals for the Transaction should possess and demonstrate experience and capabilities to successfully undertake the Transaction. The Consultant(s) will take the lead role and be responsible for identifying and performing tasks/activities leading to successful completion of the Transaction.

Terms of Reference for the services to be procured/performed are given in Section 4 of this document.

Consultant(s) for the Transaction will be selected under the procedure described in this Request for Proposal Document (RFP), in accordance with The Sindh Public Procurement Act 2009 and the Sindh Public Procurement Rules 2010 issued thereunder (“SPPRA”) which can be found at www.pprasindh.gov.pk. For the purposes of this document, any reference to the term “Act” shall mean a reference to the Sindh Public Procurement Act 2009 and any reference to the Rules shall mean a reference to the Sindh Public Procurement Rules 2010.

1.2 Evaluation of Proposals

Evaluation of proposals shall be on **Quality and Cost Based Selection method** and the proposals received shall be ranked according to their combined technical and financial score as detailed below. Evaluation of Bids shall be under Single Stage – Two Envelope Procedure specified as per SPPRA Rule 42.

Evaluation of Technical and Financial Proposals related to (i) Financial (including Tax) Due Diligence and (ii) Legal Due Diligence & other legal services will be separately evaluated.

Quality being the primary criterial for selection, only Consultant(s), attaining at least 70 marks (out of a 100) on their Technical Evaluation will be eligible for evaluation of their respective financial proposals.

Weightage of 30% will be applied to the final combined Marks obtained as a result of evaluation of Technical proposals of both the Financial Due Diligence and Legal Due Diligence & other legal services Consultants and 70% weightage will be applied to the final combined Marks obtained as a result of evaluation of Financial proposals of the Financial Due Diligence and Legal Due Diligence & other legal services Consultants. The Consultant(s) obtaining the highest combined marks will be declared as successful.

For Technical Proposals of Financial (incl. Tax) Due Diligence services Consultant(s), a 50% weightage will be applied to the Marks achieved on their evaluation while a 50% weightage will be applicable to the Marks derived by Legal Due Diligence & Other legal services Consultant(s).

For Financial Proposals of Financial (incl Tax) Due Diligence Consultant(s), a 80% weightage will be applied to the Marks achieved on their evaluation while a 20% weightage will be applicable to the Marks derived by Legal Due Diligence & Other legal services Consultant(s).

The marks obtained by the Consultant(s) in respect of their financial proposals, will be calculated with reference to the marks obtained by the lowest financial proposal e.g if only 3 financial bids of PKR 2 million, PKR 3 million and PKR 4 million are received, marks (out of 100) assigned to the lowest bid of PKR 2 million will be 100, the second lowest bid of PKR 3 million will be assigned 66.67 (ie $2m/3m \times 100$) and the highest bid of PKR 4 million will be assigned 50 marks (ie $2m/4m \times 100$).

An illustration of the Scoring/Marking procedure is given below:

Table A (Technical Proposals 30% weightage)

Consultant Category	Score	Weightage	Final Score
Financial Due Diligence	70*	50%	35
Legal Due Diligence	80**	50%	40
Total			75
Combined for Technical Proposal		30%	75x30% = 22.5

* Based on technical proposal evaluation criteria 6.1.

**Based on technical proposal evaluation criteria 6.2.

Table B (Financial Proposals 70% weightage)

Consultant Category	Score	Weightage	Final Score
Financial	70*	80%	56
Legal	80*	20%	16
Total			72
Weightage Combined Technical		70%	72x70% = 50.4

*Based on method stated above

Combined Total (Technical+ Financial) = (22.5+50.4) = 72.9

Technical proposal (section 6) and **Financial proposal** (section 7) shall be submitted in two separate sealed envelopes marked as “**Technical Proposal**” and “**Financial Proposal**” within the time period specified in Section 3.5.

1.3 Discussions Prior to Evaluation

If required, prior to evaluation of the Technical and Financial Proposals, SNDB may, within 7 days of opening of the Technical and Financial Proposals, call upon any of the Interested Parties to discuss or to ask for clarification about any information contained in the Proposal submitted by them.

1.4 Presentation

Prior to award of contract, the Consultant(s) may be required to give a presentation regarding their understanding of the transaction, the proposed structure(s) of the Transaction, suggested road map for completion of the transaction, timeline and other significant details regarding their proposals to the Consultant Selection Committee of SNDB.

1.5 Extent of Contract Negotiation

SNDB, the procuring agency, may negotiate with the Interested Parties regarding the payment schedule, methodology, work plan, staffing, organization and any suggestions made by them to improve the Terms of Reference. SNDB and the Consultant(s) will finalize the Terms of Reference, staffing schedule, work schedule, logistics, and reporting. SNDB shall not permit substitution of key staff, unless both parties agree that undue delay in selection process makes such substitution unavoidable. In case of failure of negotiations, SNDB may invite the second ranked Consultant(s) as per its evaluation.

Regards,

Saeed Jamal Tariq
Chief Financial Officer
Sindh Bank Ltd

2- LETTER OF INVITATION

Advertisements for Request for Proposals (RFPs) were published in the newspapers and on Sindh Public Procurement Regulatory Authority's ("Authority") website in accordance with Rules 17 and 18 of Sindh Public Procurement Rules 2010 as amended upto date, on 3rd January 2017. Interested Parties ('IPs'), comprising of Chartered Accountancy firms engaged in rendering professional services of performing financial and tax due diligence individually or as a Consortium with other firms, including corporate law firms ("Consultants") are invited to submit their Proposals in accordance with the requirements of this document on the following address:

Address

SINDH BANK LTD, Head Office
Basement-2 Floor, Federation House,
Abdullah Shah Ghazi Road, Clifton
Karachi 75600
UAN 92-21-111333225

IPs, who are and/or have rendered professional services to the Target Bank in the past Three years or are engaged at present, are ineligible to apply.

3- INSTRUCTION TO CONSULTANTS (“ITC”)

3.1- Cost of Proposals

The Consultant(s) shall bear all the costs associated with the preparation and submission of the proposals and SNDB shall in no case be responsible or liable for those costs, regardless of the conduct or outcome of the proposal process.

3.2 - Language of Proposals

The proposals prepared by the Consultant(s) as well as all correspondence and documents exchanged by the Consultant(s) and SNDB should be written in the English language.

3.3 - Proposal Currencies

For the purpose of comparison of proposals, the fee/costs are to be quoted in local currency ie Pakistan Rupee.

3.4 - Proposal Validity

Proposals shall remain valid for a period of ninety days (90 days) from the date of submission of the proposal.

3.5- Response Time

Interested Parties are required to submit their Proposals within fifteen (15) calendar days from the date the Advertisement for ‘Request for Proposals’ appears in the newspaper(s). Proposals must be received by/delivered to SNDB at the address given in Section 2 above.

