



FOREST AND WILDLIFE DEPARTMENT

GOVERNMENT OF SINDH

ADDENDUM DOCUMENT No. 1

FOR AWARD OF CONCESSION

IN RESPECT OF THE

**CARBON REMOVAL THROUGH FORESTATION PROJECT -
PACKAGE 2**

April 27, 2025

REFERENCE No. FWD-PPPN/PROC-CERF/2024-25/P-2



FOREST AND WILDLIFE DEPARTMENT

GOVERNMENT OF SINDH

REQUEST FOR PROPOSALS

FOR AWARD OF CONCESSION

IN RESPECT OF THE

**CARBON REMOVAL THROUGH FORESTATION PROJECT -
PACKAGE 2**

February 18, 2025

REFERENCE NO. FWD-PPPN/PROC-CERF/2024-25/P-2

LETTER OF INVITATION

Reference No: FWD-PPPN/PROC-CERF/2024-25/P-2

The Forest and Wildlife Department, Government of Sindh (“**FWD**”), intends to engage a private party on PPP mode to design, finance, build, operate, maintain, and transfer the ‘*Carbon Removal through Forestation Project - Package 2*’. For details on the Project background and scope of work, please refer to Volume II (*Project Scope*) of the RFP.

FWD invites the Interested Parties to participate in the Bidding Process and to submit their Bids for the Project in accordance with the requirements of the Applicable Evaluation Documents.

Interested Parties intending to submit a Bid are required to submit only one (01) Bid, comprising of one (01) Technical Proposal and one (1) Financial Proposal, along with other documents (as applicable), as identified in the RFP, through the SPPRA EPADS, which can be accessed using the link provided in Section 9 (*Data Sheet*) of the Instructions to Bidders, no later than **12:00 hours PST** on the Bid Submission Date. Physical submission of Bids shall not be accepted except for the purpose of submitting the original Bid Security and any other documents specified in the RFP.

The Technical Proposals will be opened on the Bid Submission Date at **13:00 hours PST** in the presence of the representatives of the Bidders who may wish to attend. After completion of evaluation of the Technical Proposals, Bidders who have submitted responsive Technical Proposals in terms of the Applicable Evaluation Documents shall be invited to attend the opening of the Financial Proposals. The date, time, and location of the opening of Financial Proposals shall be advised in writing to all technically qualified Bidders by FWD.

All Bidders are required to furnish, as part of their Technical Proposals, a Bid Security. The Bid Security shall be an irrevocable, unconditional and on-demand bank guarantee in the form attached as Bidding Form T13 (*Form of Bid Security*) of Part 2 (*Bidding Forms*) of Volume I (*Bidding Procedure*) of the RFP, issued in accordance with the requirements set out in the Instructions to Bidders. The original Bid Security shall be furnished at the address indicated in the Data Sheet no later than **12:00 hours PST** on the Bid Submission Date either through mail or by hand (in a sealed envelope), in accordance with the requirements set out in the RFP. The scanned copy of the Bid Security shall be uploaded by Bidders as part of the Technical Proposal *via* SPPRA EPADS no later than **12:00 hours PST** on the Bid Submission Date.

It is mandatory for the Bids to be prepared using the standard formats for Technical Proposals and Financial Proposals, as provided in the RFP. Bids that are not prepared on the prescribed formats may not be considered for evaluation. If any information required in the prescribed forms is found missing, or written elsewhere, no credit will be given during evaluation and may lead to rejection of the Bid.

Subject to the provisions of the Applicable Evaluation Documents, FWD reserves the right to cancel the Bidding Process at any time. FWD may amend the RFP by issuing an addendum or a corrigendum (as the case may be) as per the requirements specified in the RFP, at any time prior to the Bid Submission Date.

Interested Parties may obtain further information in relation to the Project and acquire the RFP either: (a) physically, by submitting a written application at the address provided below on a working day during office hours, not later than one (01) business day before the Bid Submission Date; or (b) electronically, by downloading it from SPPRA EPADS, and/or the websites of the PPP Unit and/or FWD, and intimating FWD in writing through a letter or *via* email, its full name, address and relevant contact details.

All capitalized terms used herein and not otherwise defined shall have the meaning given to them in Volume I (Bidding Procedure) of the RFP.

Designation: Chief Conservator of Forests (Riverine & Inland Forests, Sindh). Forest & Wildlife Department, Government of Sindh
Address: Barrack No. 10, Sindh Secretariat 4-A, Court Road, Karachi
Phone No.: +92-21-99222193 - 99203647
Email: info.p3proc@gmail.com

Websites: **PPP Unit** – *<http://www.pppunitsindh.gov.pk/>*
 FWD – *<https://sindhforests.gov.pk/>*
 SPPRA EPADS – *<https://portalsindh.eprocure.gov.pk/>*
 Submission Guidelines – *<http://tiny.cc/FWLD>*

Sincerely,

CHIEF CONSERVATOR OF FORESTS (RIVERINE & INLAND FORESTS, SINDH)
FOREST AND WILDLIFE DEPARTMENT, GOVERNMENT OF SINDH

IMPORTANT NOTICE

The RFP, together with all volumes, attachments, forms, annexures, and appendices attached thereto, is issued by FWD and is provided to the recipients solely for use in preparing and submitting the Bids.

Bids submitted in response to the RFP by the Bidders shall be upon full understanding and agreement of all terms of the RFP, and such submission shall be deemed as an acceptance to all the terms and conditions stated in the RFP.

No GoS Party makes any representations (express or implied) or warranties as to the accuracy or completeness of the information contained in the RFP, or in any other document or information made available to a person in connection with the Project (including the Bidding Process); and the same shall have no liability for the RFP or for any other written or oral communication transmitted to the recipient in the course of the recipient's evaluation of the Project. No GoS Party shall be liable to reimburse or compensate any recipient for any costs, fees, damages, or expenses incurred by the recipient in evaluating or acting upon the RFP, or otherwise in connection with the Project.

The RFP shall neither constitute a solicitation to invest, or otherwise participate, in the Project (including the Bidding Process), nor shall it constitute a guarantee or commitment of any manner on the part of any GoS Party that the Project will be awarded or otherwise proceed. FWD reserves the right, in its full discretion, to modify the RFP and/or the Project requirements at any time to the fullest extent permitted by applicable laws, and shall not be liable to reimburse or compensate the recipient for any costs, taxes, expenses, or damages incurred by the recipient in such an event. The GoS Parties make no representation whatsoever, express, implicit, or otherwise, regarding the accuracy, adequacy, correctness, reliability, and/or completeness of any assessment, assumptions, statement, or information provided by them, and Bidders shall have no claim whatsoever of any nature against the GoS Parties in this regard.

Subject to the provisions of the Applicable Evaluation Documents, the FWD reserves the right to cancel the Bidding Process at any time. The FWD may amend the RFP by issuing an addendum or a corrigendum (as the case may be) as per the requirements specified in the RFP, at any time prior to the Bid Submission Date.

The interpretation of any aspect of the RFP will be made solely by FWD, and shall be final and binding on all the Interested Parties and the Bidders.

All capitalized terms used herein and not otherwise defined shall have the meaning given to them in Volume I (Bidding Procedure) of the RFP.

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PART 1

INSTRUCTIONS TO BIDDERS

GLOSSARY

Unless otherwise specified or defined, all capitalized terms used herein shall bear the meanings set out below. References to any law, rule or regulation shall include any amendments, modifications or any re-enactment thereof.

The headings in the Instructions to Bidders, including the table of contents, are for convenience of reference only and not for purposes of construction or interpretation of the Instructions to Bidders.

