# SINDH PUBLIC PROCUREMENT REGULATORY AUTHORITY

# CONTRACT EVALUATION FORM

# TO BE FILLED IN BY ALL PROCURING AGENCIES FOR PUBLIC CONTRACTS OF WORKS, SERVICES & GOODS

1)	NAME OF THE ORGANIZATION / DEPTT.	SINDH BANK LIMITED/ADMINISTRATION
2)	PROVINCIAL / LOCAL GOVT./ OTHER	SCHEDULED BANK
3)	TITLE OF CONTRACT	Appointment of Lead Manager & Book Runner
4)	TENDER NUMBER	SNDB/COK/ADMIN/TD/659/2015
5)	BRIEF DESCRIPTION OF CONTRACT	Same as Above
6)	FORUM THAT APPROVED THE SCHEME	Competent Authority
7)	TENDER ESTIMATED VALUE	Rs. 60,000,000/-
8)	ENGINEER'S ESTIMATE (For civil works only)	-
9)	ESTIMATED COMPLETION PERIOD (AS P.	ER CONTRACT) 18 Months
10)	TENDER OPENED ON (DATE & TIME)	29/01/2016 At 1600 (Technical) 25/02/2016 At 1600 (Financial)
11)	NUMBER OF TENDER DOCUMENTS SOLI (Attach list of buyers)	02
12)	NUMBER OF BIDS RECEIVED	01
13)	NUMBER OF BIDDERS PRESENT AT THE	TIME OF OPENING OF BIDS 01
14)	BID EVALUATION REPORT (Enclose a copy)	02/03/2016 Attached  M/S: Arsh Helsib Ctolo 2   F, Arsh Helsib Centre  UL BIDDER 23, MT Khan Road, Karachi Chitoniki
15)	NAME AND ADDRESS OF THE SUCCESSF	UL BIDDER MIS. Heat capita Horraon Tower, chiloniki
16)	CONTRACT AWARD PRICE	Rs. 33,820,000/-
17)	RANKING OF SUCCESSFUL BIDDER IN E <sup>r</sup> (i.e. 1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> EVALUATION BID).	WALUATION REPORT, M/s. Arif Habib Ltd. / M/s. NEXT CAPILAL  (USINI LEAD MANAGE)
18)	METHOD OF PROCUREMENT USED : - (Ti	ck one)
	a) SINGLE STAGE – ONE ENVELOPE	PROCEDURE Domestic/ Local
	b) SINGLE STAGE – TWO ENVELOP	E PROCEDURE
	c) TWO STAGE BIDDING PROCEDU	RE
	d) TWO STAGE – TWO ENVELOPE B	IDDING PROCEDURE
	PLEASE SPECIFY IF ANY OTHER EMERGENCY, DIRECT CONTRACTIN	METHOD OF PROCUREMENT WAS ADOPTED i.e. G ETC. WITH BRIEF REASONS:

				1
19)	APPRO	VING AUTHORITY FOR AWARD OF CONTRA	ACT_	COMPETENT AUTHORITY
20)	WHETI	HER THE PROCUREMENT WAS INCLUDED IN	N ANN	Yes V No
21)	ADVER	RTISEMENT:		
			Yes	SPPRA S. No: 26204/2016
	i)	SPPRA Website		
		(If yes, give date and SPPRA Identification No.)	No	
			1.0	
	ii)	News Papers (If yes, give names of newspapers and dates)	Yes	Express Tribune, Daily Express & Ibrat
		(11 yes, give mantes of newspapers and dates)		14th Jan 2016
			No	
22)	NATUE	RE OF CONTRACT		Domestic/ / Int.
23)		HER QUALIFICATION CRITERIA	maa	
		NCLUDED IN BIDDING / TENDER DOCUMEN enclose a copy)	18?	Yes Z Ne
	( ),			Yes   V   No
24)	WHET	HER BID EVALUATION CRITERIA	A	
24)		NCLUDED IN BIDDING / TENDER DOCUMEN	TS?	Yes ✓ No
	(If yes,	enclose a copy)		29
		*		
25)		HER APPROVAL OF COMPETENT AUTHORIT		AS OBTAINED FOR USING A
	METH	OD OTHER THAN OPEN COMPETITIVE BIDD	NG	Yes No V
26)	WACD	UD SECURITY ORTAINED EROM ALL THE DI	DDED	200
26)	WAS B	EID SECURITY OBTAINED FROM ALL THE BI	DDER	Yes V No
				*
27)		HER THE SUCCESSFUL BID WAS LOWEST E		ATED Yes ✓ No
	BID / B	BEST EVALUATED BID (in case of Consultancies	5)	
20)	W/ TEXT	HER THE CHARGE COLL PIPER WAS TEAD	HOAL	LY Yes V No
28)		HER THE SUCCESSFUL BIDDER WAS TECHN LIANT?	IICAL	LY YES V NO
	COM			
20)	WHET	HED NAMES OF THE DIDDERS AND THEIR	OHOT	TED BRICES WERE READ OUT AT
29)		HER NAMES OF THE BIDDERS AND THEIR IME OF OPENING OF BIDS?	QUUI	
				Yes  ✓ No
30)	WHET	HER EVALUATION REPORT GIVEN TO	BIDD	ERS BEFORE THE AWARD OF
	CONTI			
	(Attach	copy of the bid evaluation report)		Yes ✓ No

31) ANY COMPLAINTS RECEIVED	Yes		1
(If yes, result thereof)	1 65		
	No	No	
32) ANY DEVIATION FROM SPECIFICATIONS GIVEN IN T (If yes, give details)	Yes	1	ENTS
	No	No	
33) WAS THE EXTENSION MADE IN RESPONSE TIME? (If yes, give reasons)	Yes		
	No	No	
34) DEVIATION FROM QUALIFICATION CRITERIA (If yes, give detailed reasons.)	Yes		
35) WAS IT ASSURED BY THE PROCURING AGENCY	No	No THE SELECTED FIRM I	NOT
BLACK LISTED?	da.	Yes / No	
36) WAS A VISIT MADE BY ANY OFFICER/OFFICIAL O SUPPLIER'S PREMISES IN CONNECTION WITH THE BE ASCERTAINED REGARDING FINANCING OF WISI (If yes, enclose a copy)	PROC	UREMENT? IF SO, DETAIL	
37) WERE PROPER SAFEGUARDS PROVIDED ON MOB THE CONTRACT (BANK GUARANTEE ETC.)?	BILIZA		NT IN
38) SPECIAL CONDITIONS, IF ANY (If yes, give Brief Description)	Yes		
	No	no	
Signature & Official Stamp of Authorized Officer	•		
FOR OFFICE USE ONLY Sheikh Bila VP-Head Internal O SINDH BANK	Control	Deptt.	

<u>SPPRA, Block. No.8, Sindh Secretariat No.4-A, Court Road, Karachi</u> Tele: 021-9205356; 021-9205369 & Fax: 021-9206291

Print Save Reset



26/02/2016

	Request for proposal (RFP) - For the Appoi	uation Report intment of Lead Manager(s) & Book Runner(s) for th Bank Shares on the Pakistan Stock Exchange
1 Name of Procuring Agency		Sindh Bank Ltd.
2	Tender Reference No.	SNDB/COK/ADMIN/TD/659/2016
3	Tender Description	For Appointment of Lead Manager(s) & Book Runner(s)
4	Method of Procurement	Single Stage Two Envelop Bidding Procedure
5	Tender Published & SPPRA S.No.	S.No: 26204. Express Tribune, Daily Express, Daily Ibra (14/01/2016)
6	Total Bid Documents Sold	02
7	Total Bids Received	01
8	Technical Bid Opening Date & Time	29/01/2016 at 1600 Hrs
9	Financial Bid Opening Date & Time	25/02/2016 at 1600 Hrs
9	No. of bid qualified	01
10	Bid(s) Rejected	•

Details on the above as given below:

S No	Name of Firm or Bidder	Qualified / Disqualified in Eligibility/Technical Criteria	Rate Quoted Success Fee as percentage of gross proceeds of the IPO	Quality & Cost Based Selection Method (70:30) Technical: Financial Weightage	Ranking in terms of Cost	Comparison with Estimated Cost (Rs.60,000,000)	Reasons for acceptance/rejection	Remarks
0	1	2	4	4.a	5	6	7	8
1.	Consortium of Arif Habib Limited (Lead Consultant) & Next Capital	Qualified	2.188% Rs.33,820,000/- (Estimated Cost)	81 Marks Obtained out of 100	Lowest Bidder	Rs. 26,180,000/- below the estimated cost	Accepted – Only Qualified Bidder	Rule-48 has been complied with

Accordingly going by the Technical/Financial Evaluation offered in the tender document, Consortium of Arif Habib Limited (Lead Consultant) & Next Capital stands as only Qualified Evaluated Bidder for the appointment of Lead Manager(s) & Book Runner(s) for Initial Public Offering and listing of Sind Bank Shares on the stock exchange. On Basis of Quality & Cost Based Selection Method, Consortium of Arif Habib Limited (Lead Consultant) & Next Capital has obtained 81 % mark.

Members - Consultant Selection Committee

5VP - Financial Division (Mr. Dilshad Hussain Khan)

Chief Financial Officer (Mr. Saeed Jamal)

Head of HR (Khawaja Tajammul Hussain)

Add. Sec. Admin. P&D Dept. (Mr. Riaz Abbasi)

Add. Finance Secretary (Mr. Khalid Mahmood Sheikh)

	2,000/-		Total	
Summit Bank	019555	1000	Arif Habib Ltd.	2
MCB	101107398	1000	Next Capital	_
BANK NAME	PO NO	AMOUNT	COMPANY NAME	s.NO
	er & Book Runner	Appointment of Lead Manager & Book Runner	Арр	

IN MEMORY OF SHAHEED MOHTARMA BENAZIR BHUTTO



SNDB/COKADMIN/TD/659/2016 24/03/2016

1. M/s. Arif Habib Limited. 2/F, Arif Habib Centre 23, M.T. Khan Road, Karachi 74000, Pakistan

2. M/s. Next Capital Limited 8th Floor, Horizon Tower Clifton, Karachi Pakistan

Subject: Contract Award - Appointment of Lead Manager and Book Runner for Listing of Sindh Bank Shares on Pakistan Stock Exchange.

The management of Sindh Bank Limited is pleased to award the subject contract to the Consortium of M/s. Arif Habib Limited and M/s. Next Capital Limited.