3.5.1-Submission and Opening of Proposal

- Submission of Proposals 19th January, 2017 by 3:00 PM
- Opening of Technical Proposal 19th January, 2017 by 4:00 PM

3.6 - Extension of Time Period for Submission of Proposals

SNDB may extend the deadline for submission of proposals only, if one or all of the following conditions exist;

- Fewer than three proposals have been submitted and SNDB’s Procurement Committee is unanimous in its view that wider competition can be ensured by extending the deadline. In such case, the SNDB may decide solely at its discretion to extend the deadline for submission of proposals and the proposals submitted shall be returned to the Consultants un-opened;
- If the SNDB is convinced that such extraordinary circumstances have arisen owing to law and order situation or a natural calamity that the deadline should be extended.

3.7 - Clarification of Proposal Documents

An interested party/consultant, who has obtained proposal documents, may request for clarification of contents of the Request for Proposal document in writing and SNDB

shall respond to such queries in writing within three calendar days, provided they are received at least Three (5) calendar days prior to the date of opening of proposal.

It should be noted that any clarification to any query by an Interested Party shall also be communicated to all other parties, who have obtained the proposal documents.

3.8 - Late Proposals

Any proposal received by SNDB after the deadline for submission of proposals prescribed by SNDB pursuant to Section 3.5 above will be rejected and returned unopened to the concerned party. The rejection of proposals received after the deadline for submission shall apply regardless of any reason whatsoever for such delayed receipt.

3.9 - Withdrawal of Proposals

Any party may withdraw its Technical Proposal and Financial Proposal after it has submitted a written Withdrawal Notice, duly signed by its authorized representative, and shall include a copy of the authorization. Provided that, written notice of Withdrawal, shall be received by SNDB prior to the opening of proposals.

No proposal shall be withdrawn in the interval between the opening of Proposals and the expiration of the period of Proposal validity specified in ITC section.

3.10 - Cancellation of Proposal Process

- a. SNDB may cancel the proposal process at any time prior to the acceptance of a bid or proposal;
- b. SNDB shall incur no liability towards the Interested Parties, solely by virtue of its invoking powers in sub-section a above;
- c. Intimation of the cancellation of the proposal process shall be given promptly to all the parties;
- d. SNDB shall, upon request by any of the Interested Parties, communicate to such party, grounds for the cancellation of proposal process, but is not required to justify such grounds;

3.11 – Bid Security

SNDB shall require the Interested Parties to furnish Bid Security equal to 5% of the Financial Proposal. Bid Security shall be in the form of a pay order or demand draft or in the form of an Irrevocable Bank Guarantee issued by a commercial bank acceptable to SNDB, which shall remain valid for a period of 28 days beyond the validity period for bids.

Bid Security shall be attached with the Financial Proposal. Bidders are also required to submit affidavit that the Bid Security has been attached with the Financial Proposal.

Any Bid not accompanied by Bid Security in acceptable form shall be rejected by SNDB as non-responsive.

Bid security shall be released to the unsuccessful parties once the contract is signed with the successful party i.e. Consultant or the validity period has expired.

The bid security shall be forfeited:

- If an Interest Party withdraws its bid during the period of its validity specified on the Bid Form (Annexure B); or
- In the case of successful Consultant(s), provided the party/parties fails to sign the contract accordingly or furnish performance security.

3.12 – Performance Security

Within 7 days of receipt of the notification of award from SNDB, the successful Consultant(s) shall furnish to SNDB Performance Security at the rate of 5% of the Financial proposal which shall be valid for at least ninety (90) days beyond the date of completion of contract. Performance Security shall be in the form of a pay order or demand draft or an irrevocable bank guarantee issued by a commercial bank, acceptable to SNDB.

Failure of the successful Bidder to comply with the requirement of signing of contract shall constitute sufficient grounds for the annulment of the award and forfeiture of the bid security, in which event SNDB may make the award to the next lowest evaluated Consultant(s) or call for new bids.

Performance Security form given in Annexure “D” of this document, shall not be completed by the Interested Parties at the time of bid submission as only successful Consultant(s) will be required to provide Performance Security.

Performance Security will be discharged by SNDB and returned to the Consultant(s) not later than thirty (30) days following the date of successful completion of the Consultant(s)’s performance obligation under the Contract.

4-TERMS OF REFERENCE

Sindh Bank Limited (“SNDB”) intends to undertake the due diligence and evaluation of information of the “Target Bank” with the possible intent to carry out amalgamation/merger of the “Target Bank” through an appropriate transaction structure recommended by the Consultant(s) and deemed appropriate by SNDB (the ‘Transaction’).

Separate Technical and Financial Proposals (‘Proposals’) are invited from the Interested Parties (‘IPs’) comprising of Chartered Accountancy firms engaged in rendering professional services of performing financial and tax due diligence individually or as a Consortium with other firms (including Corporate Law Firms) (‘Consultants’). IPs, who are and/or have rendered professional services to the Target Bank in the past Three years or are engaged at present, are ineligible to apply.

The Transaction will be carried out in accordance with these Terms of Reference (TORs) and the appointed Consultant(s) will be responsible for advising SNDB on all matters relating to the Transaction.

The Consultant(s) should possess and demonstrate its/their capabilities to successfully undertake the Transaction and will be responsible for identifying and performing all tasks/activities leading up to the successful completion of the Transaction.

A. Objectives of the Assignment

The main objectives of the assignment are to conduct a comprehensive due diligence of the Target Bank in order to assist the management/shareholders of Sindh Bank Limited to assess The Target Bank’s potential value for the acquisition/merger/amalgamation including its impact on profitability, liquidity, capital adequacy, credit rating, stability and soundness of the emerging institution after merger/amalgamation.

The work should be performed in accordance with the generally accepted practices and internal policies of the Consultant as to due diligence services. The engagement is not an audit based on International Standards of Auditing.

The broad areas of financial, tax and legal due diligence as indicated below will be applied to the financial statements/information as of December 31 2016 of the Target Bank with adjustments if, as may be required after audit of the Target Bank.

B. Financial and Tax Due Diligence

(i) Loans and Advances

- Conduct a comprehensive review of the Target Bank’s loans & advances portfolio based on the methodologies explained in the paragraph E;

- Assess the Target Bank's loans & advances portfolio and deliver forward-looking estimates as to further deterioration of the portfolio for the following Five years;
- Analyze the non-performing loan (NPL) recognition policy, and the adequacy of loan loss provisioning levels as per PR & subjective criteria, and based on the analysis of the due diligence estimates, the fair NPL level as well as shortfall in the provisions and its impact on the Target Bank's Net Worth;

(ii) Investments

- Assess the fair value of the equity and debt instruments (whether held as available for sale, held to maturity or in other assets), investments in material subsidiaries and affiliates, and investment property and identify any additional provisions required and their impact on the Target Bank's Net Worth in the next Five years;
- Perform summary due diligence of key/material subsidiaries/associated undertakings of Target Bank.

(iii) Tangible Fixed Assets and Intangible Assets

- Review the major items of fixed assets/properties (including those acquired in satisfaction of claims/debts) and capital work in progress, major agreements (relating to fixed assets), lease hold assets including premises, vehicles, Office equipment, machinery and other assets to conclude that the title is in the name of the Target Bank, these are appropriately valued and provided for, exist physically, are in physical custody/control of the Target Bank, are in working condition, potential future liability with respect to "lease agreements" or such other agreements related to fixed assets, and if any, same are duly recognized and accounted for. Also confirm that the ownership of leased assets is transferable with the consent of the landlord/lessor in case of financial lease.
- To review the valuation of identifiable intangible assets, assessing the adequacy of the valuation method used to arrive at the valuation and the required adjustment to the value disclosed in the Target Bank's financials.