TERM	DEFINITION
Acceptable International Credit Rating	<p>Means, with respect to a person, or instruments issued by such person:</p> <p>(a) in relation to such a person, that is rated A- or higher by S&P, A3 or higher by Moody’s or A- or higher by Fitch; and</p> <p>(b) in relation to such an instrument, that is rated A- or higher by S&P, A3 or higher by Moody’s or A- or higher by Fitch,</p> <p>provided that where a person or any instrument is rated by more than one of S&P, Moody’s or Fitch, then the lowest rating will apply for determining whether the person or instrument has an Acceptable International Credit Rating.</p>
Acceptable Pakistan Credit Rating	<p>Means, with respect to a person, or instruments issued by such person:</p> <p>(a) in relation to such a person, that is rated AA+ or higher by PACRA or AA+ or higher by VIS; and</p> <p>(b) in relation to such an instrument, that is rated AA+ or higher by PACRA or AA+ or higher by VIS,</p> <p>provided that where a person or any instrument is rated by more than one of PACRA or VIS, then the lowest rating will apply for determining whether the person or instrument has an Acceptable Pakistan Credit Rating.</p>
Acceptance of Notification of Award	<p>Has the meaning given to it in Sub-Section 7.3.3 of the Instructions to Bidders.</p>
Affiliate	<p>With respect to a person (being the Bidder or, where the Bidder is a Consortium, each Consortium Member), means:</p> <p>(a) any company or entity that directly or indirectly Controls or is Controlled by, or is under common Control with such person;</p> <p>(b) any director, senior executive, or manager either of such person or of any company or entity referred to in paragraph (a) above;</p> <p>(c) any consultant, agent, or representative supporting such person in connection with the Project (including the Bidding Process); and/or</p> <p>(d) any other person with an aggregate ultimate beneficial interest in at least five percent (5%) of the share capital or ownership interest in such person (howsoever held).</p>

Apostille Convention	The Convention Abolishing the Requirement of Legalisation for Foreign Public Documents, concluded on 5 October 1961.
Applicable Evaluation Documents	Collectively: (a) the Sindh PPP Act; (b) the SPPRA Act; (c) the SPPRA Rules; (d) the SPPRA Guidelines; (e) any applicable order, instruction, guideline, regulations or instrument issued under the Sindh PPP Act, the SPPRA Act, and/or the SPPRA Rules; and (f) the RFP.
Applicable Standards	Has the meaning given to it in the Concession Agreement.
Best Evaluated Bid	A Bid which is determined to be the ‘ <i>best evaluated bid</i> ’ for the award of the Concession in terms of the requirements of the Applicable Evaluation Documents in accordance with Section 6.6 (<i>Successful Bidder</i>) of the Instructions to Bidders.
Bid	The proposal (constituting the Technical Proposal and Financial Proposal) submitted by a Bidder in response to the RFP, which is prepared and submitted in accordance with this RFP.
Bidder	The Interested Party that has submitted a Bid either as a single entity or a Consortium.
Bidding Forms	The forms provided in Part 2 (<i>Bidding Forms</i>) of Volume I (<i>Bidding Procedure</i>) of the RFP, that are required to be submitted as part of the Technical Proposals and the Financial Proposals, respectively.
Bidding Process	The international competitive bidding process being conducted pursuant to the Applicable Evaluation Documents for the selection of the Successful Bidder for the award of the Concession.
Bid Price	Has the meaning given to it in Bidding Form F2 (<i>Financial Proposal Standard Form</i>) of Part 2 (<i>Bidding Forms</i>) of Volume I (<i>Bidding Procedure</i>) of the RFP.
Bid Security	Has the meaning given to it in Sub-Section 4.7.1 of the Instructions to Bidders.
Bid Submission Date	The last date for submission of Bids specified in the Data Sheet, as may be extended in accordance with the Applicable Evaluation Documents.
Bid Validity Period	The period of one hundred twenty (120) days starting from the Bid Submission Date, as may be extended in accordance with the Applicable Evaluation Documents.
Carbon Policies	Has the meaning given to it in the Concession Agreement.

Carbon Revenue	Has the meaning given to it in the Concession Agreement.
Companies Act	The Companies Act, 2017.
Concession	Has the meaning given to it in the Concession Agreement.
Concession Agreement	The agreement titled “Concession Agreement” attached as Volume III (<i>Concession Agreement and Schedules</i>) of the RFP, including all schedules thereto.
Concessionaire	Has the meaning given to that term in Section 1.2 (<i>Overview of the Procurement Process</i>) of the Instructions to Bidders, and the Concession Agreement.
Concessionaire Revenue Share	Has the meaning given to it in the Concession Agreement.
Consortium	A Bidder comprised of two (2) or more Consortium Members, formed to submit the Bid in accordance with the Applicable Evaluation Documents, provided, that the maximum number of Consortium Members, including the Lead Member, shall be three (3).
Consortium Member(s)	Each member of a Consortium, including the Lead Member.
Consortium Agreement	The consortium agreement to be submitted by a Bidder, in case such Bidder is a Consortium, in accordance with the requirements of the RFP (including Annexure C (<i>Requirements for Consortium Agreement</i>) of Part 4 (<i>Annexures</i>) of Volume I (<i>Bidding Procedure</i>) of the RFP).
Control	<p>The:</p> <ul style="list-style-type: none"> (a) ownership or control (whether directly or otherwise) of more than fifty percent (50%) of the equity share capital, voting capital, or the like, of the controlled entity; or (b) ownership of equity share capital, voting capital, or the like, by contract or otherwise, conferring control of or power to: (i) control the composition of, or power to appoint more than 50% of the members of, the board of directors, board of management, or other equivalent or analogous body of the controlled entity; or (ii) appoint the key managers of such entity, <p>and “Controls” “Controlling” or “Controlled” shall be construed accordingly.</p>
Data Sheet	The data sheet provided in Section 9 (<i>Data Sheet</i>) of the Instructions to Bidders.
Development Performance Security	Has the meaning given to it in the Concession Agreement.
Development Performance	Has the meaning given to it in the Concession Agreement.

Security Expiry Date	
Development Period	Has the meaning given to it in the Concession Agreement.
Eligible Country(ies)	All countries of the world with whom the Islamic Republic of Pakistan has commercial / trade relations, which are not subject to sanctions imposed by the United Nations Security Council.
Financial Proposal	The financial proposal (including all forms, documents, and information required in terms of the RFP and submitted therewith), submitted by a Bidder as part of its Bid.
FWD	Forest and Wildlife Department, GoS.
FWD Revenue Share	Has the meaning given to it in the Concession Agreement.
GoS	Government of Sindh.
GoS Parties	Collectively, the FWD and the TFEC, including their consultants, advisors, employees, personnel, or agents, and includes any GoS ministries, department, attached department, autonomous body of the GoS, local government, or any organization or corporation owned or controlled by the GoS.
Insurances	Has the meaning given to it in the Concession Agreement.
Integrity Pact	Has the meaning given to that term in Section 8.3 (<i>Integrity Pact</i>) of the Instructions to Bidders.
Interested Party	A person who has obtained the RFP in the manner specified in the Letter of Invitation.
Instructions to Bidders	The instructions to bidders set out in Part 1 (<i>Instructions to Bidders</i>) of Volume I (<i>Bidding Procedure</i>) of the RFP.
Land Parcels	The three (3) land parcels in Jamshoro and Matiari districts of Sindh, including the Site, whereupon FWD intends to undertake carbon removal forestation projects through separate bidding processes (including the Bidding Process), and each such land parcel shall individually be referred to as a “ Land Parcel ”.
Lead Member	Has the meaning given to it in Sub-Section 2.1.2(b) of the Instructions to Bidders.
Letter of Invitation	The letter of invitation issued by the FWD and attached with the RFP.
Minimum Credit Rating	The Acceptable International Credit Rating or the Acceptable Pakistan Credit Rating, as applicable.