Please acknowledge.

Sincerely,

For & behalf of Sindh Bank Limited,

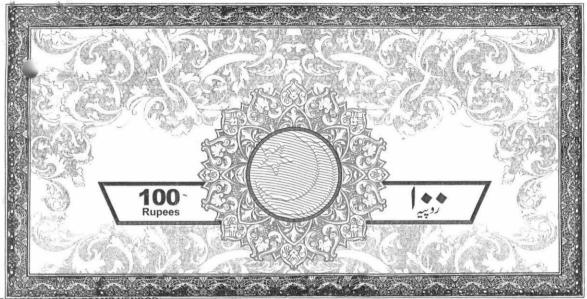
Sheikh Bilal Shams

Head Internal Control Unit

Sindh Bank Ltd. Head Office, 3rd Floor, Federation House, Abdullah Shah Ghazi Road, Clifton, Karachi-75600

UAN : +92-21-111-333-225 Phone No : +92-21-358 29320 : +92-21-358 29394 Fax No : +92-21-358 70543 : www.sindhbankltd.com Web

MOPESS OF SURFEED ONLY



SHAKEEL IQBAL STAMP VENDOR Lic # 50, Shop # 113, New Ruby Centre, Talpur Road, Boultan Market, Karachi

0 1 FEB 2016

hrough with Address GHULAN HABIB (Advocate)

Value Rs.....Attached......KRA No. 63

Stamp Vendor's Signature....(NOT USE FOR FREE WILL & DIVORCE PURPOSE)

#### AGREEMENT FOR ADVISORY SERVICES

This Agreement is made this 22nd day of March 2016, between

1. The Sindh Bank Limited, established under Companies Ordinance, 1984 and operating under the Banking Companies Ordinance, 1962 (hereinafter referred to as the "SBL"), of the first part.

AND

2. Next Capital Limited and Arif Habib Limited, both companies incorporated in Pakistan under the Companies Ordinance, 1984 and TREC Holders of the Pakistan Stock Exchange Limited with their registered offices in Karachi, (hereinafter referred to as the "Joint Lead Manager(s) /Book Runner(s)"), which expression shall include their successors-in interest, and any entity(ies) which assumes the rights and obligations of the Lead Manager/Book Runner(s) by operation of law, of the second part.

#### WHEREAS:

(a) The SBL wishes to appoint well established corporate brokerage house(s) and investment bank(s) of impeccable commercial repute and standing in the corporate sector in Pakistan to act as the Lead Manager(s) & Book Runner(s) in connection with the initial public offering its ordinary share capital (hereinafter referred to as the "Shares") in accordance with the adminimum criteria set out in the Pakistan Stock Exchange Rule Book.

(b) The Lead Manager(s) & Book Runner(s), represent and covenant with SBL that they have the required professional skills, experience, personnel and technical resources, and have agreed to provide on the terms set out in this Agreement for Advisory Services, together with the Terms of Reference and Letter of Appointment, which would also form an integral part and parcel of this Agreement, in particular, to provide the services which are essential in respect of the Initial public offering for sale by SBL of the Shares and which the Lead Manager(s) & Book Runner(s) recommend from similar experiences in the field.

#### 1. NOW THIS AGREEMENT WITNESSETH

#### 1.1. GENERAL PROVISIONS

#### 1.1.1 Definitions

Unless the context otherwise requires, the following terms, wherever used in this Agreement shall have the following meanings:

- (a) "Agreement" means this Agreement between SBL and the Lead Manager(s) & Book Runner(s).
- (b) "Applicable Law' means the laws of the Islamic Republic of Pakistan.
- (c) "Effective Date" means the date on which this Agreement is signed between the Parties.
- (d) "Lead Manager(s) & Book Runner(s)" is defined in the Preamble.
- (e) "SBL" means Sindh Bank Limited, having its registered office at Karachi.
- (f) "Party" means the SBL or the Lead Manager(s) &Book Runner(s), as the case may be, and SBL and the Lead Manager(s) & Book Runner(s) shall collectively mean the "Parties".
- (g) "Personnel" means persons hired/employed by the Lead Manager(s) & Book Runner(s) or by any of its subcontractors and assigned to the performance of the Services or any part of the Services.
- (h) "Assignment" means the initial public offering of the Shares including, but not limited to, all formalities relating to and activities leading to the initial public offer of the Shares of SBL in terms of Prospectus and the provisions of the Securities Act, 2015 prior to their listing with Pakistan Stock Exchange, developing the Initial offering documents/prospectus, complying with all the listing requirements, arranging underwriters for the issue etc.-
- (i) "Exchange" means the Pakistan Stock Exchange Limited, where the shares of SBL will be listed.
- (i) "Sale Proceeds" is defined as the actual proceeds received by SBL for the Shares subscribed by successful applicants, received from the successful applicants.
- (k) "Services" means the work to be performed by the Lead Manager(s) & Book Runner(s) as and when required, pursuant to this Agreement for the purpose of the Assignment or any other service as may be mutually agreed upon by the Parties from time to time in writing in terms of this Agreement.
- (m) "Shares" is defined in the recitals.
- (1) "Starting Date" means the date referred to in Clause 2.2.
- (m) "Sub-contractor" means any person or entity to be appointed by the Lead Manager(s) & Book Runner(s) to which the Lead Manager(s) & Book Runner(s) sub-contract directly or indirectly any part of the Services in accordance with the provisions of this Agreement.

"Third Party" means any person or entity other than the SBL, the Lead Manager(s) & Book Runner(s) or a Subcontractor. KARACHI

#### 1.2 Relation between the Parties

The Lead Manager(s) & Book Runner(s) shall act as Lead Manager(s) & Book Runner(s) to SBL for all Services; shall manage, and be responsible for the work carried out by the Subcontractors (whether local or foreign); shall be solely responsible for any payments due to Sub-contractors and/or Personnel hired by the Lead Manager(s) & Book Runner(s); shall have complete charge of all Personnel performing the Services and shall be fully responsible for the Services performed by them or on their behalf under this Agreement. It is agreed that as part of the provision of the Services, the Lead Manager(s) & Book Runner(s) would need to engage legal counsel to advise them in relation to the Services. Such legal counsel shall be chosen after consultation with SBL and the fees and expenses incurred by such legal counsel shall be the sole responsibility of SBL being third party expenses provided in the Financial Proposal in addition to any other payment obligations of SBL owed to the Lead Manager(s) & Book Runner(s) hereunder. The legal counsel will owe a duty of care to SBL on the terms and conditions of such legal counsel based on the separate appointment agreement between the legal counsel and the Lead Manager(s) & Book Runners acting as agents for SBL for the purposes of such engagement.

(a) The Lead Manager(s) &Book Runner(s) shall not assign this Agreement or its rights or obligations under this Agreement, without the prior written consent of SBL.

#### 1.3 Law Governing Agreement

This Agreement, its meaning and interpretation, and the relation between the Parties shall be governed by the applicable laws of Pakistan. The Lead Manager(s) & Book Runner(s) undertake to comply with the applicable laws during the performance of the Services and completion of the Assignment.

#### 1.4 Headings

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

#### 1.5 Notices

1.5.1 Any notice, request or consent required or permitted to be given or made pursuant to this Agreement shall be in writing and shall be deemed to have been given or made when delivered in person to any authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram or facsimile to such Party at the following address:

#### For the Lead Manager(s) & Book Runner(s):

Attention:

Mr. Shahid Ali Habib

Chief Executive Officer

Arif Habib Limited

D: +92-21-3240-1930

F: +92-21-3242-9653

E: shahid.habib@arifhabibltd.com

2F, Arif Habib Centre, Plot No. 23, M.T. Khan Road, Karachi, Pakistan

Mr. Najam Ali

Chief Executive Officer

Next Capital Limited

D: +92-21-3529-2624

E: najam.ali@nextcapital.com.pk

8/F, Horizon Towers, Block 3, Clifton, Karachi, Pakistan

#### For the SBL:

Mr. Naim Farooqui

Chief Executive Officer- Sindh Bank Limited

3<sup>rd</sup> Floor Federation House

Clifton Karachi







#### 1.5.2 Notice will be deemed to be effective as follows:

In case of personal delivery or registered mail, on delivery; and in the case of facsimiles, four (4) hours following confirmed transmission, disregarding weekends and national holidays in the country to which the facsimile is transmitted. Facsimile notices shall not require confirmation by hard copies.

1.5.3 A Party may change its address for notice under this Agreement by giving the other Party notice pursuant to this Clause.

#### 1.6 Lead Consultant

Arif Habib Limited is hereby designated as the Lead Consultant in terms of Rule 77 (2) of the Sindh Public Procurement Rules 2010, who shall be primarily responsible to SBL for execution of the entire Assignment, nevertheless, it is clarified that this clause shall not relieve Next Capital Limited from any of its obligations assumed hereunder.

#### 1.7 Authorized Representatives

In relation to appointment of Joint Lead Manager(s)/Book Runner(s) a consortium arrangement through the Lead Consultant has been constituted. Any action required and permitted to be taken, and any document required or permitted to be executed under this Agreement, may be taken or executed:

- (a) on behalf of the SBL, any two of the following officers/executives jointly:
  - Mr. Saeed Jamal Tarig, Chief Financial Officer
  - Mr. Shamsuddin Khan, Head of Legal
  - Mr. Sheikh Bilal Shams, Head of Internal Control
- (b) on behalf of the Lead Manager(s) & Book Runner(s), by one from each category below

#### Category A – Arif Habib Limited

Mr. Shahid Ali Habib, Chief Executive Officer

Mr. Kashif Shah, Managing Director, Investment Banking

Mr. Taha Siddiqui, Chief Financial Officer

#### Category B - Next Capital Limited

Mr. Najam Ali, Chief Executive Officer,

Mr. Kashif Rafi, Chief Operating Officer

Mr. Umer Habib, Head of Investment Banking

# 2. COMMENCEMENT, COMPLETION, SUSPENSION, MODIFICATION AND TERMINATION OF AGREEMENT

#### 2.1 Effectiveness of Agreement

This Agreement shall come into force from the Effective Date.

#### 2.2 Commencement of Services

The Lead Manager(s) and Book Runner(s) shall commence carrying out the Services not later than 7 (seven) days ("Starting Date") after the Effective Date, or from any other date the Parties agree in writing. The Services shall be performed and completed by the Lead Manager(s) & Book Runner(s) within eighteen months of commencement of Services unless delay is caused due to factors not in the Lead Manager(s) & Book Runner(s)'s\ control.