(iv) Other Assets and Liabilities

- Analysis about other assets and liabilities of the Target Bank and opinion on the realisability of assets / settlement of liabilities. Assess and comment on need or adequacy of provisions there against;

(v) Taxation

- Review the latest income tax position, related tax returns and assessment orders of the Target Bank and comment on matters of significance.
- Review and evaluate the adequacy of deferred tax asset/liability and income tax provision and significant unresolved or contentious issues

raised in the assessments. Also confirm that this asset is adequately valued and stated.

- Identify contentious issues, if any, in respect of which the Target Bank may be exposed under the Sales Tax Act, 1990, Federal Excise Act, 2005, Sindh Sales Tax on Services Act 2011, Punjab Sales Tax on Services Act 2012 and any other revenue laws, as applicable. Review of pending court/tribunal/appeal cases, if any.
- Examine and evaluate deferred tax assets, confirm that deferred tax is duly recognized and is accounted for along with its provision.
- Estimated value of the Deferred Tax Asset for Sindh Bank Limited and its year-wise availability against taxable profits of the emerging entity.

(vi) Deposits and Borrowings

- Analyze deposits portfolio of the Target Bank including concentration of deposits by product type, customer type, top 25, 50 and 100 customers and by sector.
- Review of all borrowings, their terms and conditions, their repayment, due dates/maturity, collateral status.
- Review and identify, any deposits in dispute and assess potential contingencies associated with these, if any.

(vii) Off-Balance Sheet/Contingencies

- Review significant off balance sheet-contingent liabilities and commitments (including derivatives) of the Target Bank and assess the adequacy of their valuation in the balance sheet taking account of foreign exchange, derivatives and market values.
- Review and estimate the potential losses / gains from these and other off-balance sheet exposures;
- Review off-balance sheet exposures to evaluate if these are duly and correctly accounted for and the potential additional provisions that may be required. Further, settlement of these contingent liabilities are done in accordance with SBP/regulatory norms and estimate adjustments/provisions if any that may be required.
- Review the valuation of liability in respect of all borrowings, debt securities, derivatives and other liabilities and consider whether additional provisions need to be made for contingent or other liabilities.

(viii) Other Matters

- Overview of the Target Bank's activities including key historical events, legal and group structure;
- Financial overview of movements in key balance sheet and profit & loss account figures for the last 5 years and comment on significant fluctuations / unusual items;
- Review and comment on auditors covering letters for 2014, 2015 and 2016, BOD minutes, Risk Management and Audit Committee

minutes and ALCO minutes and internal audit reports of 2015 and 2016;

- Review and comment on the accounting policies of the Target Bank to highlight material exceptions from the applicable accounting framework;
- Review the Target Bank's current organization structure broad profile of senior management;
- Review and summarize employee costs and benefit policies with their potential impact if legacy staff separation is required. Key HR policies to be summarized.
- Review key information technology policies and procedures and comment on its appropriateness. Review and comment on key maintenance agreements including software and hardware;
- Summarize and review related parties of the Target Bank and present the amounts due to / from related parties and their potential realisability.
- Analyze the liquidity position of the Target Bank and check on sample basis whether the Target Bank was in compliance with the statutory requirements of SBP.
- Review and analyze the liquidity profile report (asset and liability gap) to identify if there are buckets where substantial mismatches are expected. Also review the liquidity position of the Target Bank to examine its potential impact on the emerging institution.
- Review the Target Bank's capital adequacy based on the Basel framework as well as instructions issued by SBP and identify issues relating to Capital adequacy and its impact on the merged entity.

C. Legal Due Diligence, Other Matters and SPA Assistance

- (i) Review corporate records, licenses, material documents relating to assets, liabilities and contingent liabilities, intellectual property, employee contracts, real estate documents and title deeds of immovable properties owned by the Target Bank;
- (ii) Review litigation files relating to owned and leased properties of the Target Bank.
- (iii) Review the ownership structure of the Target Bank, Constitutive Documents of the parent/principal entity (if any), status of filings with SECP and status of branch operations in Pakistan;
- (iv) Review material financing lines availed by the Target Bank from other banks/financial institutions and from any from other sources.
- (v) Review specific non- performing loans and other non-funded liabilities which are subject to litigation.
- (vi) Review relevant material contracts, including loan documentation of cases identified by the financial due diligence Consultant, insurance policies, agreements with suppliers, customers.
- (vii) Review HR/Employee related cases/litigation pending in the courts other contracts having financial implications;

- (viii) Review specific documents relating to employees and existing settlement agreements.
- (ix) Review pending court cases relating to contracts having financial implications, HR/Labor law related cases.
- (x) Review the impact of Inter- Group funding, guarantees and collateral arrangements, reviewing and advising on this and its impact for closing formalities and post-closing obligations.
- (xi) Review any other material agreements/documents/aspects considered necessary in the context of the data provided;
- (xii) Co-ordinate with financial due diligence team and provide assistance in respect of specified matters as required by it;
- (xiii) Review on a selective basis relevant litigation files regarding material/substantial legal proceedings against the Target Bank which could entail a liability or obligation on the Target Bank and any opinions from the legal counsel handling the same;
- (xiv) Review any special instructions/conditions imposed by SBP; and any material pending penalties imposed by SBP.
- (xv) Advise on the structure of the transaction; provide guidance on the regulatory steps and requirements to proceed in the execution of the transaction until the actual date of amalgamation/merger.
- (xvi) Preparation and assistance in negotiation of Sale and Purchase Agreement (SPA), if required. Also advise on and prepare the Draft Scheme of Amalgamation/Merger, as matters move forward.

D. Operational Integration

- (i) Review details of existing Branches/Units/Offices of the Target Bank and
 - (a) prepare list of Branches/Units/Offices in same locations and also adjacent to each other, (b) Branches/Units/Offices in same locations but not adjacent to each other, and (c) Branches/Units/Offices in different locations etc.
- (ii) Review details of existing ATMs and prepare lists of (i) ATMs in the same locations and also adjacent to each other, (ii) ATMs machine in same locations but not adjacent to each other, and (iii) Branches/units in different locations etc.
- (iii) Review details of contractual obligations (if any) related to Branches/Units/Offices/Offsite ATMs etc.

Objective of the above is to suggest integration, including closing down locations and determine/estimate if there are any hidden contractual or other costs relating to integration of operations and suggest adequate adjustment/provisioning.

E. Methodology for Due Diligence of Loans & Advance (incl. Off balance sheet ie credit substitutes)

In order to achieve the objectives of due diligence and analysis of the loans and advances portfolio, the Consultant is required to:

- (i) Review the portfolio as of the cut-off date based on the following matrix:
 - a. 10% of Loans of above PKR 1 Million to PKR 5 Million
 - b. 25% of Loans of above PKR 5 Million to PKR 20 Million
 - c. 50% of Loans of above PKR 20 Million to PKR 50 Million
 - d. 100% of Loans above PKR 50 Million
 - e. 100% of Non-performing Loans
 - f. 100% of any overdrawn loans or loans without pre-approved credit limits

For the sake of efficiency however, the Financial Due Diligence consultant may come up with a different criteria which may be used subject to approval of Sindh Bank's management.