Net Base Carbon Revenue	Has the meaning given to it in the Concession Agreement.
Net Windfall Carbon Revenue	Has the meaning given to it in the Concession Agreement.
Non-Carbon Revenue	Has the meaning given to it in the Concession Agreement.
Notification of Award	The notification of award to be issued by the FWD to the Successful Bidder as per Sub-Section 7.3.1 of the Instructions to Bidders.
Operating Period	Has the meaning given to it in the Concession Agreement.
Ownership Stake	The shareholding, where the SPV is a company incorporated and established under the Companies Act.
PDF	The portable document format used for submitting the Technical Proposal and Financial Proposal (and any other documents required under the RFP) electronically on the SPPRA EPADS in accordance with the Submission Guidelines.
PKR	Pakistani Rupees, the lawful currency of the Islamic Republic of Pakistan.
PPP	Public Private Partnership.
PPP Unit	The PPP Unit established under Section 6 (<i>Public-Private Partnership Unit</i>) of the Sindh PPP Act.
Pre-Bid Meetings	The meetings/conferences relating to the queries raised and clarifications sought by the Interested Parties, as held, or may be held, on the dates specified in the Data Sheet.
Project	Has the meaning given to it in the Concession Agreement.
Project Agreements	Has the meaning given to it in the Concession Agreement.
PST	Pakistan Standard Time.
RFP	The Request for Proposals document issued by the FWD in relation to the Project, comprising of the documents specified in Sub-Section 3.1.1 of the Instructions to Bidders, and includes any amendments and/or modifications thereto.
Sindh PPP Act	The Sindh Public-Private Partnership Act, 2010.
Site	Has the meaning given to it in the Concession Agreement.
SOE	Has the meaning given to it in Sub-Section 2.1.4.

Sovereign	Has the meaning given to it in Sub-Section 2.1.4.
Sponsor Support Agreement	Has the meaning given to it in the Concession Agreement.
SPPRA	The Sindh Public Procurement Regulatory Authority, established under the SPPRA Act.
SPPRA Act	The Sindh Public Procurement Act, 2009.
SPPRA EPADS	The Sindh PPRA e-Pak Acquisition & Disposal System (Sindh Public Procurement Regulatory Authority EPADS website), which can be accessed using the link provided in the Data Sheet.
SPPRA Guidelines	The guidelines issued by SPPRA for procurement of works.
SPPRA Rules	The Sindh Public Procurement Rules, 2010.
Special Purpose Vehicle or SPV	A company established and incorporated under the Companies Act by the Successful Bidder for the purposes of undertaking the Project.
Submission Guidelines	The step-by-step instructions for electronically submitting the Bid through the SPPRA EPADS (file uploading method), as may be amended from time to time by the SPPRA, as may be accessed through the link provided in Section 9 (<i>Data Sheet</i>) of the Instructions to Bidders.
Successful Bidder	The Bidder whose Bid is determined to be the Best Evaluated Bid.
Technical Proposal	The technical proposal (including all forms, documents, and information required in terms of the RFP and submitted therewith) submitted by a Bidder as part of its Bid.
TFEC	The technical and financial evaluation committee formed in accordance with the applicable laws for the purposes of the Project.

1. GENERAL

1.1 INTRODUCTION

Pakistan is experiencing warming rates significantly above the global average, with temperatures projected to rise by 1.3°C–4.9°C by the 2090s (compared to the 1986–2005 baseline). At a sub-national level, warming is more pronounced in the southern regions, with Punjab, Sindh, and Balochistan recording winter temperature increases of 0.91°C–1.12°C over the same period.

As a Party to the Paris Agreement, 2015, Pakistan submitted its Nationally Determined Contributions (NDCs) in 2021, reflecting a national consensus on transitioning towards a climate-resilient economy. Forestry and afforestation are key components of Pakistan's NDC commitments.

Sindh has approximately 660,584 hectares of forest cover, representing four point six percent (4.6%) of its total land area. One critical forest type, the riverine forests, is located along the Indus River banks. To address deforestation and enhance climate resilience, the FWD aims to develop sustainable Afforestation, Reforestation, and Revegetation (ARR) projects on the Land Parcels within reserved riverine forests, including the Site.

To achieve these objectives, FWD plans to engage a private sector entity with respect to the Site under Public-Private Partnership (PPP) mode to design, finance, build, operate, maintain, and transfer the Project.

The Site includes the Rajri Riverine Forest, Kacho Khanot Forest, Pako Khanot Forest and Salaro Forest I.

The Site is accessible via:

- Indus Highway (N55); and
- National Highway (N5) through Manjhand Town or Saeedabad City, ensuring efficient logistical connectivity.

The following are the salient features of the Site:

- Seventy (70) km from Hyderabad City; and
- Two-hundred and Thirty (230) km from Karachi City.

For details in relation to Project background and scope of work, please refer to **VOLUME II (PROJECT SCOPE)** of the RFP.

The Concession shall be granted to the Concessionaire for a period of forty-four (44) years, including a two (2) year Development Period followed by a forty-two (42) year Operating Period. The carbon and non-carbon revenues from the Project shall be distributed between FWD and the Concessionaire in accordance with the mechanism set out in the Concession Agreement.

A Sponsor Support Agreement shall be executed between the Concessionaire, FWD and the Successful Bidder to reflect the customary obligations of the Successful Bidder including with respect to, *inter alia*, the Successful Bidder's commitments towards funding the costs and expenses incurred with respect to the Project on a joint and several basis with the Concessionaire.

Upon the expiry or earlier termination of the Concession Agreement, all the assets and properties of the Concessionaire, including all its right, title and interest in the Project and the Site, excluding any form of liability, shall be transferred to FWD free from any lien and Encumbrance in accordance with the Concession Agreement.

This RFP is being issued as a part of the competitive selection process to invite Interested Parties to submit their Bid with the intent of being awarded the Concession and to enter into the Concession Agreement for the Project.

All risks and obligations of the FWD, the GoS and the Successful Bidder / SPV shall be in accordance with the RFP (including the Concession Agreement) and the Bidders shall be deemed to have full and complete understanding of the risks relating to the Project and their allocation, as set out in the RFP (including the Concession Agreement).

By submitting the Bid, the Bidder acknowledges the acceptance of all tax related obligations. For the sake of clarity, the Successful Bidder / SPV shall be required to pay all the taxes, duties, levies, stamp duties, rents, and other charges payable to any local government and provincial and federal government (as applicable), and it would not be allowed to seek any support from the GoS Parties if it was unaware or ignorant of any taxes, duties, levies, stamp duties, rents, and other charges.

The GoS Parties do not make any representation or warranty, express or implied, as to the accuracy or completeness of any information on which this RFP is based, or any other background or reference information or documents prepared and made available to the Bidders, and any liability related to such information is hereby expressly disclaimed.

Before submitting the Bids, the Bidders should carefully examine all the information provided in the RFP (including the Concession Agreement).

1.2 **OVERVIEW OF THE PROCUREMENT PROCESS**

For the purposes of the Project, FWD has issued the RFP for conducting the Bidding Process for the selection of a Successful Bidder for the award of the Concession, in accordance with the requirements of the Applicable Evaluation Documents.

In terms of the Applicable Evaluation Documents, the “single stage two envelope” bidding procedure has been adopted. A Bidder whose Bid is determined to be the Best Evaluated Bid shall be awarded the Concession.

The Successful Bidder shall be required to form the SPV, which shall be the developer for the purposes of the Project (the “**Concessionaire**”).

1.3 **INDICATIVE SCHEDULE**

The indicative timelines in relation to the Bidding Process for the Project (as may be amended by the FWD/TFEC in its discretion) are as follows:

Activity	Date (Tentative)*
Issuance of RFP	February 18, 2025
Pre-Bid Meeting 1	February 27, 2025
Pre-Bid Meeting 2	April 7, 2025
Bid Submission Date & Opening of Technical Proposals	April 30, 2025 May 26, 2025
Announcement of Technical Proposals Evaluation Results	Forty-five (45) days of the Bid Submission Date
Opening of Financial Proposals	Sixty (60) days of the Bid Submission Date
Announcement of Bid Evaluation Results	Eighty (80) days of the Bid Submission Date
Award of Concession to Successful Bidder	One Hundred (100) days of the Bid Submission Date
Signing of the Concession Agreement	One Hundred and Forty Five (145) days of the Bid Submission Date†

*In the event of any public holiday (including a gazetted holiday) occurring on the above-mentioned dates, the immediately succeeding business day will be considered as the day on which the respective milestone shall take place.