#### 2.3 Expiration of Agreement

Unless terminated pursuant to Clause 2.7, this Agreement shall expire when the Services have been completed.

N 2.4 Entire Agreement

This Agreement constitutes the final expression and exclusive and entire agreement and PA understanding between the Parties in relation to the Services and contains all coverants, stipulations

Page 4 of 11

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and provisions agreed by the Parties as at the date hereof. The Terms of Reference and the Letter of Appointment will also form an integral part of this agreement. This agreement together with the Terms of Reference and Letter of Appointment will override and supersede all previous or concurrent communications or documents or agreements exchanged on the subject matter of the Agreement and the Lead Manager(s) & Book Runner(s) shall not for any or all purposes place reliance on any other document/agreement except this Agreement.

#### 2.5 Modification

Modification of the terms of this Agreement, including any modification of the scope of the Services, may only be made by written agreement between the Parties. Each Party shall give due consideration, and not unreasonably delay or withhold a considered response to any proposals for modification made by the other Party.

#### 2.6 Suspension of Services

The SBL may, by written notice of suspension to the Lead Manager(s) & Book Runner(s), suspend the Services under this Agreement.

#### 2.7 Termination

#### 2.7.1 Termination by SBL

The SBL may terminate this Agreement if any of the Lead Manager(s) & Book Runner(s):

- (a) is in breach of its material obligations under this Agreement and has not remedied the same within thirty (30) days (or such longer period as SBL may have subsequently approved in writing) of being called to do so by the SBL; OR
- (b) becomes insolvent or bankrupt or enters into any arrangements with its creditors for relief of debt or takes advantage of any law for the benefit of debtors or goes into liquidation or receivership whether compulsory or voluntary; OR
- (c) is unable as a result of force majeure to perform a material portion of the Services for a continuous period of thirty (30) days unless services are suspended under clause 2.6.

For the purposes of this clause, force majeure shall mean an event or situation beyond the control of the Lead Manager(s) & Bookrunner(s) or SBL that is not foreseeable, is unavoidable, and its origin is not due to negligence or lack of care on the part of the Lead Manager (s) & Bookrunner(s). Such events may include acts of God, strikes, lock-outs or other industrial disturbances, acts of the public enemy, wars, blockades, insurrection, riots, civil disturbances, explosions, and any other similar events, not within the control of either party and which by the exercise of due diligence neither party is able to overcome.

In any event, SBL may terminate this Agreement at its sole discretion without assigning any reason without liability or continuing obligation except as set forth in this Agreement. In the event of such termination (where termination is without default of the Lead Manager(s) & Book Runner(s))("No Fault Termination"), SBL shall be required to make payment to the Lead Manager(s) & Book Runner(s) in relation to out of pocket expenses, which have been duly accrued or billed by the Lead Manager(s) & Book Runner(s) in accordance with this Agreement.

#### 2.7.2 Termination by Lead Manager/Book Runner(s)

In the event of SBL's inability to perform its part of the Agreement, particularly payment of fee, charges and agreed remuneration to the Lead Manager(s) & Book Runner(s) within the stipulated period or a mutually agreed period, the Lead Manager(s) & Book Runner(s) may terminate the Agreement by giving thirty (30) days' notice to SBL.

#### 2.7.3 Cessation of Rights and Obligations

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On termination of this Agreement pursuant to any part of Clause 2.7, or upon expiration of this Agreement pursuant to Clause 2.3, all rights and obligations of the Parties shall cease, except rights and obligations that have accrued as of the date of termination or expiration, (ii) any rights which a Party may have under the Applicable Law (iii) the indemnification obligation in Clauses and 3.5 hereof.

Page 5 of 11

#### 2.7.4 Cessation of Services

On termination of this Agreement pursuant to Clause 2.7, the Lead Manager(s) & Book Runner(s) shall, immediately on receipt/issue of notice to that effect, take all necessary steps to bring the Services to a close within seven (7) days of the receipt/issue of the notice in an orderly manner. Upon cessation of services hereunder, the Lead Manager(s) & Book Runner(s) shall hand over to SBL all documents prepared directly by the Lead Manager(s) & Book Runner(s) or by any of its Subcontractors, whether in final or in draft form, for submission to third parties in connection with the Assignment on paper and electronic storage media/CDs/DVDs or any other copying device, which for the avoidance of doubt, do not include research reports or other private material produced by the Lead Manager(s) & Book Runner(s).

#### 3. OBLIGATIONS OF THE LEAD MANAGER(S)/BOOK RUNNER(S)

#### 3.1 General

#### 3.1.1 Scope of Work

The Lead Manager(s) & Book Runner(s) shall perform the Services in accordance with the terms and conditions of this Agreement.

#### 3.1.2 Standards of Performance

The Lead Manager(s) & Book Runner(s) shall perform the Services and carry out their obligations under this Agreement with all reasonable due diligence, efficiency and economy, in accordance with generally accepted techniques and practices used for initial public offering of shares and shall observe sound management practices. The Lead Manager(s) & Book Runner(s) shall be under a duty of care and always act, in respect of any matter relating to this Agreement or to the Services, in a fiduciary capacity to SBL, and shall at all times support and safeguard SBL's legitimate and proper interests in any dealings with Subcontractors, Personnel or Third Parties in connection with this Agreement. The Lead Manager(s) & Book Runner(s) shall use their best efforts to ensure that any Subcontractors and Personnel engaged to assist in carrying out the Assignment shall be skilled and experienced and competent in their respective trades and professions and that their work shall conform with the standards applicable to the Lead Manager(s) & Book Runner(s).

#### 3.2 Conflict of Interests

#### 3.2.1 Lead Manager(s)/Book Runner(s) not to Benefit from Commissions or Discounts

The Lead Manager(s) & Book Runner(s), as consideration for its/their work under this Agreement or the Services, will only be entitled to receive payments from SBL as per Clause 6 hereunder, and neither the Lead Manager(s) & Book Runner(s) nor any person (natural or legal) associated with it shall accept for its benefit or otherwise any remuneration/consideration in the forms including but not limited to trade commission, discount, gifts, payments in kind or financial inducements whatsoever or similar payment in connection with activities pursuant to this Agreement or to the Services or the discharge of its obligations under this Agreement, and the Lead Manager(s) & Book Runner(s) shall use its/their reasonable efforts to ensure that any Sub-contractors, as well as the Personnel and agents of either of them shall neither for itself/themselves nor for the benefit of the Lead Manager(s) & Book Runner(s) receive any such additional remuneration. It is, however, clarified that the foregoing restriction on the Lead Manager(s) & Book Runner(s) apply only during the duration of the Transaction and does not apply on the brokerage commissions earned by the Lead Manager(s) & Book Runner(s) for its services as a broker for the Assignment.

#### 3.2.2 Prohibition of Conflicting Activities

While the Services are being provided, neither the Lead Manager(s) & Book Runner(s) nor its Subcontractors nor the Personnel of either of them shall engage, either directly or indirectly, in any business or professional activities in and with respect to SBL which would conflict with the activities assigned to them under this Agreement.

3.3 Confidentiality

The Load Manager(s) & Book Runner(s) shall not, during the term of this Agreement, disclose proprietary or confidential information relating to the Assignment, the Services, this Agreement,

Page 6 of 11

SBL's business or operations (other than for the purposes of the Services) without the prior written consent of SBL, unless such disclosure is required by applicable law or regulation or such information is required for research purposes or has entered the public domain other than by a breach of this Agreement, or was already in public domain, or was already lawfully in the possession of the Lead Manager(s) & Book Runner(s) at the time of such disclosure to them.

#### 3.4 Indemnification of SBL by the Lead Manager(s)/Book Runner(s)

The Lead Manager(s) & Book Runner(s) shall indemnify and hold harmless SBL against all losses, claims, damages or liabilities to which the SBL may become liable only to the extent, that such losses, claims, damages or liabilities arise out of any act or omission by the Lead Manager(s)/Book Runner(s) relating to the Services, provided that the Lead Manager/Book Runner(s) shall not be liable for indirect or consequential losses or damages or for loss of profits and the Lead Manager(s) & Book Runner(s) liability for indemnification under this clause shall be restricted to the amount of their fee of up to PKR 31,257,143/.

#### 3.5 Indemnification of the Lead Manager(s)/Book Runner(s) by SBL

SBL shall indemnify the Lead Manager(s) & Book Runner(s) and hold it/them harmless against all losses, claims, damages or liabilities to which Lead Manager(s) & Book Runner(s) may become liable only to the extent that such losses, claims, damages or liabilities arise out of any act or omission of SBL relating to this Agreement and the information to be provided to the Lead Manager(s) & Book Runner(s) in terms of this Agreement or for the purposes of the initial public offering of the Shares provided that SBL shall not be liable for indirect or consequential losses or damages or loss of profits.

#### 3.6 Insurance

In the event the Lead Manager(s) & Book Runner(s) or SBL receive any claim for damages/compensation in respect of the Services for which they seek indemnification from the other party in terms of Clauses 3.4 and 3.5 herein then the Lead Manager(s) & Book Runner(s) or SBL (as the case may be) shall first seek settlement from its insurers, if any, for satisfaction of such claims before resorting to the other party for the purpose of indemnification.

#### 3.7 Lead Manager(s)/Book Runner(s) actions requiring SBL's prior Approval

The Lead Manager(s) & Book Runner(s) shall obtain the SBL's prior approval in writing before:

- (i) Entering into a subcontract for the performance of any part of the Services.
- (ii) Termination of a subcontract for the non-performance of any part of the Services. Provided that approval by SBL hereunder shall not relieve the Lead Manager(s) &Book Runner(s) of their obligations under this Agreement.

#### 3.8 Accounting, Inspection and Auditing

The Lead Manager(s) & Book Runner(s) shall keep accurate and systematic accounts and records regarding the Services and the Assignment, which records a duly authorized representative of SBL shall be entitled to inspect and make copies thereof, as and when required during the pendency of this Agreement and for one year from the expiry or termination of this Agreement, provided that the modalities of conducting such audit/inspection are agreed in advance with the Lead Manager(s) & Book Runner(s).