- i. Analyze the portfolio concentration by economic sectors, groups, associated concerns, size, currency, collateral structure and maturities.
- ii. Review and assess the quality of the loans/cases selected on the basis of criteria given in E(i) above by reviewing repayment history and future repayment capacity, completeness of credit files, monitoring quality/frequency, adequacy, quality and fair value of collateral (including whether or not the collateral is validly established, perfect and enforceable), as well as any need for additional provisions required under SBP/Prudential regulations and on a subjective basis.
- iii. Perform legal due diligence of the loan documentation (including security documents) of the cases selected in E(i) above.
- iv. Perform due diligence procedures for each class (e.g.: mortgage, car, etc) of retail loan products to assess and report on the adequacy of impairment/provisions/reserves under SBP/Prudential regulations.
- v. Undertake a detailed loan file review of 20 randomly selected mortgage loan files and 10 randomly selected loans for each other main category of the retail loan products to assess the completeness of credit files and monitoring quality/frequency as well as the need for further impairment provision to be used as basis to extrapolate results for the whole retail loan book.
- vi. Provide a summary and an estimate or a range of estimates of total additional provisions required under SBP/Prudential regulations and subjective evaluation, on a total portfolio basis, using extrapolation where necessary, to arrive at 1) a portfolio-wide impairment amount and 2) total estimated impact on the Target Bank's capital.

Present the details of the extrapolation performed on a loan type basis (i.e corporate, retail etc.).

- vii. Review the valuation of the Target Bank's material loans to its subsidiaries and affiliates; and assess the need for additional impairments/provisions required under the SBP/Prudential regulations and subjective evaluation.

F. Key Deliverables and timing

- (i) Projected financials for the next 5 years, of the Target Bank on a standalone basis;
- (ii) Consolidated financial statements as of the cutoff date as well as projected financials for 5 years in a post-merger scenario with key assumptions and ratio analysis;
- (iii) Post-merger business valuation for the projected years as above assuming one entity concept. The Consultant(s) shall take into account
 - depletion of assets due to possible disposal/sale of assets for shifting/consolidating branches, cost of merger/amalgamation and such other costs while undergoing the merger;
 - Possible impact on liquidity, capital adequacy, credit rating of Sindh Bank Limited/Emerging entity after merger/amalgamation.
- (iv) Produce a full version of the Report, including the results of the due diligence, by March 31, 2017. The Report should contain as a minimum:
 - An Executive Summary incorporating the Consultant(s) key conclusions;
 - Address all areas as referred to in these Terms of Reference;
 - Be comprehensive, precise and accurate, presenting the Consultant(s) findings, analysis and conclusions in a clear and concise way;
 - The Target Bank's potential value for the acquisition/ merger/ amalgamation based on appropriate business valuation methods such as Earnings based valuation/ Income etc.
 - Proposed transaction structure; and
 - Any other matter that the Consultant(s) may feel appropriate for taking a decision on the matter.
- (v) In case Sindh Bank and the Target Bank agree to move forward, assist in completion of all related legal formalities including drafting of the Scheme of Amalgamation/ Merger ("the Scheme"), coordination with Regulators and any other related matters for obtaining approval of the Scheme and ancillary matters.

G. Project Management & Transaction Schedule

SNDB envisages the Transaction to be completed by April 30, 2017, or as close thereto as possible. The invited firm(s) will be required to provide a detailed project management schedule clearly identifying all the activities and their

completion dates keeping in view the specified timeline given above. It is expected that the Consultant(s) will perform maximum number of activities in parallel by deploying several teams so as to facilitate timely completion of the Transaction.

For the purpose of monitoring the progress and providing appropriate guidelines, a Project Management Plan and Schedule will be developed for review on periodic basis.

G.1 Consultant(s) Responsibilities

The Consultant(s) shall be expected to comply with SBP/SECP Regulations, Listing Regulations of PSX, the Banking Companies Ordinance 1962, The Companies Ordinance (1984/2016) and other applicable Laws/Regulations and be responsible for providing all the services that are essential for the successful completion of the Transaction. The activities specified in the Terms of Reference should only be viewed as indicative and it is expected that the Consultant(s) will spell out the complete set of activities required for the Transaction in its proposal.

The Consultant(s) will appoint a Project Leader to assume overall responsibility for the project, who will be available on a first-call basis during the duration of the Transaction. The Project Leader will be the interface with the SNDB on all project related matters.

The Consultant(s) will provide sufficient lead time for activities requiring decision by the SNDB. The Consultant(s) shall promptly inform and seek approval of the SNDB on any changes to the agreed work program or personnel and will work with the SNDB in understanding and resolving the impact of such changes.

During the performance of its work, the Consultant(s) is/are expected to interface with the Regulators (including PSX) concerned Government departments and managements of the Target Bank and SNDB.

The Consultant(s) will develop a mechanism for review of progress, presentations of reports and other project-management activities to ensure efficient & timely progress on the Transaction.

The Consultant(s) is/are expected to proceed in an efficient manner to enable SNDB to achieve financial close of the Transaction latest by April 30, 2017 or as close thereto as possible.

G.2 SNDB's Responsibilities

SNDB has appointed Mr. Sheikh Bilal Shams, Vice President and Head of Internal Controls, as the Transaction Manager to liaise with the Consultant(s) to coordinate activities related to the Transaction.

Performance of the Consultant(s) will be evaluated regularly and necessary corrective measures will be taken as approved by the SNDB executive authority and in a timely manner.

G.3 Technical Expertise

The Consultant(s) may submit proposals independently or as a consortium and will be completely responsible for all legal, financial, regulatory and any other matter which arises during the course of the Transaction.

G.4 First Review Meeting

Within Seven working days of the appointment the Consultant(s), "First Review" meeting for the project shall be conducted. The objective of this meeting would be to apprise the key persons of SNDB of the overall plan of activities proposed by the Consultant(s) and identify the key milestones, issues and timelines in the Transaction process.

G.5 Overall Timeframe

The Consultant(s) is/are expected to:

- Produce a full version of the Report, including the results of the due diligence, by March 31, 2017 and the Key deliverables given in Para F above.
- To proceed in an efficient manner to enable SNDB to achieve financial close of the Transaction latest by April 30, 2017 or as close thereto as possible.

Based on its experience and expertise, the Consultant(s) is/are expected to comment upon the adequacy of the allowed time and could propose alternatives if it so desires, especially in the context of the proposed Transaction structure and without any additional costs.

G.6 Confidentiality/Conflict of Interest

The Consultant(s) team will be responsible for all elements of the Transaction. Security and confidentiality of the data relating to these efforts will be critical and the Consultant(s) team must be prepared to address it.

The team must also be free from any potential conflict of interest that may arise in the course of program development. Specific disclosure/undertaking regarding existence or otherwise of potential conflicts of interest and litigation will be required.