2. ELIGIBLE BIDDERS

2.1 GENERAL REQUIREMENTS

- 2.1.1 A Bid received from a Bidder shall only be considered for further evaluation in accordance with the requirements of the RFP if the criteria, as set out in Annexure A (*Basic Eligibility Criteria*) of Part 4 (*Annexures*) of Volume I (*Bidding Procedure*) of the RFP, is satisfied. Any non-compliant Bid shall be rejected by FWD/TFEC.
- 2.1.2 For the purposes of the RFP, a Bid may be submitted by a single entity or a Consortium. In case a Bid is submitted by a Consortium:
- (a) all members of the Consortium shall be jointly and severally liable in respect of their obligations in relation to the Project;
 - (b) one (01) member of the Consortium shall be nominated as being in-charge and shall act the lead member (the “**Lead Member**”) who shall have the authority to represent and irrevocably bind the Consortium in all matters connected with the Bidding Process, conduct all business for and on behalf of any and all Consortium Members during the Bidding Process, and in case the Consortium is awarded the Project, finalize the Project Agreements.

This authorization shall be evidenced by submitting a power of attorney, as set out in Part B (*Power of Attorney to Authorize the Lead Member*) of Bidding Form T3 (*Form of Power of Attorney*) of Part 2 (*Bidding Forms*) of Volume I (*Bidding Procedure*) of the RFP, signed by legally authorized signatories of all the Consortium Members, appointed pursuant to the power of attorney in Part A (*Power of Attorney to Authorize a Person to Sign the Documents*) of Bidding Form T3 (*Form of Power of Attorney*) of Part 2 (*Bidding Forms*) of Volume I (*Bidding Procedure*) of the RFP;
 - (c) each Consortium Member shall be required to own at least ten percent (10%) Ownership Stake in the SPV. The Lead Member shall be required to own the highest proportion of the Owner Stake in the SPV relative to other Consortium Members but in no case less than fifty-one percent (51%) Ownership Stake in the SPV, except as may be permitted under the Concession Agreement (post award to the Successful Bidder);
 - (d) the Bid shall contain a formal executed copy of the Consortium Agreement complying with the laws of Pakistan and the requirements indicated in Annexure C (*Requirements for Consortium Agreement*) of Part 4 (*Annexures*) of Volume I (*Bidding Procedure*) of the RFP and specifically appointing the Lead Member of the Consortium, and identifying the roles of each Consortium Member. Following the Bid Submission Date, there shall be no change in the Consortium, by addition/withdrawal of a Consortium Member or change in percentage shareholding of any Consortium Member, except as may be permitted by the FWD/TFEC; and
 - (e) in case the Successful Bidder is a Consortium, such Successful Bidder shall be required to comply with the requirements regarding Ownership Stake matters, including the transfer restrictions set out in the Concession Agreement.
- 2.1.3 Each Bidder shall authorize a representative who shall have the authority to represent and irrevocably bind the Bidder in all matters connected with the Bidding Process, conduct all business for and on behalf of the Bidder during the Bidding Process, and in case the Bidder is awarded the Project, finalize the Project Agreements. Such authority shall be in the form of a power of attorney in favour of the authorized representative in the form attached as Part A (*Power of Attorney to Authorize a Person to Sign the Documents*) of Bidding Form T3 (*Form of Power of Attorney*) of Part 2 (*Bidding Forms*) of Volume I (*Bidding Procedure*) of the RFP.
- 2.1.4 A Bidder (including any Consortium Member) shall not have a conflict of interest. All Bidders (including any Consortium Members) found to have a conflict of interest shall be disqualified. FWD shall take appropriate actions to manage such conflicts of interest, which may include rejecting the Bid if it is determined that a conflict of interest may affect the integrity of the Bidding Process.

A Bidder (including any Consortium Member) may be considered to be in a conflict of interest with one or more Bidders, if, *inter alia*, such Bidder / Consortium Member, including its subsidiaries, participates in more than one (1) Bid, either individually or as a Consortium Member. This will result in the disqualification of all Bids in which such Bidder (including such Consortium Member) is involved.

Bidders (including any Consortium Members) shall not be considered to be in a conflict of interest with another Bidder, if such Bidders (including any Consortium Members) are the subsidiaries of a common parent company or one Bidder (including a Consortium Member) is the parent company of the other Bidder (including a Consortium Member), provided that the following conditions are satisfied:

- (a) such parent company is a sovereign state (“**Sovereign**”) or a sovereign state-owned enterprise (“**SOE**”);
- (b) the Sovereign, SOE, and the relevant subsidiaries of the Sovereign and/or SOE participating in the Bidding Process conduct their business operations on an independent basis, are independent legal persons, have independent management and boards, and are free from each other’s financial obligations including independent auditing and accounting; and
- (c) such Bidder (including a Consortium Member) has provided a legal opinion duly issued by a reputable and qualified legal counsel in its jurisdiction of incorporation confirming (a) and (b) above.

The circumstances provided above which may constitute a conflict of interest are not exhaustive and the FWD shall be the sole determinant of whether a conflict of interest situation has arisen.

- 2.1.5 A Bidder (or any Consortium Member) which has been declared ineligible or blacklisted by any of its employers, any Federal or Provincial governmental or non-governmental department/agency in Pakistan, or any other provincial government(s) of any foreign countries or their governmental bodies, and/or international organizations (e.g. World Bank, Asian Development Bank, United Nations, International Monetary Fund etc.), as at the Bid Submission Date, shall not be considered.
- 2.1.6 Each Bidder (including a Consortium Member) shall indemnify the GoS Parties fully in respect of any damage, cost, penalty, or expense of any kind incurred by such GoS Party arising from a Bidder’s or its representative’s (including a Consortium Member’s or its representative’s) breach of its obligations under the RFP.
- 2.1.7 Bidders are encouraged to submit their respective Bids after visiting the Site no later than fifteen (15) calendar days prior to the Bid Submission Date, and ascertaining for themselves the Site conditions, location, surroundings, climate, availability of power, water, and other utilities for construction, access to Site, handling and storage of materials, weather data, applicable laws including but not limited to the Applicable Evaluation Documents and the Sindh Environmental Protection Act, 2014, the general and local conditions associated with implementing the Project, and any other matter considered relevant by them. The costs and permission(s) (if any) for the purposes of visiting such site(s) shall be at the Bidder’s own expense and liability. Bidders shall be required to seek prior written permission of FWD for visiting such site(s). Regardless of submission of a Bid and outcome of the Bidding Process, FWD shall not be liable in any manner for any costs incurred as a result of such visit(s).
- 2.1.8 A Bidder or any of its personnel or agents may enter the Site, where the works and services in relation to the Project are to be performed and undertaken, only upon the express condition that the Bidder, its personnel, and agents will release and indemnify the FWD and its personnel and agents from and against all liability in respect thereof, and the Bidder will be responsible for death or personal injury, loss of or damage to property, and any other loss, damage, costs, and expenses incurred as a result of the inspection.
- 2.1.9 A Bidder is expected to examine all instructions, forms, terms, and specifications in the RFP. Failure to furnish all information or documentation required by the RFP may result in the rejection of the Bid.

3. RFP DOCUMENT

3.1 CONTENTS OF THE RFP

3.1.1 The RFP comprises of the documents stated below and should be read in conjunction with any addendum and/or corrigendum issued in accordance with Section 3.4 (*Amendment of RFP*) of the Instructions to Bidders:

(A) **VOLUME I – BIDDING PROCEDURE**

- (a) Part 1 – Instructions to Bidders.
- (b) Part 2 – Bidding Forms.
- (c) Part 3 – Bidding Documentary Requirements.
- (d) Part 4 – Annexures:
 - (i) Annexure A (*Basic Eligibility Criteria*);
 - (ii) Annexure B (*Evaluation Criteria*); and
 - (iii) Annexure C (*Requirements for Consortium Agreement*).