#### 4. LEAD MANAGER(S) / BOOK RUNNER(S)'S AND SUBCONTRACTORS' PERSONNEL

#### 4.1 General

The Lead Manager(s) & Book Runner(s) shall employ and provide qualified and experienced Personnel to carry out the Services. SBL and the Lead Manager(s) & Book Runner(s) have agreed that the following senior Personnel shall form the core team:

The Assignment Team Leader, Mr. Syed Saquib Ali, shall be on first call to SBL throughout the period of the Assignment, subject only to personal holidays and personal holidays are personal holidays and personal holidays and personal holidays are personal holidays and personal holidays and personal holidays are personal holidays and personal holidays are personal holidays

Page 7

#### 4.2 Approval of Personnel

All personnel of the Lead Manager(s) & Book Runner(s) and the Subcontractors and any other personnel that may be employed during the course of the assignment will be subject to normal security clearances where so required by SBL.

#### 4.3 Removal and Replacement of Personnel

- (a) If, for any reason, it becomes necessary to replace any of the senior personnel or any Subcontractor after the Effective Date, the Lead Manager(s) & Book Runner(s) shall forthwith provide as a replacement a person or Subcontractor of equivalent qualifications/skill set, whose curriculum vitae or resume the Lead Manager(s) & Book Runner(s) shall submit to SBL for review and approval and whom the SBL may if it so desires call for an interview at the cost and expense of the Lead Manager(s) & Book Runner(s). If SBL does not object in writing within seven (7) days from the date of receipt of the curriculum vitae or interview, that person or subcontractor shall be deemed to have been approved by SBL.
- (b) If the SBL (i) finds that any of the Personnel or Subcontractors has committed misconduct as ascertained by SBL in its discretion or has been charged with having committed an offence or a wrong or (ii) has reasonable cause to be dissatisfied with the performance of any of the Personnel or Subcontractors, or (iii) finds that any of the Personnel or Subcontractors has misrepresented with respect to its qualifications, expertise and resources, then the Lead Manager(s) & Book Runner(s) shall, at the SBL's written request, immediately remove the respective Personnel or Subcontractors and provide a replacement with qualifications and experience reasonably acceptable to SBL subject to the same terms and conditions specified in Clause 4.3 (a).

#### 5. OBLIGATIONS OF THE SBL

#### 5.1 Assistance and Exemptions

SBL shall use its best efforts, where such efforts are specifically requested stating the reasons for SBLs assistance, to ensure that SBL issues to its officials, agents and representatives all such instructions as may be specified by the Lead Manager(s) & Book Runner(s) as being necessary or appropriate for the prompt and effective implementation of the Services.

#### 5.2 Access to Information and Decisions

- (a) The SBL will co-operate with the Lead Manager(s) & Book Runner(s) and will endeavor to furnish the Lead Manager(s) & Book Runner(s) with all such information and data concerning SBL which the Lead Manager(s) & Book Runner(s) or their sub contractors may require in connection with the performance of the Services. SBL will provide the Lead Manager(s) & Book Runner(s) with access to SBLs officers, directors, employees, external auditors and internal and external legal counsel and to such other information and reports as the Lead Manager(s) & Book Runner(s) may reasonably require. SBL will use its best efforts to ensure that all such information (including expressions of opinions) or documentation as is provided to the Lead Manager(s) & Book Runner(s) is complete, true, fair, accurate and not misleading and that there are no omissions which could be material. In the event, during the course of the Lead Manager(s) & Book Runner(s)'s engagement under this Agreement, the SBL subsequently discovers something, which renders any such information untrue, unfair, inaccurate or misleading, it will notify the Lead Manager(s) & Book Runner(s) at once.
- (b) SBL shall use its best efforts to ensure that, where co-operation is required from, or decisions need to be taken or approvals given by SBL in the course of the Assignment, that co-operation will be promptly given and these decisions or approvals will not be unreasonably withheld or delayed.
- (c) SBL acknowledges and agrees that, in rendering the Services hereunder, the Lead Manager(s) & Book Runner(s) will be using and relying on the information supplied to them by SBL.

5.3 Roadshows

shall ensure that the road shows, marketing, fact finding and other related periodics are associated employees of an appropriately senion position to be agreed with the Lead (analysis) as

Book Runner(s) prior to the start of the road shows, marketing, fact finding and other related activities.

#### 6. PAYMENTS TO THE LEAD MANAGER(S)/BOOK RUNNER(S)

#### 6.1 Currency of Payment

All payments to the Lead Manager(s) & Book Runner(s) for the Services shall be in Pak Rupees and shall be subject to deduction of applicable taxes, if any.

#### 6.2 Payments

The Lead Manager(s) & Bookrunner(s) shall be paid fees for their Services according to the Payment schedule is given in Annexure A to this Agreement.

#### 6.3 Performance Security

5% of the fees under the financial proposal amount being Rs 1,562,857 will be retained by the Bank as "Performance Security" and will be returned to the consortium of Lead Manager(s) & Book Runner (s) after 90 days of completion of the Services or the earlier termination of this Agreement by the Lead Manager(s) & Book Runner(s) pursuant to Clause 2.7.2 above or as a result of a No Fault Termination. In the event of the termination by SBL under clause 2.7.1 (other than in case of a No Fault Termination), it shall be lawful for the Bank to forfeit the performance security and cancel the whole contract.

The 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 SBL. Once Performance Security is submitted the bid security submitted by the Lead Manager(s) & Book Runner(s) will be refunded back promptly.

#### 7. FAIRNESS AND GOOD FAITH

#### 7.1 Good Faith

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

#### 7.2 Operation of the Agreement

The Parties recognize that it is impractical in this Agreement to provide for every contingency which may arise during the life of the Agreement, and the Parties agree that it is their intention that this Agreement shall operate fairly between them, and without detriment to the interest of either of them and that if, during the term of this Agreement, either Party believes that this Agreement is operating unfairly, the Parties will use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness, but no failure to agree on any action pursuant to this Clause shall give rise to a dispute subject to arbitration in accordance with Clause 8.

#### 8. SETTLEMENT OF DISPUTES

#### 8.1 Arbitration

The Parties agree in the event of any dispute between them arising out of this Agreement or any matter related thereto or connected herewith, they shall endeavor to settle the same in an amicable manner. Should they fail to arrive at an amicable settlement, they shall refer the matter to arbitration at Karachi in accordance with the Arbitration Act, 1940, or any amendment or enactment hereof. Arbitration as aforesaid shall be condition precedent to any other action under law.

#### 8.2 Courts having jurisdiction

The Parties agree that Courts at Karachi, Pakistan shall have jurisdiction with respect to any litigation

arising out of this Agreement.

#### Annexure A

Pursuant to Clause 6 of the Agreement, Given below are the fees and payment schedule for the Assignment and Services:

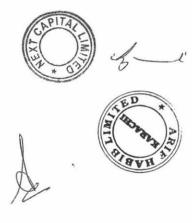
Total fees to be paid by SBL to Lead Manager(s) & Book Runner(s) will be 2.188% of Sales Proceeds and will be subject to deduction of applicable taxes, if any ("Fees"). Schedule of payments of these Fees will be as follows:

- 25% of the Notional Value to be paid upon receiving official approval from Securities & Exchange Commission of Pakistan for publication of the prospectus.
- Remaining amount (Fees minus 25% of Notional Value) to be paid upon official listing of SBL on the Exchange.

Please note: Notional Value is calculated by multiplying PKR 10/share and 142,857,143 shares.

Furthermore, out of pocket expenses are capped at PKR 1,000,000 and are based on actuals. Out of pocket expenses will be reimbursed to the Lead Manager(s) & Book Runner(s) subject to submission of adequate proof of expense incurred.





#### 9. ADDITIONAL COVENANTS

#### 9.1 Publicity

The Lead Manager(s) & Book Runner(s) shall ensure that any publicity, press releases, advertisements and publications and public statements concerning the Services, the Assignment and the Agreement shall be in consultation with, approved in writing in advance by SBL before release by the Lead Manager(s) & Book Runner(s), its Subcontractors and Personnel.

#### 9.2 Waivers

Time shall be of the essence of the Agreement. No failure or delay of either Party hereto in exercising any right or remedy hereunder shall operate as a waiver thereof nor will any single or partial exercise of any right or remedy preclude any other or further exercise of any right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights and remedies provided by law.

#### 9.3 Severability

Each of the provisions of this Agreement is severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

#### 9.4 Originals

This Agreement is being executed in two originals, one each to be retained by the Lead Manager(s) & Book Runner(s) and SBL.

IN WITNESS OF WHICH the Parties have caused this Agreement to be signed as of the day and year first above written.

March Fo	OR AND ON BEHALF OF THE SBI
CEO Sindh Bank Limited	
Witnesses, 1. Con 9	II.
Name SAEED JAMM TARIL	Name Shamsuddin Khan
NIC No. 42301-7408560-9	NIC No. 42201-6272999-3

FOR AND ON BEHALF OF THE LEAD MANAGER/BOOK RUNNER(S)

Arif Habib Limited

Next Capital Limited

# MINUTES OF THE OPENING OF THE TENDER (TECHNICAL /FINANCIAL PHASE)

ADMIN / IT / CONSULTANT / MEDIA

TYPE OF PROCUREMENT

	TENDER NAME	Lead Monagers of Book Runner for 100 and listing of Smith Bank Lit.
	TYPE OF TENDER	SINGLE STAGE-ONE ENVELOPE / SINGLE STAGE-TWO ENVELOPE / TWO STAGE /TWO STAGE-TWO ENVELOPE
	OPENING DATE	25-02-2016
	OPENING TIME	1600 Hours
	ATTENDANCE (MEMBER PC)	SVP (FINANCE) CFO
L		Head of HRD Add Sec Admin PSID Add Sec Finance
	ATTENDANCE (REPS. OF BIDDERS)	ARIF HABIR / WEXT
•	TOTAL BIDS ACCEPTED FOR EVALUATION TOTAL BIDS REJECTED REMARKS	01
	PROCUREMENT COMMITTEE	25/02/15 MM/ 5 1. Tan 7

#### 4- TERMS OF REFERENCE

#### A. INTRODUCTION:

SNDB intends to list it's shares on the Pakistan Stock Exchange ("PSX") by means of Initial Public Offering or any other alternate structure recommended and deemed appropriate (the 'Transaction'). PSX (formerly Karachi Stock Exchange) listing regulations specify the minimum issue size to be 12.5% of the post issue paid up capital (excluding share premium).