H. Deliverables

The Consultant(s) will provide details of the deliverables for the Transaction. All documentation will be delivered as hard copies and/or in soft form as required by the SNDB. All reports, documents, data and information generated or collected during the course of the Transaction, whether in a soft or a hard copy form, would be the exclusive property of the SNDB.

Following is an indicative list of deliverable documents expected to be provided by the Consultant(s). The Consultant(s) is/are required to provide all relevant details of the underlying assumptions, rationale and calculations used in arriving at specific recommendations.

H.1 Plan for Due Diligence, Valuation and Other Legal formalities

The detailed Plan for SNDB to be provided by the Consultant(s) should include the schedule/timetable of activities for Financial, Tax and Legal due diligence, Legal

due diligence and complying with all legal/regulatory requirements. This plan should be developed keeping in view the requirements of the Transaction.

Consultant(s) shall be responsible for preparation of all documentation required for the Transaction, with the assistance of SNDB, where required.

H.2 Pricing Mechanism / Valuation Methodology

The Consultant(s) will carry out valuation of the Target based on the results of the due diligence using relevant valuation techniques, undertake sensitivity analysis and recommend the fair value per share of the Target Bank.

H.3 Status Reports

Weekly Status Reports, or on any other timeline as mutually agreed, will be submitted describing the status of the deliverables. Remedial measures will be taken where there is delay or potential delay in the Transaction, and Consultant(s) will deal with any such delays and will provide adequate notice to SNDB where SNDB action is required.

5-EVALUATION CRITERIA

Criteria for Evaluation of Quality of Consulting Services – Evaluation Criteria shall include, but shall not be limited to the following:

- (1) **Global Affiliation and Standing:** Affiliation with Global Accounting Firm(s) and current standing.
- (2) **Specialization, Understanding & Experience:** Consultant's specialized skills and knowledge related to the assignment and understanding of the assignment through proven track record of such services in Pakistan over the last 5 years.
- (3) **Work Plan & Proposed Methodology:** Methodology proposed by the consultants shall be evaluated for its effectiveness, proposed timeline, transactions size and structure resulting in maximum value extraction for SNDB.
- (4) **Quality Management:** Availability of a well-established Quality Management system for consulting assignments.

6. TECHNICAL PROPOSAL

GENERAL

- All submissions should be in A4 word format and with minimum 12-point font size. The number of pages including any annexures) in the Proposal should not exceed 50. Five (5) hard copies of the Proposal should be enclosed.
- The Technical Proposal will be evaluated on the basis of benchmarks given in paras A to D below. The score assigned of each evaluation criterion are shown below.
- Particulars of each member of the consortium needs to be provided;
- Please ensure that the technical proposal is prepared/sequenced and presented as per the criteria mentioned below.

6.1 Criteria (Financial and Tax Due Diligence)

TECHNICAL BENCHMARKS	MAX SCORE
A. Consultant(s) Global Affiliation and Standing	20
Global Affiliation with reputable firm and standing	20
Top 5	20
Top 6 to 10	15
Top 11 to 20	10
Over 20	4
B. Specialization, Understanding & Experience	55
Competence & Experience of Team to carry out due diligence assignment over the last 5 years (enclosed resumes/CVs/Profiles)	15
Name of Partners/Senior members dedicated to Financial Due Diligence	5
Name of Partners/Senior members dedicated to Tax Due Diligence	5
Profile of professional resources/firm dedicated to legal due diligence and experience in corporate and commercial law, especially related to litigation of Banking and Finance cases	5
Number of Financial Due Diligence & Tax Due Diligence of commercial banks conducted over the last 5 years	20
1 -3 Banks	7
4 -6 Banks	10
7 - 10 Banks	16
Over 10 Banks	20
Experience of public sector commercial banks of which the firm is the principal tax advisor	20
3-5 years experience	8
6-10 years experience	13
11-15 years experience	20
C. Proposed Methodology	15
Presentation on Proposed Methodology & Work Plan	15
Best suited transaction structure	7.5
Proposed execution strategy with detailed Road map leading to final closure date of April 30, 2017	7.5

TECHNICAL BENCHMARKS	MAX SCORE
----------------------	-----------

Continued..

D. Quality Management System

Existence of Quality Management System for consultancy assignments (explain/evidence to be provided)	10
TOTAL SCORE	100

E. POTENTIAL CONFLICTS & LITIGATIONS

- Details of all pending litigation, if any, should be provided; and
- Details of any past conviction and pending litigation against sponsors/partners, directors etc, if any, and areas of possible conflict of interest may also be indicated.

F. DISCLOSURE & UNDERTAKING

Please disclose:

- Any actual or potential litigation and issues which could constrain or adversely impact your ability to lead this transaction or could adversely impugn the SNDB's reputation; and
- Other issues which may affect your ability to execute the Transaction.

6.2 Criteria (Legal due Diligence and other Legal Services)

TECHNICAL BENCHMARKS	MAX SCORE
----------------------	-----------

A. Date of Incorporation/establishment of the firm in Pakistan 10

Date of Incorporation/establishment-in Pakistan		10
Incorporation less than 25 years	5	
Incorporation more than 25 years	10	

B. Partners profile (B1+ B2) 20

B1. Number of Partners 10

Number of partners	
Below 5 partners	4
Over 5 partners	6
Over 10 partners	10

B2. Partners' Experience 10

Partners' Experience & Practice in Law	
Partners having experience of more than 25 years	10
Partners having experience of 10 - 25 years	5
Partners having experience of less than 10 years	2

C. Profile of team based in Karachi to carry out the due diligence and legal services required. 10

No of partners assigned	5
No of senior associates assigned	3
No of seniors assigned	2

D. Profile of professional resources 15

Profile of professional resources and ability to dedicate resources for conducting legal due diligence with sufficient experience in corporate and commercial law, especially relating to mergers and acquisitions of Banks & FIs and court litigation of Banking and Finance cases. (Subjective)

E. Number of legal due diligence assignments of commercial Banks conducted 25

Number of legal due diligence assignments of commercial Banks conducted (Maximum marks for the highest number, to be apportioned in the ratio of the highest numbers)

F. Number of commercial Banks of which the firm is the principal legal advisor. 10

Number of commercial Banks of which the firm is the principal legal advisor (taxation/other litigations) in the last five years. (Maximum marks for the highest number, to be apportioned in the ratio of the highest numbers)

G. Details of reported cases relating to Banking Finance and Corporate Matters during last five years. 10

Details of reported cases relating to Banking Finance and Corporate Matters during last five years. (Maximum marks for the highest number, to be apportioned in the ratio of the highest numbers)

TOTAL SCORE

100

H. POTENTIAL CONFLICTS & LITIGATIONS

- Details of all pending litigation, if any, should be provided; and
- Details of any past conviction and pending litigation against sponsors/partners, directors etc, if any, and areas of possible conflict of interest may also be indicated.

I. DISCLOSURE & UNDERTAKING

Please disclose:

- Any actual or potential litigation and issues which could constrain or adversely impact your ability to lead this transaction or could adversely impugn the SNDB's reputation; and
- Other issues which may affect your ability to execute the Transaction.