(B) **VOLUME II – PROJECT SCOPE**

(C) **VOLUME III – CONCESSION AGREEMENT AND SCHEDULES**

3.1.2 The Bidding Forms comprise the forms stated below and should be read in conjunction with any addendum (or corrigendum) to the RFP issued in accordance with Section 3.4 (*Amendment of RFP*) of the Instructions to Bidders:

(A) For the Technical Proposal:

- (a) Bidding Form T1 – Letter of Technical Proposal;
- (b) Bidding Form T2 – Form of Integrity Pact;
- (c) Bidding Form T3 – Form of Power of Attorney;
- (d) Bidding Form T4 – Form of Affidavit;
- (e) Bidding Form T5 – Basic Information Form;
- (f) Bidding Form T6 – Historical Non-Performance and Pending Litigation;
- (g) Bidding Form T7 – Net Worth of Assets Owned by the Bidder;
- (h) Bidding Form T8 – Cash and Funding Lines;
- (i) Bidding Form T9 – Bidder’s Experience;
- (j) Bidding Form T10 – Team Composition;
- (k) Bidding Form T11 – Format of Curriculum Vitae (CV) for Proposed Key Staff;
- (l) Bidding Form T12 – Approach and Methodology;
- (m) Bidding Form T13 – Form of Bid Security; and
- (n) Bidding Form T14 – Development of Work Plan.

(B) For the Financial Proposal:

- (a) Bidding Form F1 – Letter of Financial Proposal; and
- (b) Bidding Form F2 – Financial Proposal Standard Form.

3.2 COMPLETENESS OF RFP

3.2.1 None of the GoS Parties shall be responsible for the completeness of the documents comprising the RFP and its addenda / corrigenda if a Bidder has not obtained the same directly from the source(s) stated by FWD in the Letter of Invitation.

3.2.2 Bidders are expected to carefully examine all instructions, forms, and terms in the RFP and to furnish all information or documentation required pursuant to the RFP. Failure to comply with the requirements of Bid submission set out in the RFP will be at the Bidders’ own risk and may result in the rejection of the Bid. Bids which are not responsive to the requirements of the RFP shall be rejected pursuant to Section 6.4 (*Determination of Responsiveness of Bids*) of the Instructions to Bidders.

3.3 CLARIFICATIONS OF RFP

- 3.3.1 An Interested Party requiring any clarification pertaining to the RFP shall contact the FWD in writing *via* the SPPRA EPADS, or through a letter or email sent at the address / email address provided in the Data Sheet, or raise its enquiries during the Pre-Bid Meetings. The FWD will respond in writing to any request for clarification, provided that such request is received no later than five (5) calendar days prior to the Bid Submission Date. The response shall be uploaded on SPPRA EPADS and the websites of FWD and the PPP Unit, including a description of the inquiry but without identifying its source. Should the FWD deem it necessary to amend the RFP as a result of a request for clarification, it shall do so following the procedure under Section 3.4 (*Amendment of RFP*) of the Instructions to Bidders. No markup of the RFP (including the Concession Agreement and/or other documents / instruments attached to the RFP) shall be accepted. Interested Parties may submit comments or seek clarifications on the RFP, which may be considered by FWD/TFEC.
- 3.3.2 Two (2) Pre-Bid Meetings shall be held with respect to the Project. The designated representatives of the Interested Parties are encouraged to attend the Pre-Bid Meetings at the dates indicated in Data Sheet. The Pre-Bid Meetings may be conducted virtually, and in such a case, the FWD will provide the web link to all the Interested Parties upon receiving a written request. The purpose of the Pre-Bid Meetings will be to clarify issues and to answer questions of the Interested Parties on any matter relating to the RFP. Queries to be discussed during each Pre-Bid Meeting should be submitted three (3) calendar days prior to the date of relevant Pre-Bid Meeting. In addition to the queries discussed during the Pre-Bid Meetings, Interested Parties may submit additional queries to FWD within the time period as specified in Sub-Section 3.3.1 of the Instructions to Bidders and FWD shall respond to such queries in writing as specified in Sub-Section 3.3.1 of the Instructions to Bidders. Non-attendance at the Pre-Bid Meetings will not be a cause for disqualification of a Bidder.

3.4 AMENDMENT OF RFP

- 3.4.1 At any time prior to the Bid Submission Date, the FWD may amend the RFP by issuing an addendum / corrigendum.
- 3.4.2 Any addendum / corrigendum issued shall be considered part of the RFP, communicated to all the Interested Parties, and published in widely circulated national and international dailies and further published on SPPRA EPADS and the respective websites of the FWD and the PPP Unit. It shall be the sole responsibility of the Interested Parties to check for any updates in this regard on the respective websites and/or dailies.
- 3.4.3 The FWD/TFEC may, at its discretion, extend the Bid Submission Date in accordance with Sub-Section 5.2.5 of the Instructions to Bidders, if it considers that as a result of issuance of any addendum/corrigendum, additional time will be required by the Interested Parties for preparation of their Bids.

4. PREPARATION OF BIDS

4.1 COSTS FOR BIDS

- 4.1.1 Bidders shall bear all costs associated with the preparation and submission of their Bids, including, without limitation, all costs and expenses relating to preparation of responses to any clarifications sought by the FWD in accordance with Sub-Section 6.1.1 of the Instructions to Bidders. The FWD shall in no case be responsible or liable for such costs, regardless of the conduct or outcome of the Bidding Process.

4.2 LANGUAGE OF THE BIDS

- 4.2.1 The Bid, and all correspondence and documents related to the Bid and the Bidding Process between the Bidder and the FWD, shall be written in the English language. In case any document / information furnished by the Bidder is in a language other than English, it will need to be accompanied by an English translation (duly notarized by Notary Public and in the case of foreign documents: (a) attested by Pakistan Embassy / Consulate and, once brought into Pakistan, attested by the Ministry of Foreign Affairs, Pakistan; or (b) subject to applicable laws of the country where English translation is issued, authenticated by an apostille under the Apostille Convention) of its pertinent passages for the purposes of interpretation of the Bid. In case of any discrepancy, the English translation shall prevail.

4.3 DOCUMENTS COMPRISING THE BID

- 4.3.1 The Bid shall comprise a Technical Proposal, containing the documents listed in Section 4.4 (*Technical Proposal*) of the Instructions to Bidders, and a Financial Proposal, containing the documents listed in Section 4.5 (*Financial Proposal*) of the Instructions to Bidders, each submitted simultaneously through SPPRA EPADS in the manner prescribed in the Submission Guidelines.
- 4.3.2 Interested Parties are expected to carefully examine the RFP when preparing their Bids and use only the Bidding Forms specified in Sub-Section 3.1.2 of the Instructions to Bidders. Bidding Forms must be completed without any alterations to the text, and no substitutes shall be accepted. All blank spaces shall be filled in with the information requested. Any material deviations/omissions/reservations from the formats provided in the RFP shall not be accepted and may form basis for the rejection of the Bid. Material deficiencies in providing the information requested may result in rejection of a Bid.
- 4.3.3 In case a document required to be submitted as part of the Technical Proposal is submitted with the Financial Proposal, or a document required to be submitted with the Financial Proposal is submitted with the Technical Proposal, it shall not be considered for evaluation and such document shall be considered as not submitted by the Bidder.