Technical and Financial Proposals (the 'Proposals') are invited from the Interested Parties ('IPs'), comprising of Corporate Brokerage and Financial Services firms engaged in securities trading and corporate financial services ("Consultants') to act as Lead Manager and Book Runner for the Transaction ("LM & BR").. The Transaction will be carried out in accordance with these Terms of Reference (TORs) and the appointed LM & BR will be responsible for advising SNDB on all matters relating to the Transaction. Keeping in view the size of the proposed IPO and the market conditions, LM & BR is expected to prepare a strategy, which will include a comparative analysis of alternate structure(s) that maximizes the value for SNDB.

The LM & BR should possess and demonstrate its capabilities to successfully undertake the Transaction, including proven strength in attracting investment through its established distribution capabilities. The LM & BR will take the lead role and will be responsible for identifying and performing all tasks/activities leading up to the successful completion of the Transaction.

#### B. OBJECTIVES OF THE TRANSACTION

- Listing of the Bank to comply with the requirement of the Banking license granted by the State Bank of Pakistan ("SBP") to list the Bank;
- Mobilize savings of individuals, households and institutions of Pakistan and allow them to take ownership in the successful businesses in the economy;
- Improve the strength and standing of domestic capital markets;
- Maximize proceeds of IPO for SNDB.

#### C. SCOPE OF SERVICES

Interested Parties should note that this section identifies only certain matters that should, in the opinion of the SNDB, be undertaken by the LM & BR as a minimum and should not in any way be construed as an exhaustive list of the matters to be addressed by the LM & BR. Interested firms should, therefore, submit proposals that are not only compliant with the requirements of this section but also demonstrate their understanding of the overall scope of services required for the Transaction.

SNDB expects the process to be an interactive one and the LM & BR will be expected to liaise and work closely with SNDB and other stakeholders such as State Bank of Pakistan ('SBP') and Securities and Exchange Commission of Pakistan ("SECP") to enable efficient implementation of the Transaction. The LM & BR will be responsible

for undertaking complete co-ordination and monitoring of all work related to the Transaction with SNDB.

Without limiting the generality of the foregoing, or qualifying in any way the scope or level of responsibilities of the LM & BR, the LM & BR will be expected, as a minimum, to carry out the tasks identified herein:

#### C.1 Transaction Structure Report

Keeping in view the size of the proposed Issue and the market conditions, LM & BR is expected to submit a detailed strategy, which includes comparative analysis of alternate transaction structures and the preferred option along with the implementation mechanism, timing for successfully carrying out the Transaction.

LM & BR will be required to provide details of all assumptions, reasoning and evaluations used to arrive at a specific recommendation (all such material should be provided to SNDB in the form of hard and soft copies).

SNDB on the basis of the Transaction Structure Report will determine the size of the issue, price strategy & mechanism and plan for subscription/investment in the specified issue of SNDB shares.

#### C.2 Key Inputs

- Develop the Prospectus in accordance with SECP and PSX rules & regulations and to develop additional documentation to enable marketing the Transaction;
- Comply with the listing and IPO requirements of PSX and SECP and obtain necessary approvals/clearances for offering of the Transaction to investors;
- Determine the pricing mechanism and price per share at which the SNDB shares may be offered;
- Detailed Marketing Plan including identifying prospective investors, market appetite and the pitch to be presented to these investors to generate interest in the Transaction; and
- Meet all other ancillary requirements as required for the successful completion of the Transaction.

#### C.3 Key Outputs

- Timely completion of all tasks by the LM & BR;
- Effective marketing of the Transaction and creation of demand for the issue through development of marketing campaign and its implementation coordination with SNDB;
- Conducting the BookBuilding exercise, if book building is required;
- Managing the public subscription of the Issue on a best effort basis;
- Transaction receives proper research and media coverage etc;
- Effective handling of post-issue activities.

#### C.4 Develop Detailed Listing and Subscription Plan that would inter-alia include:

• Complying with the requirements of listing at the PSX and actions to be taken along with the schedule/timetable of activities;

- Identification of requisite approvals/NOC from SECP/CDC etc for the issue;
- If required, the requirements for undertaking marketing campaign to investors along with the requisite regulatory approvals, if any;
- Analysis of market appetite for the issue, proposed marketing campaign and other related aspects;
- Any other activity incidental and ancillary to the above activity.

#### C.5 Pricing Mechanism

Undertake financial due diligence of SNDB using relevant valuation techniques, undertake sensitivity analysis and recommend the fair value per share of SNDB. Comparative analysis may also be done for arriving at a final issuance price/pricing mechanism.

#### C.6 Prepare documentation

The LM & BR shall prepare and present to the SNDB draft documentation for the Transaction including:

- Prospectus in accordance with SECP & PSX rules and regulations and if required develop additional documentation to enable marketing the Transaction to investors;
- Share certificates, transfer deeds & application forms required for subscription;
- Any Information Memorandum or other written material as appropriate and necessary in the circumstances of the Transaction.

#### C.7 Marketing

The LM & BR shall identify, develop and plan for marketing and promotional activities for the proposed Transaction. In this regard the LM & BR shall:

- Identify, prepare and submit to the SNDB appropriate drafts of promotional materials, campaign letters etc and other related written material in relation to the Transaction;
- Prepare a comprehensive marketing/distribution plan, if required, to attract maximum investor participation;
- Prepare a comprehensive marketing/distribution plan;
- Conduct road shows, if required;

## C.8 Post Transaction support

The LM & BR shall assist and support the SNDB and SNDB in respect of all postpublic issue, issues arising out of the Transaction for a period to be mutually agreed between the SNDB and the Consultant.

The LM & BR is also expected to provide support to the scrip via their respective research and trading desks.

#### D. PROJECT MANAGEMENT & TRANSACTION SCHEDULE

SNDB envisages the Transaction to be completed by April 30, 2016, or as close thereto as possible. The invited firm 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 LM & BR 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 periodical basis.

#### D.1 Lead Manager/Book Runner(s) Responsibilities

The LM & BR shall be expected to comply with the Listing Regulations of PSX and responsible for providing all the services that are essential to and which the LM & BR recommends from its own experience in the field 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 LM & BR will spell out the complete set of activities required for the Transaction in its proposal.

The LM & BR 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 LM & BR will provide sufficient lead time for activities requiring decision by the SNDB. The LM & BR 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. No such changes may affect the contents of the LM & BR's Transaction or its time schedule.

During the performance of its work, the LM & BR is expected to interface with various government departments and management of SNDB with assistance from SNDB. The LM & BR will develop a mechanism for review of progress, presentations of reports and other project-management activities to ensure efficient & timely progress on the Transaction. LM & BR is expected to proceed in an efficient manner to achieve financial close of the Transaction latest by April 30, 2016 or as close thereto as possible.

The LM & BR will be required to handle matters related to issue/subscription of shares by the institutional and high net worth individual investors. In this connection, LM & BR would more specifically be responsible for fully complying with the Book Building Regulations, 2015 issued by SECP.

The LM & BR will be required to maintain effective coordination/liaison with the Balloters, Bankers and underwriters, if any, to be appointed for the Transaction. The LM & BR will also be responsible to oversee the work of balloters appointed to upload successful applicant's data in Company's shareholder database, Central Depository System of CDC and resolve any difficulty that may arise in this regard, in coordination with SNDB and its Share Registrars.

#### D.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 LM & BR and co-ordinate activities related to the Transaction. Performance of the LM & BR will be evaluated regularly and necessary corrective measures will be taken as approved by the SNDB executive authority and in a timely manner.

#### **D.3 Technical Expertise**

The LM & BR 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.

#### **D.4 First Review Meeting**

Within Seven working days of the appointment as LM & BR, "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 LM & BR and identify the key milestones, issues and timelines in the Transaction process. Specifically, this meeting is envisaged to cover the following:

- Schedule of activities including the plan for the IPO and the proposed marketing campaign;
- Review of the team organization and the detailed functions of the individual team members;
  - (i) Schedule of periodic Progress Reviews;
  - (ii) Deliverables ie Prospectus, Information Memorandum etc and their delivery schedule;
  - (iii) Any specific issue(s) requiring attention of SNDB on an immediate basis.

#### **D.5 Overall Timeframe**

# LM & BR is expected to ensure the financial close of the Transaction by April 30, 2016. or as close thereto as possible

During this period, the LM & BR team would be required to complete the necessary fieldwork, develop the IPO investment/subscription plan, meet all the requisite requirements for the IPO and marketing, ensure compliance with all regulatory and disclosure requirements, including the Investment memorandum and Prospectus documents, market and cultivate demand for the issue, conduct and manage the IPO and bring the Transaction to a financial close.

Note: Based on its experience and expertise, the LM & BR is 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.

### D.6 Confidentiality/Conflict of Interest

The LM & BR 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 advisory 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.

#### E. DELIVERABLES

The LM & BR 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 LM & BR. This should not be construed as an exhaustive list that may be required during the course of the Transaction. The LM & BR is required to provide all relevant details of the underlying assumptions, rationale and calculations used in arriving at specific recommendations.

#### E.1 Plan for IPO

The detailed IPO plan for SNDB would include the schedule/timetable of activities for complying with all requirements of the PSX, SECP and CDC, market appetite for the Issue, proposed marketing campaign and other related aspects inter-alia, be presented at the first review meeting. This plan should be developed keeping in view the requirements of the Transaction.

Consultant shall be responsible for preparation of all documentation required for the IPO, with the assistance of SNDB, where required.

#### E.2 Pricing Mechanism / Valuation Methodology

The LM & BR will undertake financial due diligence of SNDB using relevant valuation techniques, undertake sensitivity analysis and recommend the fair value per share of SNDB. Comparative analysis may also be done for arriving at a final issue price/pricing mechanism.

#### E.3 Prospectus/Information Memorandum & other material

A Prospectus for the IPO will be prepared which will describe SNDB's operations, financial position and the structure for IPO of the shares in accordance with the laid down requirements of the SECP. Information Memorandum or other written material as appropriate and necessary in the circumstances of the Transaction will also be prepared, to assist in conducting Road Shows and enhancing investor interest.