7. FINANCIAL PROPOSAL

The Financial Proposal should stipulate the fees and out of pocket expenses to be claimed for the Transaction, the stages upon which these will be payable and be prepared using the Format given in Annexure A. Additional pages may be added if required.

Failure to prepare and submit the Financial Proposal as stipulated above or any modifications thereto shall mean immediate disqualification.

8. AWARD OF CONTRACT

8.1 Award of Contract

8.1.1 Award Criteria

SNDB will award the contract to the successful Consultant(s), whose proposal has been determined to be substantially responsive and has been determined to be the best evaluated proposal, provided further that the Consultant(s) is determined to be qualified to perform the contract satisfactorily.

8.1.2 SNDB's Right to Accept any Proposal and to reject any or all Proposals

SNDB has the right to reject all/any Proposal at any time prior to the award of Contract subject to Sindh Public Procurement Rules 2010 (as amended from time to time), without thereby incurring any liability to the Consultant(s).

8.1.3 Notification of Award

Prior to the expiration of the period of validity of Proposal, SNDB will notify the successful Consultant(s) in writing by letter or by facsimile, to be confirmed in writing by letter, that his/her proposal has been accepted.

The notification of award will constitute the formation of the Contract.

8.1.4 Signing of Contract

Within 5 Days from the date of notification of the award, the successful Consultant(s) shall furnish to SNDB particulars of the person(s) who would sign the contract on behalf of the successful Consultant(s) along with an original power of attorney executed in favour of such person.

The Contract shall be signed by the parties at the Head Office of SNDB located on the 3rd Floor, Federation House, Abdullah Shah Ghazi Road, Clifton, Karachi 75600, Pakistan within 10 Days of award of contract.

8.1.5 General Conditions of Contract

Refer to Section 9.1 for General Conditions of Contract.

8.1.6 Special Conditions of Contract

Section 9.15.7 defines Special Conditions of Contract.

8.1.7 Non-Disclosure Agreement

The successful Consultant(s) shall upon the award of the contract execute a Non-Disclosure Agreement with SNDB. [*Specimen is attached in Annexure "G" to this document*].

8.1.8 Intellectual Property Rights

(1) All documents, reports, designs, research work and all deliverables prepared by the Consultant(s) shall become and remain the property of the procuring agency;

(2) Any restrictions on the future use of these documents and software by the Consultant(s) shall be specified in the conditions of the contract.

8.1.9 Professional Liability of Consultant(s)

(1) The Consultant(s) selected and awarded a contract shall be liable for consequences of omissions or commissions on his or their part. The extent of liability of Consultant(s) shall be incorporated in the contract, and in no case, shall be less than the remuneration, excluding out of pocket expenses, nor shall the liability exceed twice the amount of remuneration;

(2) The procuring agency may demand insurance on part of the Consultant(s) to cover its liability, as stated above, necessary costs of which shall be borne by the Consultant(s);

(3) The Consultant(s) shall be liable for all losses or damages suffered by the procuring agency on account of any misconduct by the Consultant(s) in performing these consulting services.

8.1.10 Redressal of Grievances & Settlement of Disputes

Any Consultant(s) being aggrieved by any act or decision of SNDB during procurement proceedings may lodge a written complaint with the SNDB's Committee for Complaint Redressal which will be handled under Section 31 of The Sindh Public Procurement Rules, 2010 (ie SPPRA).

8.1.11 – Other Applicable Rules

The process of procurement of consultancy services under this document will be governed by The Sindh Public Procurement Act 2009 and the Sindh Public Procurement Rules 2010 whether or not expressly mentioned herein.

9. CONDITIONS OF CONTRACT

9.1 Definitions

In this Contract, the following terms shall be interpreted as indicated:

“Applicable Law” means the Sindh Public Procurement Act 2009 and the Sindh Public Procurement Rules 2010(Amended 2013).

“Procuring Agency” or “PA” means Sindh Bank Limited.

“Contract” means the Contract signed by the Parties and all the attached documents listed in it and includes the General Conditions (GC) and Special Conditions (SC).

“Contract Price” means the price to be paid for the performance of the Services.

“Effective Date” means the date on which this Contract comes into force.

“GC” mean these General Conditions of Contract.

“Currency” means Pak Rupees.

“Member” means any of the entities that make up the joint venture/consortium/association, and “Members” means all these entities.

“Party” means the PA , as the case may be, and “Parties” means both of them.

“Personnel” means person(s) hired by the Consultant and assigned to the performance of Services or any part thereof.

“Services” means the services to be performed by the Consultant(s) pursuant to this Contract, as described in the scope of services.

“In writing” means communicated in written form with proof of receipt.

9.2 Law Governing Contract

This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the laws of the Islamic Republic of Pakistan.

9.3 Notice

Any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing. 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 Contract.

A Party may change its address for notice hereunder by giving the other Party notice in writing of such change to the address specified in the Contract.

9.4 Authorized Representative

Any action required or permitted to be taken, and any document required or permitted to be executed under this Contract by SNDB or the Consultant(s) may be taken or executed by their authorized officials.

9.5 Taxes and Duties

The Consultant(s) shall pay such direct or indirect taxes, duties, fees, and other impositions levied under the Applicable Law, the amount of which is deemed to have been included in the Contract Price.

9.6 Effectiveness of Contract

This Contract shall come into effect on the date the Contract is signed by both Parties. The date the Contract comes into effect is defined as the Effective Date.

9.7 Expiration of Contract

Unless terminated earlier pursuant to section 9.12.1 hereof, this Contract shall expire at the end of such time period after the Effective Date as specified in the Contract.

9.8 Modifications or Variations

Any modification or variation of the terms and conditions of this Contract, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties. However, each Party shall give due consideration to any proposals for modification or variation made by the other Party.

9.9 Force Majeure

The failure on the part of the parties to perform their obligation under the contract will not be considered a default if such failure is the result of natural calamities, disasters and circumstances beyond the control of the parties.

9.10 No Breach of Contract

The failure of a Party to fulfil any of its obligations under the contract shall not be considered to be a breach of, or default under this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event (a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this Contract, and (b) has informed the other Party as soon as possible about the occurrence of such an event.

9.11 Extension of Time

Any period within which a Party shall, pursuant to this Contract, 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.

9.12 Termination

9.12.1 Termination by SNDB

SNDB may terminate this Contract in case of the occurrence of any of the events specified in sub-sections (a) through (d) below by giving a written notice of

termination to the Consultant not less than fifteen (15) days' and in the case of the event referred to in (e) below, a notice of not less than thirty (15) days.

- a. If the Consultant does not remedy the failure in the performance of its obligations under the Contract, within fifteen (15) days after being notified or within any further period as the SNDB may have subsequently approved in writing;
- b. If the Consultant becomes insolvent or bankrupt;
- c. If the Consultant, in the judgment of SNDB has engaged in corrupt or fraudulent practices in competing for or in executing the Contract;
- d. If, as the result of Force Majeure, the Consultant(s) are unable to perform a material portion of the Services for a period of not less than thirty (30) days; and
- e. If the SNDB, in its sole discretion and for any reason whatsoever, decides to terminate this Contract.