4.4 TECHNICAL PROPOSAL

- 4.4.1 The Technical Proposal shall demonstrate the Bidder's unconditional acceptance of the complete scope of works and services under the RFP. Any material omission, reservation, deviation, or condition attached in the Technical Proposal may cause the Bid to be rejected by FWD/TFEC as non-responsive. Under no circumstances shall FWD/TFEC consider/accept a conditional Technical Proposal.
- 4.4.2 The Technical Proposal submitted by the Bidder shall include the following information:
- (a) signed and filled out 'Letter of Technical Proposal', as set out in Bidding Form T1 (*Letter of Technical Proposal*) of Part 2 (*Bidding Forms*) of Volume I (*Bidding Procedure*) of the RFP;
 - (b) Integrity Pact from the Bidder (in case the Bidder is a Consortium, each Consortium Member), as set out in Bidding Form T2 (*Form of Integrity Pact*) of Part 2 (*Bidding Forms*) of Volume I (*Bidding Procedure*) of the RFP, in accordance with Section 8.3 (*Integrity Pact*) of the Instructions to Bidders;
 - (c) authorization in the form of a power of attorney on behalf of the Bidder, and in case

of a Consortium, each Consortium Member, authorizing its representative to sign the relevant documents as per the requirements of the RFP, on its behalf, in the format attached as Part A (*Power of Attorney to Authorize a Person to Sign the Documents*) of Bidding Form T3 (*Form of Power of Attorney*) of Part 2 (*Bidding Forms*) of Volume I (*Bidding Procedure*) of the RFP;

- (d) in case the Bidder is a Consortium, a power of attorney, to be executed by the authorized representatives of the Consortium Members, in favour of the Lead Member, to authorize it to represent and bind all Consortium Members, as set out in the form attached as Part B (*Power of Attorney to Authorize the Lead Member*) of Bidding Form T3 (*Form of Power of Attorney*) of Part 2 (*Bidding Forms*) of Volume I (*Bidding Procedure*) of the RFP;
- (e) in case the Bidder is a Consortium, Consortium Agreement prepared and executed based on the requirements set out in Annexure C (*Requirements for Consortium Agreement*) of Part 4 (*Annexures*) of Volume I (*Bidding Procedure*) of the RFP;
- (f) an affidavit from the Bidder (in case of a Consortium, each Consortium Member), in the form and substance as set out in Bidding Form T4 (*Form of Affidavit*) of Part 2 (*Bidding Forms*) of Volume I (*Bidding Procedure*) of the RFP;
- (g) basic information form, in the form and substance as set out in Bidding Form T5 (*Basic Information Form*) of Part 2 (*Bidding Forms*) of Volume I (*Bidding Procedure*) of the RFP;
- (h) all the information, along with the documents evidencing compliance with the eligibility criteria for Bidders set out in Annexure A (*Basic Eligibility Criteria*) of Part 4 (*Annexures*) of Volume I (*Bidding Procedure*) of the RFP;
- (i) a Bid Security, as set out in Bidding Form T13 (*Form of Bid Security*) of Part 2 (*Bidding Forms*) of Volume I (*Bidding Procedure*) of the RFP, in accordance with Section 4.7 (*Bid Security*) of the Instructions to Bidders;
- (j) following Bidding Forms, specified in Part 2 (*Bidding Forms*) of Volume I (*Bidding Procedure*) of the RFP, each prepared as per the requirements and containing the details specified therein:
 - (i) Bidding Form T6 (*Historical Non-Performance and Pending Litigation*);
 - (ii) Bidding Form T7 (*Net Worth of Assets Owned by the Bidder*);
 - (iii) Bidding Form T8 (*Cash and Funding Lines*);
 - (iv) Bidding Form T9 (*Bidder's Experience*);
 - (v) Bidding Form T10 (*Team Composition*);
 - (vi) Bidding Form T11 (*Format of Curriculum Vitae (CV) for Proposed Key Staff*);
 - (vii) Bidding Form T12 (*Approach and Methodology*); and
 - (viii) Bidding Form T14 (*Development of Work Plan*); and
- (k) any other documents required under the RFP.

4.4.3 The Technical Proposal shall not include any direct or indirect financial information relating to the Financial Proposal. Any Bid having such financial information shall be declared non-responsive.

4.5 **FINANCIAL PROPOSAL**

4.5.1 In preparing the Financial Proposals, Bidders are expected to fully understand the

requirements and conditions set out in the RFP, including all contractual obligations of FWD and the Successful Bidder/SPV under the Concession Agreement (as applicable), and the scope of works and services to be performed by the SPV (as the concessionaire) in relation to the Project.

- 4.5.2 Any material omission, reservation, deviation, or condition included in the Financial Proposal to the contrary shall cause the Bid to be rejected as non-responsive as per the Applicable Evaluation Documents. Under no circumstances shall a conditional Financial Proposal be considered / accepted.
- 4.5.3 The Financial Proposal submitted by the Bidder shall comprise the following:
- (a) signed and filled out Letter of Financial Proposal, as set out in Bidding Form F1 (*Letter of Financial Proposal*) of Part 2 (*Bidding Forms*) of Volume I (*Bidding Procedure*) of the RFP;
 - (b) information as required and set out in Bidding Form F2 (*Financial Proposal Standard Form*) of Part 2 (*Bidding Forms*) of Volume I (*Bidding Procedure*) of the RFP; and
 - (c) any other document required in the RFP.

4.6 CURRENCIES OF BID AND PAYMENT

- 4.6.1 All Bids and other supporting documents shall be typed in the English language and state all monetary amounts in Pakistani Rupees (PKR).

4.7 BID SECURITY

- 4.7.1 The Bidder shall furnish, as part of the Technical Proposal, a Bid Security equivalent to PKR 100,000,000/- (Pakistani Rupees One Hundred Million only) (the “**Bid Security**”). In the case of a Consortium, the Bid Security may be issued by any Consortium Member.
- 4.7.2 The Bid Security shall be an irrevocable, unconditional and on-demand bank guarantee in the form attached as Bidding Form T13 (*Form of Bid Security*) of Part 2 (*Bidding Forms*) of Volume I (*Bidding Procedure*) of the RFP.
- 4.7.3 The Bid Security shall be issued and maintained in PKR by a scheduled bank in Pakistan or a foreign bank outside Pakistan, in each case, having the Minimum Credit Rating at all times, acceptable to the FWD. Where the Bid Security is issued by a foreign bank outside Pakistan, such Bid Security shall be counter-guaranteed/confirmed by a scheduled bank in Pakistan (having the Minimum Credit Rating at all times, acceptable to the FWD).
- 4.7.4 The Bid Security shall initially be valid until at least twenty-eight (28) days following the Bid Validity Period (subject to any extension in accordance with Sub-Section 4.8.2 of the Instructions to Bidders). If the Concession Agreement has not been executed in accordance with Section 7.6 (*Signing of the Concession Agreement*) of the Instructions to Bidders twenty-eight (28) days prior to the expiry of the Bid Security, then the Successful Bidder shall extend the Bid Security until such date as notified by the FWD, but in any case, until twenty-eight (28) days following the execution of the Concession Agreement.
- 4.7.5 Any Bid not accompanied by a compliant Bid Security (as exclusively determined by the FWD/TFEC) shall be rejected as non-responsive, and the Bidder shall not be allowed to submit the Bid Security at a later stage. The Bid Security issued by a foreign bank and not counter-guaranteed / confirmed by a local bank in Pakistan shall result in the rejection of the Bid.
- 4.7.6 Bidders are required to submit with their Technical Proposal a scanned copy of the original Bid Security. Bidders are also required to submit the original Bid Security in hard copy through mail or by hand in a sealed envelope clearly marked as ‘ORIGINAL-BID SECURITY (DO NOT OPEN, EXCEPT IN PRESENCE OF TFEC)’. Such envelope shall additionally bear the address for submission thereof indicated in the Data Sheet. In case of any discrepancies

between the scanned and the original version of the Bid Security, the latter shall prevail. A Bid may be rejected if a photocopy of the original Bid Security is submitted through mail or by hand instead of the original Bid Security, and such Bid shall not be further evaluated.

- 4.7.7 The Bid Security of the unsuccessful Bidders shall be returned upon the earlier of: (a) expiry of the Bid Validity Period; or (b) once the Concession Agreement is executed with the Concessionaire in accordance with Section 7.6 (*Signing of the Concession Agreement*) of the Instructions to Bidders.
- 4.7.8 The Bid Security of the Successful Bidder shall be returned as soon as reasonably possible once the Successful Bidder has signed the Concession Agreement pursuant to Section 7.6 (*Signing of the Concession Agreement*) of the Instructions to Bidders.
- 4.7.9 The Bid Security shall be forfeited:
- (a) if a Bidder:
 - (i) withdraws its Bid during the Bid Validity Period;
 - (ii) is found to be engaged in any corrupt, fraudulent, collusive, coercive, or obstructive practices;
 - (iii) has made false declarations in its Bid;
 - (iv) does not accept the arithmetical corrections of its Bid in accordance with Sub-Section 6.3.5 of the Instructions to Bidders; and/or
 - (v) fails to fulfil its obligations under the RFP in terms thereof.
 - (b) if the Successful Bidder or the SPV, as applicable:
 - (i) fails to sign the Concession Agreement, in accordance with Section 7.6 (*Signing of the Concession Agreement*) of the Instructions to Bidders;
 - (ii) fails to furnish Development Performance Security pursuant to Section 7.5 (*Development Performance Security*) of the Instructions to Bidders; and/or
 - (iii) fails to comply with the requirements set out in the Notification of Award.
- 4.7.10 The Bid Security is required to protect the GoS Parties against the risk of Bidders' conduct which would warrant the Bid Security's forfeiture, pursuant to Sub-Section 4.7.9 of the Instructions to Bidders.