#### E.4 Status Reports

Weekly Status Reports, or any other timeline as mutually agreed, will be submitted describing the status of the implementation plan and of the relevant deliverables. Remedial measures will be taken where there is delay or potential delay in the Transaction, LM & BR will deal with any such delays and will provide adequate notice to SNDB where SNDB or 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:

- Specialization & Understanding: Consultant's specialized skills and knowledge related to the assignment and understanding of the assignment through proven track record of such services in the domestic capital market.
- (2) Financial/Resource Capability and Experience; Financial Capability and resources of the consulting firm with regards to its ability to underwrite or arrange underwriting of IPO. Also it's experience and past performance on similar contracts or assignments in Pakistan. Weightage will be given to the last 3 years transaction successfully completed in the domestic capital market.
- (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) Effectiveness of Presentation

# **Financial Proposal**



Category	Percentage	Value in PKR
A) Success Fee (as a percentage of gross proceeds of the IPO)	2.188%	32,820,000/-
B) Fixed Fee payable (in PKR)	N/A	-
C) Out of Pocket Expense	N/A	1,000,000/-
Total (A+B+C)	N/A	33,820,000/-

Yours faithfully,

For and on behalf of the Consortium,

Ahmed Rajani

Vice President, Investment Banking

Arif Habib Limited

Arif Habib Center, 23 M.T Khan Road

Karachi

Umer Habib

Head of Investment Banking

Next Capital Limited

8th Floor, Horizon Tower

Clifton, Karachi

\* Inclusive of de fores.





	TECHNICAL CRITERIA	Maximum Score-%	Score	and Annexures Provided.
B. SPECIA	B. SPECIALIZATION AND UNDERSTANDING OF ENGAGEMENT	10%	8	1 8 8 Baccaste Bafer additional Banks Bafer and 11 5 8 6
8.1	industry Knowledge (enclose research paper)	%5	4	Analysis provided for unterent barras, never page 7 0 & 0.
	Financial Services industry outlook in general and banking sector in particular			
8.1.2	Knowledge of Banks/Sindh Bank Limited (SBL)	%5	p	AHL posess equity related advisory experience, peer grooup analysis conducted on page no 33. For Equity related advisory
.2	i- Equity related advisory experience of banks & SBL.			experience of banks & SBL, refer page # 7 For Key investment merits/selling points of SBL, refer page # 8
= :	<ul> <li>ii. Key investment merits/selling points of SBL.</li> <li>iii. Peer group analysis of SBL within donnestic banking companies and how SBL will be valued and positioned.</li> </ul>			For Peer group analysis of SBL refer page # 9 to 11
C.1	FINANCIAL/RESOURCE CAPABILITY & EXPERIENCE Strength in Equity Distribution	60%	43	
C.1.1	Consultant/Consortium's success record as Lead Manager and Book Runner (LM & BR) during the last 3 years ie 2012-15 (attach details): Through Book Building exercise	%5	4	12 Transactions amounting to 170 billion through book building. Refer page # 15.
	> Number of Transactions as Lead Manager and Book Runner (please specify)		08. (8)	
	> Aggregate Value of the Transactions-Rupees in million			
C.1.2	Through public issue	2%		4.9 Transactions amounting to 9.5 billion through public issue. Refer page # 15.
	> Number of Transactions as Lead Manager and Book Runner. Refer page # 15	5		
H	> Aggregate Value of the Transactions-Rupees in million			
(F)	Strength in Placement & Underwriting	2.%	orno institu	<ol> <li>18 Underwriting Transaction amounting to 17.5 billion. Refer page # 16.</li> </ol>
ji,	Consultant/Consortium should demonstrate its underwriting strength/capability ie Aggregate Value of Transactions and relationships with key institutions, both foreign and local with 2.5% being allocated to strength on foreign placement and 2.5% allocated for local placement ability.			1.1 2.2 2.2 2.2 2.2 2.2 2.2 2.2 2.2 2.2
C.2		25%		7.1
	Competence & experience of team (enclose Resumes/CVs of each member) Team Leader (i) name (ii) brior transactional experience is number. & value,	10%	-	5. Urner Habib as the team leader. Possessing rich experience of
10	(iii) amareness of banking sector, (iv) number of years with the firm/industry (v) qualification, (vi) regulatory understanding in Mombers of the Pronosed team-for each member which includes, corporate	y e 10%		more than 10 years and has completed transaction in excess of US\$ 100 millions.Refer page # 19 - 23.
13	finance team, equity distribution team, equity research team ie (i) Name(s), (ii) Years with the firm/industry, (iii) prior transactional experience (ie number	J.		advisory. Refer page II 20-21.

		manufacture of the same	The second secon		
	TECHNICAL CRITERIA	Maximum Score-%	Score	Consideration for score obtained based on Technical Proposal and Annexures Provided.	
1=	iii- Equity analyst's name (covering the Transaction), experience in covering the banking industry, credentials (e.g. CFA)	2%	4	Mr Fawad Bashir awarded as the 2nd Runner up as research analyst. Refer page # 24.	
	Brokerage House Standing & Equity Research capability	10%	7		
	i- Brokerage credentials-positioning in Karachi Stōck Market (estimated market share of KSE volumes during 2014 & 2015)	4%	m.	As a consortium it holds a market share of 6.5% for Domestic and 15% of Of Foreign Volume at the Pakistan Stock exchange. Refer page # 27.	
	ii- Quality of Research (please enclose 3 reports written by your firm) iii- Coverage of banking stocks and duration of coverage	4%	3	Best prokerage house in 2015 and book runner of the year 2013. Refer page # 27.	
	Financial Standing <u>Assign score</u> <u>based on the following criteria</u> if	10%	7		
	Capital & Reserves (September 30, 2015)-above Rs. 150 million, Net capital balance of minimum of PKR 100 million	7%	7	Combined capital/reserves of Rs. 2.75 billion. Net capital balance of Rs. 1.384 billion. Refer Financial statements.	
	cuping as reserves (september 50, 2013)-adove Rs. million and minimum net capital balance of PKR 75 Capital & Reserves (September 30, 2015)-between i million and minimum net capital balance of PKR 50	2%			
	WORK PLAN & METHODOLOGY Transaction Structure and Demand Analysis	70%	14		
	<ul> <li>Best suited transaction structure ie maximum value extraction</li> </ul>	7.5%	S	Transcation structure advised as 75% Book Building and 25% General public. SBL positioning for valuation has been done between peer banks and the consortium is confident that there is	
	in Proposed execution strategy with detailed road map of activities and time schedule achieving financial close to the expected target date of April 30, 2016 or as close thereto as possible.	7.5%	s	enough appetite in the local market to fully subscribe to the Transaction. Refer page # 33. Underwritten transactions worth 17.5 billion in last 4 years. Proposed execution strategy with detailed road map of activities and time schedule is clearly defined on page no. 34.	
	iii- Proposed marketing/distribution strategy.	%	4	Marketing and distribution strategy has been clearly defined on page no. 37 & 38	
	EFFECTIVENESS OF PRESENTATION Total	10%	00/2/	Presentation has not been made yet, once the presentation has been made the marks will be alloted accordingly.	
V	Les Wald 5-1-tang Ohm	CARD I			
١.		Company of the contract of the same and the	THE RESERVE AND ADDRESS OF THE PERSON NAMED IN COLUMN 2 IS NOT THE		

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IN MEMORY OF SHAHEED MOHTARMA BENAZIR BHUTTO



Calculations – Quality & Cost Based Selection Method for Appointment of Lead Manager (s) & Book Runner (s) for Initial Public Offering and Listing of Sindh Bank Limited Share (s) on the Pakistan Stock Exchange

Part 1 Criteria	Technical Weightage	Financial Weightage	Qualification Marks in Technical/Eligibility Criteria
	70%	30%	70%

Part 2	S.No	Name of Bidder	Total Marking obtained (100 Marks Maximum)
Technical Criteria	01	Consortium of Arif Habib Limited (Lead Consultant) & Next Capital	73

Part 3 Technical Evaluation (Total Marks =100)	Detelle	Name of Bidder
	Details	Consortium of Arif Habib Limited (Lead Consultant) & Next Capital
	Marks Obtained	73
	Weightage 70%	
	Marks Obtained	51

Part 3 Financial Evaluation (Total Marks =100)	D-t-II-	Name of Bidder	
	Details  Consortium of Arif Habib Limited (Lead Consultant) & N		
	Rate Quoted	2.188% success fee as a percentage of gross proceeds of the IPO. Estimated Rs. 33,820,000 million	
	*Financial Scoring	100	
	Financial Weightage (30%)	30	

<sup>\*</sup>Financial Scoring = Least Bid Offered/Bid under Consideration X 100

Financial Scoring of M/s. Arif Habib Limited (Lead Consultant) / Next Capital = 33.82 million/33.82 million X 100 = 100

Part 4 (Total Marks = 100)	Detrile	Name of Bidder
	Details	Consortium of Arif Habib Limited (Lead Consultant) & Next Capital
	Technical Marks Obtained	51
	Financial Marks Obtained	30
	**Total Marks	81

M/s. Consortium of Arif Habib Limited (Lead Consultant) & Next Capital was the only bidder. As the rate quoted is comparable with the Market Prices based on comparison of IPO's previously held of the same nature.

Members - Consultant Selection Committee

SVP - Financial Division (Mr. Dilshad Hussain Khan)

Chief Financial Officer (Mr. Saeed Jamal)

Head of HR (Khawaja Tajammul Hussain)

Add. Sec. Admin. P&D Dept. (Mr. Riaz Abbasi)

Add. Finance Secretary (Mr. Khalid Mahmood Sheikh)



Dated: 26/02/2016

TENDER No: SNDB/ADMIN/TD/659/2016

## Request for Proposal (RFP)

For the Appointment of Lead Manager (s) and Book Runner (s) for Initial Public Offering and Listing of Sindh Bank Ltd Share(s) on the Pakistan Stock Exchange Certificate in Compliance of rule 48 of SPPRA

This is to certify that as only one bid was received against the tender, so Rule 48 has been complied with detail as follows:

S.No	Last tender Unit Price.	<b>Estimated Price</b>	<b>Current tender Price</b>
01	NA	2.188% of on %	33,820,000/-

\* Compact with Mornet Porce as for onvering A!