9.12.2 Termination by the Consultant

The Consultant may terminate this Contract, by give a written notice to SNDB of not less than thirty (30) days', such notice to be given after the occurrence of any of the events specified below:

- a. If SNDB fails to pay any money due to the Consultant pursuant to this Contract without Consultant's fault.
- b. If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than thirty (30) days.

9.13 Payment upon Termination

Upon termination of this Contract pursuant to sections 9.12.1 or 9.12.2, SNDB shall make the following payments to the Consultant:

- a. Payment for Services satisfactorily performed prior to the effective date of termination;
- b. except in the case of termination pursuant to paragraphs (a) through (c) of section 9.12.1, reimbursement of any reasonable cost incidental to the prompt and orderly termination of the Contract.

9.14 Good Faith

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

9.15 Settlement of Disputes

9.15.1 Amicable Settlement

The Parties agree that the avoidance or early resolution of disputes is crucial for a smooth execution of the Contract and the success of the assignment. The Parties shall

use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation.

9.15.2 Arbitration

If SNDB and the Consultant fail to amicably settle any dispute arising out of or in connection with the Contract within ten (10) days of commencement of such informal negotiations, the dispute shall be referred to arbitration of two arbitrators, one to be appointed by each party, in accordance with the Arbitration Act, 1940. Venue of arbitration shall be Karachi, Pakistan and proceedings of arbitration shall be conducted in English.

9.15.3 Data Ownership

The data related to the Transaction including that in the Computer System in use shall at all times remain the exclusive property of SNDB. The Consultant(s) is/are hereby required to transfer all necessary passwords, access codes or other information required for full access to the data to SNDB upon successful completion of the Transaction.

9.15.4 Obligations of the Consultant(s)

The Consultant(s) shall perform the Services and carry out their obligations hereunder with due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and shall observe sound management practices, and employ appropriate technology and safe and effective methods. The Consultant(s) shall always act, in respect of any matter relating to this Contract or to the Services, as faithful advisers to SNDB, and shall at all times support and safeguard SNDB's legitimate interests in any dealings with Sub-Consultants or third Parties.

9.15.5 Conflict of Interest

The Consultant shall hold SNDB's interests paramount, without any consideration for future work, and strictly avoid conflict with other assignments or their own corporate interests.

9.15.6 Confidentiality

Except with the prior written consent of SNDB, the Consultant(s) and its Personnel shall not at any time communicate to any person or entity any confidential information acquired in the course of the Services, nor shall the Consultant(s) and its Personnel make public the recommendations formulated in the course of, or as a result of, the Services.

9.15.7 Special Conditions of Contract

Special Conditions of Contract shall supplement the General Conditions of Contract. Whenever there is a conflict, the provisions herein shall prevail over those in the General Conditions of Contract.

9.15.8 Payment

The payment to be made to the Consultant(s) under this Contract shall be made in accordance with the payment schedule as shall be agreed between SNDB and the

Consultant. SNDB will effect payment within 30 days on satisfactory delivery of services, upon submitting the invoice under above conditions.

9.15.9 - Price

Schedule of fees, commission and charges shall be the amount to be entered in the Contract as quoted and agreed based on the Financial Proposal submitted by the successful Consultant.

9.15.10 - Contract

The contents of the formal agreement between the successful Consultant(s) and SNDB will be vetted by the legal department of the SNDB and will be signed by the representatives of SNDB and Consultant(s).

FORMAT FOR FINANCIAL PROPOSAL

FEE/CHARGES	AMOUNT IN PKR
A. Financial & Tax Due Diligence-Fixed	

(Please provide stage-wise payment schedule)

B. Legal Due Diligence-Fixed	
-------------------------------------	--

(Please provide stage-wise payment schedule)

C. Out of Pocket Expenses (with maximum Cap)	
---	--

TOTAL (A + B + C)

=====

***Total Amount in Words:**

Signature _____
(Authorized Representative(s) of Consultants)

Full Name _____

Designation _____

Name(s) & Stamp(s) of Consultant(s)/Consortium _____

Notes:

Total (A+B+C) will be considered for Bid evaluation purposes

- Provide detailed breakup of all proposed Out of Pocket Expenses, which are required to undertake this transaction.
- All quotes should be inclusive of all applicable taxes, levies, duties etc. as applicable in Pakistan.
- All expenses directly related to transaction such as stamp duties, PSX charges, SECP charges, CDC charges, bankers and brokerage commission etc. will be reimbursed at actuals by SNDB. It is clarified that these costs will not be taken into account for evaluation purposes.
- Calculation of bid security. 5% of the *(Total Amount) will be submitted with the tender document as bid security in shape of Pay Order/Demand Draft /Bank Guarantee in favor of Sindh Bank Ltd.
- In the event of termination due to whatsoever reason, only the Fee applicable to the relevant stage specified above, will be paid by SNDB. Out of Pocket Expenses incurred up to that time will be paid by SNDB.
- No conditional bids shall be accepted.

Bid Security Form

Whereas [name of the Bidder] has submitted its bid dated [date of submission of bid] for

KNOW ALL PEOPLE by these presents that WE [Name of the Bank][Name of Country], having our registered office at [Address of the Bank] (hereinafter called “_____”), are bound unto SNDB (hereinafter called “the Purchaser”) in the sum of _____ for which payment well and truly to be made to the said Purchaser, the “_____” binds itself, its successors, and assigns by these presents. Sealed with the Common Seal of the said Bank this ____ day of ____ 201__.

THE CONDITIONS of this obligation are:

1. If the Bidder withdraw its Bid during the period of bid validity specified by the Bidder on the Bid Form; or
2. If the Bidder, having been notified of the acceptance of its Bid by the SNDB during the period of bid validity:
 - (i) fails or refuses to execute the Contract, if required; or
 - (ii) fails or refuses to furnish the performance security, in accordance with the Instructions to Bidders;

We undertake to pay to the Purchaser up to the above amount upon receipt of its written demand, without the Purchaser having to substantiate its demand, provided that in its demand the Purchaser will note that the amount claimed by it is due to it, owing to the occurrence of one or both of the two conditions, specifying the occurred condition or conditions.

This guarantee will remain in force up to and including twenty eight (28) days after the period of bid validity and any demand in respect thereof shall reach the Bank not later than the above date.

[Signature and Seal of the Bank]

Performance Security Form

To,

Head of Administration
SINDH BANK LTD
3rd Floor, Federation House,
Abdullah Shah Ghazi Road,
Clifton,
Karachi 75600

WHEREAS [name of Consultant] (hereinafter called “Consultant”) has undertaken, in pursuance of Contract No. _____ [reference number of the contract] dated ____ 201__ to _____ [details of task to be inserted here] (hereinafter called “the Contract”).

AND WHEREAS we have agreed to give the guarantee as required pursuant to the bidding document and the contract:

THEREFORE WE hereby affirm that we are Guarantors and responsible to you, on behalf of the Consultant, up to a total of [amount of the guarantee in words and figures], and we undertake to pay you, upon your first written demand declaring the Consultant to be in default under the Contract and without cavil or argument, any sum or sums within the limits of [amount of guarantee] as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

This guarantee is valid until the _____ day of _____ 201__.