4.8 BID VALIDITY

- 4.8.1 Bids shall remain valid for the Bid Validity Period, as may be extended by FWD/TFEC in accordance with Sub-Section 4.8.2 of the Instructions to Bidders. A Bid valid for a shorter period shall be rejected by FWD/TFEC as non-responsive.
- 4.8.2 In exceptional circumstances, prior to the expiration of the Bid Validity Period, the FWD may request all Bidders to extend the period of validity of their Bids. Any such request by FWD with respect to extension of the Bid Validity Period and the response by the Bidder shall be in writing. The Bid Security requested in accordance with Section 4.7 (*Bid Security*) of the Instructions to Bidders, shall also be extended accordingly for a corresponding period not exceeding the original Bid Validity Period. Extension of the Bid Security may be requested upon the extension of the Bid Validity Period. A Bidder may refuse the request following which such Bidder's Bid will be disqualified and its Bid Security shall be returned without forfeiture. A Bidder accepting the request shall not be required or permitted to modify its Bid.

4.9 MANNER OF SIGNING OF BID

- 4.9.1 The Bidder shall merge all documents comprising the Technical Proposal into one PDF file

and all documents comprising the Financial Proposal into a separate PDF file. The PDF versions of such Technical Proposal and Financial Proposal shall be clearly marked as “TECHNICAL PROPOSAL” and “FINANCIAL PROPOSAL”, respectively. Each file shall be uploaded separately on SPPRA EPADS, ensuring compliance with the permitted file size and the Submission Guidelines.

- 4.9.2 The Bid shall be typed or written in indelible ink and shall be signed by a person duly authorised to sign on behalf of the Bidder. This authorization shall consist of a written power of attorney, as set out in Bidding Form T3 (*Form of Power of Attorney*) of Part 2 (*Bidding Forms*) of Volume I (*Bidding Procedure*) of the RFP, as per the requirements set out in the Instructions to Bidders. This authorization must contain the name and position held by each person signing the authorization and name and position of the authorized signatory.
- 4.9.3 Bids submitted in response to the RFP by the Bidders shall be upon full understanding and agreement of all instructions prescribed in the Submission Guidelines. Bidders are to ensure that their Bids are submitted in compliance with the Submission Guidelines and the FWD shall not be held responsible for any non-compliance thereof. All pages of the Bid must be signed and stamped in original by the Bidder’s authorized representative. All pages must be numbered starting from the first page to the last. Any Bid not substantially adhering to these requirements may be rejected.
- 4.9.4 Any interlineations, erasures, or overwriting shall be valid only if they are signed or initialled by the authorized representative signing the Bid.
- 4.9.5 The FWD/TFEC reserves the right to reject a Bid which does not meet the requirements in Section 4.9 (*Manner of Signing of Bid*) of the Instructions to Bidders.

5. SUBMISSION AND OPENING OF BIDS

5.1 SUBMISSION OF BIDS

- 5.1.1 The Bidder (or in case of a Consortium, any Consortium Member) shall register itself as a ‘*SUPPLIER*’ on SPPRA EPADS by creating a dedicated account. The Bidder is responsible for ensuring its compliance with this requirement prior to the submission of its Bid. The Bid shall be submitted by a Bidder (or in the case of a Consortium, by any Consortium Member on behalf of the Lead Member) through its designated account registered on SPPRA EPADS in accordance with any instructions set out for ‘*single stage two envelope*’ procedure in the Submission Guidelines.
- 5.1.2 In accordance with Sub-Section 4.9.1 of the Instructions to Bidders, the Technical Proposal shall be in PDF clearly marked ‘*TECHNICAL PROPOSAL*’ and the Financial Proposal shall also be in PDF clearly marked ‘*FINANCIAL PROPOSAL*’.
- 5.1.3 Any Bidder (including a Consortium Member) who submits or participates in more than one (1) Bid shall be disqualified.
- 5.1.4 All Bidding Forms forming part of the Technical Proposal and the Financial Proposal, as specified in the RFP are to be properly completed and signed. No alteration is to be made in the Letter of Financial Proposal, Letter of Technical Proposal or in the Bidding Forms, except in filling up the blanks as directed. If any alteration is made or if these instructions have not been fully complied with, the Bid may be rejected.
- 5.1.5 Bids shall be submitted electronically by the Bidders via the SPPRA EPADS, except for the original Bid Security which shall be submitted: (a) through courier/express mail; or (b) by hand, or on before the Bid Submission Date at the address indicated in the Data Sheet.
- 5.1.6 The Bidders shall ensure that any Bid submitted under this RFP corresponds to the Land Parcel to which the RFP relates, details of which are set out in Volume II (*Project Scope*) of the RFP. Any Bid that is submitted under an incorrect package or corresponds to a different Land Parcel may not be considered for evaluation and shall be rejected by FWD/TFEC.

5.2 DEADLINE FOR SUBMISSION

- 5.2.1 Bids must be uploaded to the SPPRA EPADS no later than 12:00 hours PST on the Bid Submission Date in accordance with the RFP.
- 5.2.2 Bids or any document received after 12:00 hours (PST) on the Bid Submission Date shall be declared late and be rejected. Bidders are responsible for ensuring that their Bids are timely submitted.
- 5.2.3 No arrangements shall be made by the FWD with Bidders for collection of the Bids or the original Bid Security from any delivery point. Bidders shall bear all expenses incurred in the preparation and submission of Bids. No claims for refund of any expense shall be entertained.
- 5.2.4 Where delivery of the Bid Security is by courier / express mail and the Bidder wishes to receive an acknowledgment of receipt of such Bid Security, such Bidder shall make a request for such acknowledgement in a separate letter accompanying the envelope containing the Bid Security. Delays in the mail, delays of person(s) in transit, or delivery of the Bid Security to an incorrect location, shall not be accepted as an excuse for failure to deliver the Bid Security at the proper place and time. It shall be the Bidder's responsibility to ensure delivery of its Bid Security in a timely manner.
- 5.2.5 The FWD may, at its discretion, extend the Bid Submission Date by issuing an addendum in accordance with Section 3.4 (*Amendment of RFP*) of the Instructions to Bidders, in which case all rights and obligations of the FWD and the Bidders previously subject to the earlier Bid Submission Date shall thereafter be subject to the extended Bid Submission Date.
- 5.2.6 Any delays in submitting the Bid on the SPPRA EPADS by a Bidder shall not be accepted as an excuse for failure to upload its Bid in a proper manner or at the proper time. It shall be the Bidder's responsibility to ensure timely submission of its Bid.

5.3 MODIFICATION, SUBSTITUTION AND WITHDRAWAL OF BIDS

- 5.3.1 Any Bidder may modify, substitute, or withdraw its Bid after submission on SPPRA EPADS, but prior to the Bid Submission Date, in accordance with the requirements of the SPPRA EPADS and the Submission Guidelines.
- 5.3.2 Withdrawal of a Bid during the interval between the Bid Submission Date and the expiration of the Bid Validity Period (or any extension thereof) shall result in forfeiture of the Bid Security pursuant to Sub-Section 4.7.9 of the Instructions to Bidders.
- 5.3.3 Bids requested to be withdrawn in accordance with Sub-Section 5.3.1 of the Instructions to Bidders shall be disregarded by FWD.
- 5.3.4 After the Bid Submission Date, no changes to the Concession Agreement shall be permitted other than those requested by the FWD and agreed to by the Successful Bidder and inclusion of details of the Successful Bidder (to whom the Concession is awarded) and any other information that was incomplete prior to the Bid Submission Date.
- 5.3.5 Bids submitted in response to the RFP by the Bidders shall be upon full understanding and agreement of all terms of the RFP (including the Concession Agreement) and such submission shall be deemed as an acceptance to all the terms and conditions stated in the RFP (including the Concession Agreement).