Members - Consultant Selection Committee

SVP - Financial Division (Mr. Dilshad Hussain Khan)

Chief Financial Officer (Mr. Saeed Jamal)

Head of HR (Khawaja Tajammul Hussain)

Add. Sec. Admin. P&D Dept. (Mr. Riaz Abbasi)

Add. Finance Secretary
(Mr. Khalid Mahmood Sheikh)

Amerore A

Weight	Fee	Weighted Fee
100%	2.00%	2.00%
75%	0.75%	0.56%
75%	0.25%	0.19%
	100% 75%	100% 2.00% 75% 0.75%

Particulars	Weight	Fee	Weighted Fee
Lead Manager Fee	100%	2.00%	2.00%
Book Runners Fee	75%	0.63%	0.47%
Underwriting Fee - BB	75%	0.25%	0.19%

2.66%



ATTENDANCE SHEET

BID OPENING BOOK Runners	
FOR SELECTION OF LEAD Managers for initial Public affer	ing
and listing of Serich Bank 14d. 66	V
Date: 2.5-02-2016	

S.No	Company Name	Name of Company Representative	Contact No.	Email Address	Signature
01	Next Capital God ARIF HADIS	UNER-HABIO	0301	Unos habits @ nextcop. I.l.	

Signature - Procurement Committee Members:

Officer Finance Division-Sindh Bank Limited

CFO- Sindh Bank Ltd

Head of HR- Sindh Bank Limited

Additional Secretary (Admin), P&D Department

Additional Finance Secretary (Res), Finance Department

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## **INTERGRITY PACT**

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

Pakistan (GoP) or any administrative subdivision or agency thereof or any other entity owned or controlled by it (GoP) 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 GoP, 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 arrange ments with all persons in respect of or related to the transaction with GoP 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 GoP any law, contract or other instrument, be voidable at the option of GoP.

Notwithstanding any rights and remedies exercised by GoP in this regard, [the Supplier] agrees to indemnify GoP for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to GoP 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 GoP.

FOR AND ON BEHALF OF THE LEAD MANAGER/BOOK RUNNER(S)

Arif Habib Limited

Next Capital Limited

Witnesses

I. Lawih

Name Unite HAG'S Name SYEO DANISH ALI

CNIC No. 42101 - 1810197-9

SIGNA



For and on Behalf of Arif Habib Limited

CNIC No: 42701-4292146-1



## **INTERGRITY PACT**

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

Arif Habib Limited and Next Capital Limited (hereinafter referred to as the "Consortium") hereby declare that they have not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from Government of Pakistan (GoP) or any administrative subdivision or agency thereof or any other entity owned or controlled by it (GoP) through any corrupt business practice.

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

The Consortium 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 subject transaction with the Sindh Government and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty. The Consortium 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 the Sindh Government under any law, contract or other instrument, be voidable at the option of the Sindh Government.

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

Signature: Signature: Designation: VP INVESTMENT BANKING Designation: Head, Truestment Bordang CNIC No: 42201 6853352

For and on Behalf of Next Capital Limited



26/02/2016

	Bid Evaluation Report  Request for proposal (RFP) - For the Appointment of Lead Manager(s) & Book Runner(s) for Initial Public Offering and Listing of Sindh Bank Shares on the Pakistan Stock Exchange				
1	Name of Procuring Agency	Sindh Bank Ltd.			
2	Tender Reference No.	SNDB/COK/ADMIN/TD/659/2016			
3	Tender Description	For Appointment of Lead Manager(s) & Book Runner(s)			
4	Method of Procurement	Single Stage Two Envelop Bidding Procedure			
5	Tender Published & SPPRA S.No.	S.No: 26204. Express Tribune, Daily Express, Daily Ibrat (14/01/2016)			
6	Total Bid Documents Sold	02			
7	Total Bids Received	01			
8	Technical Bid Opening Date & Time	29/01/2016 at 1600 Hrs			
9	Financial Bid Opening Date & Time	25/02/2016 at 1600 Hrs			
9	No. of bid qualified	01			
10	Bid(s) Rejected				

#### Details on the above as given below:

S No	Name of Firm or Bidder	Qualified / Disqualified in Eligibility/Technical Criteria	Rate Quoted Success Fee as percentage of gross proceeds of the IPO	Quality & Cost Based Selection Method (70:30) Technical: Financial Weightage	Ranking in terms of Cost	Comparison with Estimated Cost (Rs.60,000,000)	Reasons for acceptance/ rejection	Remarks
0	1	2	4	4.a	5	6	7	8
1.	Consortium of Arif Habib Limited (Lead Consultant) & Next Capital	Qualified	2.188% Rs.33,820,000/- (Estimated Cost)	81 Marks Obtained out of 100	Lowest Bidder	Rs. 26,180,000/- below the estimated cost	Accepted – Only Qualified Bidder	Rule-48 has been complied with

Accordingly going by the Technical/Financial Evaluation offered in the tender document, Consortium of Arif Habib Limited (Lead Consultant) & Next Capital stands as only Qualified Evaluated Bidder for the appointment of Lead Manager(s) & Book Runner(s) for Initial Public Offering and listing of Sind Bank Shares on the stock exchange. On Basis of Quality & Cost Based Selection Method, Consortium of Arif Habib Limited (Lead Consultant) & Next Capital has obtained 81 % mark.

Members – Consultant Selection Committee

SVP – Financial Division
(Mr. Dilshad Hussain Khan)

Chief Financial Officer
(Mr. Saeed Jamal)

Head of HR
(Khawaja Tajammul Hussain)

Add. Sec. Admin. P&D Dept.
(Mr. Riaz Abbasi)

Add. Finance Secretary

(Mr. Khalid Mahmood Sheikh)



26/02/2016

	Request for proposal (RFP) - For the Appoi	uation Report  ntment of Lead Manager(s) & Book Runner(s) for  Ih Bank Shares on the Pakistan Stock Exchange
1	Name of Procuring Agency	Sindh Bank Ltd.
2	Tender Reference No.	SNDB/COK/ADMIN/TD/659/2016
3	Tender Description	For Appointment of Lead Manager(s) & Book Runner(s)
4	Method of Procurement	Single Stage Two Envelop Bidding Procedure
5	Tender Published & SPPRA S.No.	S.No: 26204. Express Tribune, Daily Express, Daily Ibrat (14/01/2016)
6	Total Bid Documents Sold	02
7	Total Bids Received	01
8	Technical Bid Opening Date & Time	29/01/2016 at 1600 Hrs
9	Financial Bid Opening Date & Time	25/02/2016 at 1600 Hrs
9	No. of bid qualified	01
10	Bid(s) Rejected	-

#### Details on the above as given below:

S No	Name of Firm or Bidder	Qualified / Disqualified in Eligibility/Technical Criteria	Rate Quoted Success Fee as percentage of gross proceeds of the IPO	Quality & Cost Based Selection Method (70:30) Technical: Financial Weightage	Ranking in terms of Cost	Comparison with Estimated Cost (Rs.60,000,000)	Reasons for acceptance/ rejection	Remarks
0	1	2	4	4.a	5	6	7	8
1.	Consortium of Arif Habib Limited (Lead Consultant) & Next Capital	Qualified	2.188% Rs.33,820,000/- (Estimated Cost)	81 Marks Obtained out of 100	Lowest Bidder	Rs. 26,180,000/- below the estimated cost	Accepted – Only Qualified Bidder	Rule-48 has been complied with

Accordingly going by the Technical/Financial Evaluation offered in the tender document, Consortium of Arif Habib Limited (Lead Consultant) & Next Capital stands as only Qualified Evaluated Bidder for the appointment of Lead Manager(s) & Book Runner(s) for Initial Public Offering and listing of Sind Bank Shares on the stock exchange. On Basis of Quality & Cost Based Selection Method, Consortium of Arif Habib Limited (Lead Consultant) & Next Capital has obtained 81 % mark.

Members - Consultant Selection Committee

SVP - Financial Division (Mr. Dilshad Hussain Khan)

Chief Financial Officer (Mr. Saeed Jamal)

Head of HR (Khawaja Tajammul Hussain)

Add. Sec. Admin. P&D Dept. (Mr. Riaz Abbasi)

Add. Finance Secretary (Mr. Khalid Mahmood Sheikh)

# MINUTES OF THE OPENING OF THE TENDER (TECHNICAL / FINANCIAL PHASE)

TYPE OF PROCUREMENT	ADMIN / IT / CONSULTANT / ME	
TENDER NAME	Lead Monagers of	Book Runner for Smith Bank Ltd.
TYPE OF TENDER	,	VO ENVELOPE / TWO STAGE /TWO STAGE-TWO ENVELOPE
OPENING DATE	25-02-2016	
OPENING TIME	1600 Hours	
ATTENDANCE (MEMBER PC)	SVP (FINANCE) CFO HCAD OF HLD Add Sec Admin P	
ATTENDANCE (REPS. OF BIDDERS)	Add Sec Finance	ARIF HABIB / WEXT
TOTAL BIDS ACCEPTED FOR EVALUATION TOTAL BIDS REJECTED REMARKS	01	
PROCUREMENT COMMITTEE	25/02/15	All s 1. land Girly

		Score-%	Obtained , and Annexures Provided.
) ECI	B. SPECIALIZATION AND UNDERSTANDING OF ENGAGEMENT B.1 Industry Knowledge (enclose research paper)	10%	8 4 Analysis provided for different Banks. Refer page # 5 & 6.
8.1.1	Financial Services industry outlook in general and banking sector in particular		
B.1.2	Knowledge of Banks/Sindh Bank Limited (SBL)	2%	4 AFIL posess equity related advisory experience, peer grpoup
	i- Equity related advisory experience of banks & SBL.		analysis Conducted Of Page no 25. For eqoity reacted advisory experience of banks & SBI, refer page # 7  Enr Kov investment merite fealing points of SBI - refer page # 8
:= <u>:</u>	ii- Key investment merits/selling points of SBL. iii- Peer group analysis of SBL within domestic banking companies and how SBL will be valued and positioned.		For Peer group analysis of SBL refer page # 9 to 11
C. FIN	FINANCIAL/RESOURCE CAPABILITY & EXPERIENCE Strength in Equity Distribution Consultant/Consortium's success record as Lead Manager and Book Runner	60%	43
C.1.1	(LM & BR) during the last 3 years ie 2012-15 (attach details): Through Book Building exercise	%5	4 12 Transactions amounting to 170 billion through book building Refer nape # 15.
	> Number of Transactions as Lead Manager and Book Runner (please specify)		
	> Aggregate Value of the Transactions-Rupees in million		
C.1.2	Through public issue	2%	4 1.9 Transactions amounting to 9.5 billion through public issue. Refer
	, Number of Transactions as Lead Manager and Book Runner. Refer page II 15	ŧÒ	page # 15.
_	> Aggregate Value of the Transactions-Rupees in million		
(-1)	Strength in Placement & Underwriting	2%	4 18 Underwriting Transaction amounting to 17.5 billion.Refer page
	Consultant/Consortium should demonstrate its underwriting strength/capability ie Aggregate Value of Transactions and relationships with key institutions, both foreign and local with 2.5% being allocated to strength on foreign placement and 2.5% allocated for local placement ability.		
C.2	Connetence & exnerience of team (enclose Recumes/CVs of each member)	25%	17
1	Team Leader (i) name, (ii) prior transactional experience ie number. & value, (iii) awareness of banking sector, (iv) number of years with the firm/industry	10%	5. Unser Habib as the team leader. Possessing rich experience of inner than 10 years and has completed transaction in excess of
20	(v) quantication, (vi) regulatory understanding includes, corporate ij.— Members of the Proposed team-for each member which includes, corporate finance team, equity distribution team, equity research team ie (i) Name(s), (ii) Years with the firm/industry, (iii) prior transactional experience (ie number and value).	: 10%	US\$ TOO millions. Refer page # 15 - 25.  8; Qualified team members with adequate experience in transaction advisory. Refer page # 20-21.