Signature and Seal of the Guarantors

Name of Bank

Address

Date

Integrity Pact

Declaration of Fees, Commissions and Brokerage etc Payable by the Suppliers of Services Pursuant To Rule 89 of the Sindh Public Procurement Rules, 2010

_____ [the Supplier] hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from Sindh Bank Limited (SNDB) or any other entity owned or controlled by it through any corrupt business practice.

Without limiting the generality of the foregoing, [the Supplier] 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 SNDB, except that which has been expressly declared pursuant hereto.

[The Supplier] certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with SNDB and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty. [The Supplier] accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other right and remedies available to SNDB under any law, contract or other instrument, be voidable at the option of SNDB.

Notwithstanding any rights and remedies exercised by SNDB in this regard, [the Supplier] agrees to indemnify SNDB for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to SNDB in an amount equivalent to ten times the sum of any commission, gratification, bribe, finder’s fee or kickback given by [the Supplier] 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 SNDB.

For and On Behalf Of

Signature: _____

Name: _____

CNIC No: _____

Schedule of Availability, Submission & Opening of Bids

Please refer to Advertisement for Request for Proposals dated _____ for information on the subject matter.

Non-Disclosure Agreement

This Mutual Non-Disclosure Agreement (“Agreement”) is made and entered into between Sindh Bank Ltd, and [Supplier Name], individually referred to as a ‘Party’ and collectively referred to as the ‘Parties’. The Parties wish to exchange Confidential Information (as defined below in Section 2) for the following purpose(s): a) to evaluate whether to enter into a contemplated consulting/business transaction; and b) if the Parties enter into an agreement related to such consulting/business transaction, to fulfill each Party’s confidentiality obligations to the extent the terms set forth below are incorporated therein (the “Purpose”).

The Parties have entered into this Agreement to protect the confidentiality of information in accordance with the following terms:

3. The Effective Date of this Agreement is _____ 201__.
4. In connection with the Purpose, a Party may disclose certain information it considers confidential and/or proprietary (“Confidential Information”) to the other Party including, but not limited to, tangible, intangible, visual, electronic, present, or future information such as:
 - (i) Trade secrets;
 - (ii) Financial information, including pricing;
 - (iii) Technical information, including research, development, procedures, algorithms, data, designs, and know-how;
 - (iv) Business information, including operations, planning, marketing interests, and products;
 - (v) The terms of any agreement entered into between the Parties and the discussions, negotiations and proposals related thereto; and
 - (vi) Information acquired during any facilities tours.
5. The Party receiving Confidential Information (a “Recipient”) will only have a duty to protect Confidential Information disclosed to it by the other Party (“Discloser”):
 - (i) If it is clearly and conspicuously marked as “confidential” or with a similar designation;
 - (ii) If it is identified by the Discloser as confidential and/or proprietary before, during, or promptly after presentation or communication; or
 - (iii) If it is disclosed in a manner in which the Discloser reasonably communicated, or the Recipient should reasonably have understood under the circumstances, including without limitation those described in Section 2 above, that the disclosure should be treated as confidential, whether or not the specific designation "confidential" or any similar designation is used.

6. A Recipient will use the Confidential Information only for the Purpose described above. A Recipient will use the same degree of care, but no less than a reasonable degree of care, as the Recipient uses with respect to its own information of a similar nature to protect the Confidential Information and to prevent:
 - (i) Any use of Confidential Information in violation of this agreement; and/or
 - (ii) Communication of Confidential Information to any unauthorized third parties.
 - (iii) Confidential Information may only be disseminated to employees, directors, agents or third party consultant of recipient with a need to know and who have first signed an agreement with either of the Parties containing confidentiality provisions substantially similar to those set forth herein.
7. Each Party agrees that it shall not do the following, except with the advanced review and written approval of the other Party:
 - (i) Issue or release any articles, advertising, publicity or other matter relating to this Agreement (including the fact that a meeting or discussion has taken place between the Parties) or mentioning or implying the name of the other Party; or
 - (ii) Make copies of documents containing Confidential Information.
8. This Agreement imposes no obligation upon a Recipient with respect to Confidential Information that:
 - (i) Was known to the Recipient before receipt from the Discloser;
 - (ii) Is or becomes publicly available through no fault of the Recipient;
 - (iii) Is independently developed by the Recipient without a breach of this Agreement;
 - (iv) Is disclosed by the Recipient with the Discloser's prior written approval; or
 - (v) Is required to be disclosed by operation of law, court order or other governmental demand ("Process");

provided that (i) the Recipient shall immediately notify the Discloser of such Process; and (ii) the Recipient shall not produce or disclose Confidential Information in response to the Process unless the Discloser has: (a) requested protection from the legal or governmental authority requiring the Process and such request has been denied, (b) consented in writing to the production or disclosure of the Confidential Information in response to the Process, or (c) taken no action to protect its interest in the Confidential Information within 14 business days after receipt of notice from the Recipient of its obligation to produce or disclose Confidential Information in response to the Process.

EACH DISCLOSER WARRANTS THAT IT HAS THE RIGHT TO DISCLOSE ITS CONFIDENTIAL INFORMATION. NO OTHER WARRANTIES ARE MADE. ALL CONFIDENTIAL INFORMATION DISCLOSED HEREUNDER IS PROVIDED "AS IS".

Unless the Parties otherwise agree in writing, a Recipient's duty to protect Confidential Information expires [YEARS] from the date of disclosure. A Recipient, upon Discloser's written request, will promptly return all Confidential Information received from the Discloser, together with all copies, or certify in writing that all such Confidential Information and copies thereof have been destroyed. Regardless of whether the Confidential Information is returned or destroyed, the Recipient may retain an archival copy of the Discloser's Confidential Information in the possession of outside counsel of its own choosing for use solely in the event a dispute arises hereunder and only in connection with such dispute.

This Agreement imposes no obligation on a Party to exchange Confidential Information, proceed with any business opportunity, or purchase, sell, license and transfer or otherwise make use of any technology, services or products.

Each Party acknowledges that damages for improper disclosure of Confidential Information may be irreparable; therefore, the injured Party is entitled to seek equitable relief, including injunction and preliminary injunction, in addition to all other remedies available to it.

This Agreement does not create any agency or partnership relationship. This Agreement will not be assignable or transferable by Participant without the prior written consent of the other party.

This Agreement may be executed in two or more identical counterparts, each of which shall be deemed to be an original including original signature versions and any version transmitted via facsimile and all of which taken together shall be deemed to constitute the agreement when a duly authorized representative of each party has signed the counterpart.

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, and supersedes any prior oral or written agreements, and all contemporaneous oral communications. All additions or modifications to this Agreement must be made in writing and must be signed by the Parties. Any failure to enforce a provision of this Agreement shall not constitute a waiver thereof or of any other provision.

Sindh Bank Limited

Company Name:

Registered Address:

Registered Address:

Name: _____

Name: _____

Signature: _____

Signature: _____

Title: _____

Title: _____

Date: _____

Date: _____