	TECHNICAL CRITEKIA	Maximum Score-%	Score Obtained	Consideration for score obtained based on Technical Proposal and Annexures Provided.
	ii- Equity analyst's name (covering the Transaction), experience in covering the banking industry, credentials (e.g. CFA)	5%	t	Mr Fawad Bashir awarded as the 2nd Runner up as research analyst. Refer page # 24.
C.3	Brokerage House Standing & Equity Research capability	10%	7	
	i- Brokerage credentials-positioning in Karachi Stőck Market (estimated market share of KSE volumes during 2014 & 2015)	4%	Ж	As a consortium it holds a market share of 6.5% for Domestic and 15% of Of Foreign Volume at the Pakistan Stock exchange. Refer page # 27.
	ii- Quality of Research (please enclose 3 reports written by your firm) iii- Coverage of banking stocks and duration of coverage	4% 2%		Best brokerage house in 2015 and book runner of the year 2013. Refer page # 27.
C.4	Financial Standing Assign score based on the following criteria if	10%	7	
	ve Rs. 150	9%L	7	Combined capital/reserves of Rs. 2.75 billion. Net capital balance of Rs. 1.384 billion. Refer Financial statements.
	million and minimum net capital balance of PKR 75 million iii- Capital & Reserves (September 30, 2015)-between Rs. 50 million to Rs. 100	2%	)	
	millon and minimum net capital balance of PKR 50 million	1%	,	
D. D.1		20%	14	
	i- Best suited transaction structure ie maximum value extraction	7.5%	5	Transcation structure advised as 75% Book Building and 25% General nightic SBI positioning for valuation for book date.
				between pearls and the consortium is confident that there is enough appetite in the local market to fully subscribe to the Transaction Reference #32
	ii- Proposed execution strategy with detailed road map of activities and time schedule achieving financial close to the expected target date of April 30, 2016 or as close thereto as possible.	7.5%	ω	
	iii- Proposed marketing/distribution strategy.	5%	4	Marketing and distribution strategy has been clearly defined on page no. 37 & 38
ம்	EFFECTIVENESS OF PRESENTATION  Total	100%	00/21/	Presentation has not been made yet, once the presentation has been made the marks will be alloted accordingly.
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-	Eti.			



#### **ATTENDANCE SHEET**

FOR SELECTION OF Lead Managers for enitial Public affering and listing of Sindh Bank Idd.

Date: 25-02-2016

S.No	Company Name	Name of Company Representative	Contact No.	Email Address	Signature
01	Next Capital Gal ARIF HADIS	Unicettasio	0301	Umer habits @ nextcop. I.l.	
				·	
:					

Signa	<u>ture –</u>	Procur	<u>ement</u>	Commit	tee [	Viemi	bers:

Officer Finance Division-Sindh Bank Limited

CFO- Sindh Bank Ltd

Head of HR- Sindh Bank Limited

Additional Secretary (Admin), P&D Department

Additional Finance Secretary (Res), Finance Department

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\* MEMORY OF SHAHEED MOHTARMA BENAZIR BHUTTO



# Calculations – Quality & Cost Based Selection Method for Appointment of Lead Manager (s) & Book Runner (s) for Initial Public Offering and Listing of Sindh Bank Limited Share (s) on the Pakistan Stock Exchange

Part 1 Criteria	Technical Weightage	Financial Weightage	Qualification Marks in Technical/Eligibility Criteria
	70%	30%	70%

Part 2	S.No	Name of Bidder	Total Marking obtained (100 Marks Maximum)
Technical	01	Consortium of Arif Habib	
Criteria		Limited (Lead Consultant) &	73
		Next Capital	

	Details	Name of Bidder
Part 3 Technical	Details	Consortium of Arif Habib Limited (Lead Consultant) & Next Capital
Evaluation (Total Marks	Marks Obtained	73
=100)	Weightage 70%	
	Marks Obtained	51

	Dotaile	Name of Bidder		
<b>Part 3</b> Financial	Details	Consortium of Arif Habib Limited (Lead Consultant) & Next Capital		
Evaluation (Total Marks	Rate Quoted	2.188% success fee as a percentage of gross proceeds of the IPO. Estimated Rs. 33,820,000 million		
=100)	*Financial Scoring	100		
	Financial Weightage (30%)	30		

<sup>\*</sup>Financial Scoring = Least Bid Offered/Bid under Consideration X 100

Financial Scoring of M/s. Arif Habib Limited (Lead Consultant) / Next Capital = 33.82 million/33.82 million X 100 = 100

	D-t-il-	Name of Bidder
Part 4	Details -	Consortium of Arif Habib Limited (Lead Consultant) & Next Capital
(Total Marks = 100)	Technical Marks Obtained	51
/	Financial Marks Obtained	30
	**Total Marks	81

M/s. Consortium of Arif Habib Limited (Lead Consultant) & Next Capital was the only bidder. As the rate quoted is comparable with the Market Prices based on comparison of IPO's previously held of the same nature.

Members - Consultant Selection Committee

SVP - Financial Division (Mr. Dilshad Hussain Khan)

Chief Financial Officer (Mr. Saeed Jamal)

Head of HR (Khawaja Tajammul Hussain)

Add. Sec. Admin. P&D Dept. (Mr. Riaz Abbasi)

Add. Finance Secretary (Mr. Khalid Mahmood Sheikh)



# OPENING OF BID FINANCIAL PROPOSALS

FOR SELECTION OF Lead Managers of Book Runners for 190 and listing of Sindh Bank Ltd. D Date: 25-02-2016

S.No	Company Name	Total Offe		Signature of Company	Remarks
		Announced	Evaluated	Representative	
OL	NEXT CAPITALY ARFHABB	2.1821	p/ ~		
				1	

Signature – Procurement Committee Members:	1000.
Officer Finance Division-Sindh Bank Limited	andling
CFO- Sindh Bank Ltd	Sim
Head of HR- Sindh Bank Limited	Onles.
Additional Secretary (Admin), P&D Department	liber
Additional Einance Secretary (Pec) Einance Department	Dunil

X



Dated: 26/02/2016

TENDER No: SNDB/ADMIN/TD/659/2016

## Request for Proposal (RFP)

For the Appointment of Lead Manager (s) and Book Runner (s) for Initial Public Offering and Listing of Sindh Bank Ltd Share(s) on the Pakistan Stock Exchange Certificate in Compliance of rule 48 of SPPRA

This is to certify that as only one bid was received against the tender, so Rule 48 has been complied with detail as follows:

S.No	Last tender Unit Price.	Estimated Price	Current tender Price
01	NI D	2.188% of or %	33,820,000/-

\* Compace with maket force as for onverin A'

Members - Consultant Selection Committee

SVP - Financial Division (Mr. Dilshad Hussain Khan)

Chief Financial Officer (Mr. Saeed Jamal)

Head of HR (Khawaja Tajammul Hussain)

Add. Sec. Admin. P&D Dept. (Mr. Riaz Abbasi)

Add. Finance Secretary (Mr. Khalid Mahmood Sheikh)

Particulars	Weight	Fee	Weighted Fee
Lead Manager Fee	100%	2.00%	2.00%
Book Runners Fee	75%	0.75%	0.56%
Underwriting Fee - BB	75%	0.25%	0.19%
Underwriting Fee - BB	75%	0.25%	

			Was V
Particulars	Weight	Fee	Weighted Fee
Lead Manager Fee	100%	2.00%	2.00%
Book Runners Fee	75%	0.63%	0.47%
Underwriting Fee - BB	75%	0.25%	0.19%

2.66%

# **Financial Proposal**



Category	Percentage	Value in PKR
A) Success Fee (as a percentage of gross proceeds of the IPO)	2.188%	32,820,000/-
B) Fixed Fee payable (in PKR)	N/A	Angeleur name, things at watering any many may in the Managara and in the second secon
C) Out of Pocket Expense	N/A	1,000,000/-
Total (A+B+C)	N/A	33,820,000/-

Yours faithfully,

For and on behalf of the Consortium,

Ahmed Rajani

Vice President, Investment Banking

Arif Habib Limited

Arif Habib Center, 23 M.T Khan Road

Karachi

Umer Habib

Head of Investment Banking
Next Capital Limited

Next Capital Limited

8<sup>th</sup> Floor, Horizon Tower

Clifton, Karachi

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Program

\* Inclusive of de fores.







		Tentativ	Tentative Procurement Plan For the Year 2016-17 for Co	n For the Year 201	16-17 for Consultancy Services	:es
S.No.	Name of Project	Allocated Funds	Method of Advertisment	Method of Procurement	Anticipated/Actual Date of Advertisement	Anticapted/Actual Date of Completion
p	Appointment of Lead Manager (s) & Book Runners (s) for Initial Public Offering & Listing of Sindh Bank Limited	60 Million	Newspapers	Method of Selection for Consultant - Quality & Cost Based Selection Method	lan-16	Jan-17
Signature	Signature - Procurement Committee Members:	Members:	6			

CFO- Sindh Bank Limited

Head of HR- Sindh Bank Limited

Officer (Finance Division)

Additional Secretary - Finance Division Government of Sindh

Additional Secretary - P & D Dept.
Government of Sindh