5.4 OPENING OF BIDS

- 5.4.1 The opening of Technical Proposals shall be conducted on the same day as the Bid Submission Date at the time and address provided in the Data Sheet, in the presence of Bidders' designated representatives who choose to attend.
- 5.4.2 If the Technical Proposal and the Financial Proposal are submitted together in one PDF, other than as specified in the Instructions to Bidders, the entire Bid may be rejected. If any

document, required to be submitted with Technical Proposal, is submitted with the Financial Proposal, or if any document required to be submitted with the Financial Proposal is submitted with the Technical Proposal, such document shall not be considered for evaluation and may also form the basis of rejection of a Bid.

- 5.4.3 The Financial Proposals shall remain secured and unopened on the SPPRA EPADS until the specified date and time of their opening, as communicated in advance by FWD to the Bidders.
- 5.4.4 The Technical Proposals shall be opened one at a time, and the following read out and recorded:
 - (a) the name of the Bidder;
 - (b) the presence and value of the Bid Security; and
 - (c) any other details as the FWD/TFEC may consider appropriate.
- 5.4.5 Only Technical Proposals which are read out and recorded during the Bid opening shall be considered for evaluation as per the requirements of the RFP. No Bid shall be rejected at the time of opening of Technical Proposals except for late Bids, in accordance with Sub-Section 5.2.2 of the Instructions to Bidders.
- 5.4.6 A record of the Bid opening shall be prepared that shall include, as a minimum: the name of the Bidder, and presence or absence and the value of Bid Security. The Bidders' representatives who are present shall be requested to sign the attendance sheet. The omission of a Bidder's signature on the attendance sheet shall not invalidate the contents and effect of the record.
- 5.4.7 At the end of the evaluation of the Technical Proposals, Bidders who have submitted responsive Technical Proposals pursuant to the requirements of the RFP and who have been determined as technically qualified for award of Concession shall be invited to attend the opening of the Financial Proposals. The date, time, and location of the opening of Financial Proposals shall be advised in writing by the FWD.
- 5.4.8 The FWD shall notify in writing, at any time prior to the opening of the Financial Proposals, the Bidders who have been rejected on the grounds of their Technical Proposals not being responsive to the requirements of the RFP. Such Financial Proposals shall remain unopened by FWD.
- 5.4.9 The opening of Financial Proposals of all Bidders who have technically qualified shall be conducted in the presence of Bidders' representatives who choose to attend at the address, date and time specified by the FWD. The Bidders' representatives who are present shall be requested to sign an attendance sheet / register evidencing their attendance.
- 5.4.10 Financial Proposals of the Bidders shall be opened one at a time and the following shall be read out and recorded:
 - (a) the name of the Bidder;
 - (b) the Bid Price; and
 - (c) any other details as the FWD/TFEC may consider appropriate.
- 5.4.11 Only the Financial Proposals which are read out and recorded during the opening of Financial Proposals shall be considered for evaluation. No Financial Proposal shall be rejected at the time of opening of Financial Proposals.
- 5.4.12 A record of the opening of Financial Proposals shall be prepared that shall include, as a minimum: the name of the Bidder, and the Bid Price. The Bidders' representatives who are present shall be requested to sign the attendance sheet. The omission of a Bidder's signature on the attendance sheet shall not invalidate the contents and effect of the record.

6. CLARIFICATION AND EVALUATION OF BIDS

6.1 CLARIFICATION OF BIDS

- 6.1.1 To assist in the examination, evaluation and comparison of the Technical Proposals and/or Financial Proposals, TFEC/FWD may, at its discretion, ask the Bidders for any clarification, presentation, additional information or supporting documentation in respect of any matter associated with the documentation submitted by the Bidders in their Bids. Any such request and the response shall be through the SPPRA EPADS. No change in the price in the Financial Proposals or substance of the Bid shall be sought, offered or permitted except to confirm the correction of arithmetic errors discovered by FWD/TFEC in the evaluation of the Bids.
- 6.1.2 If a Bidder does not provide clarifications of the information requested by the date and time set in FWD/TFEC's request for clarification, its Bid shall be rejected.

6.2 EVALUATION OF BIDS

- 6.2.1 During the evaluation of Bids, the following definitions apply:
- (a) "Deviation" is a departure from the requirements specified in the RFP;
 - (b) "Reservation" is the setting of limiting conditions or withholding from complete acceptance of the requirements specified in the RFP; and
 - (c) "Omission" is the failure to submit part, or all of the information or documentation required in the RFP.

6.3 PRELIMINARY EXAMINATION OF BIDS

- 6.3.1 Prior to the detailed evaluation of Bids pursuant to Section 6.4 (*Determination of Responsiveness of Bids*) of the Instructions to Bidders, each Bid shall be examined to determine whether:
- (a) the Bid is complete and does not deviate from the scope of works and services to be performed in relation to the Project;
 - (b) any computational errors have been made;
 - (c) the Bid Security has been furnished;
 - (d) the documents have been properly signed;
 - (e) valid authorization(s) is/are present; and
 - (f) the Bid is valid till the Bid Validity Period.
- 6.3.2 Prior to conducting detailed evaluation of Bids pursuant to Section 6.4 (*Determination of Responsiveness of Bids*) of the Instructions to Bidders, each Bid shall be examined as follows, and a Bid may not be considered acceptable if:
- (a) it is unsigned; or
 - (b) its validity is less than the Bid Validity Period.
- 6.3.3 Prior to the detailed evaluation of Bids pursuant to Section 6.4 (*Determination of Responsiveness of Bids*) of the Instructions to Bidders, each Bid shall be examined as follows, and a Bid shall not be considered acceptable if:
- (a) it is not accompanied by a Bid Security;

- (b) it is received after the Bid Submission Date;
 - (c) it is submitted through any mode other than SPPRA EPADS, except the Bid Security which shall be submitted physically in the manner set out in the RFP;
 - (d) it is submitted under an incorrect package or corresponds to a different Land Parcel (from the Land Parcel which relates to the Project);
 - (e) the Bidder refuses to accept arithmetic correction(s); or
 - (f) it materially deviates from the requirements of the RFP.
- 6.3.4 During the evaluation of the Bids, the FWD/TFEC shall require the Bidder to rectify the arithmetical errors on the following basis:
- (a) in respect of the relevant input amount and the output (i.e., total) amount in any Bidding Form, due to any error in calculation, the relevant input amount shall prevail, and the output (i.e., total) amount shall be corrected; and
 - (b) in respect of words and figures, the amount in words shall prevail.
- 6.3.5 If the Bidder does not accept the corrected amount of the Bid, its Bid shall be rejected, and its Bid Security shall be forfeited.
- 6.4 DETERMINATION OF RESPONSIVENESS OF BIDS**
- 6.4.1 FWD/TFEC shall determine the responsiveness of each Bid to the RFP. The Technical Proposals that conform to all the terms and conditions of the RFP without material deviations, reservations or omissions shall be declared responsive. A material deviation, reservation or omission is one that:
- (a) if accepted, would:
 - (i) affect in any substantial way the scope, quality, or performance of the works and services in relation to the Project as specified in the RFP; or
 - (ii) limit in any substantial way the GoS Parties' rights or the Bidder's or the SPV's obligations under the RFP; or
 - (b) if rectified, would unfairly affect the competitive position of other Bidders presenting substantially responsive Technical Proposals.
- 6.4.2 FWD's/TFEC's determination of a Bid's responsiveness may be based on the contents of the Bid itself without recourse to extrinsic evidence.
- 6.4.3 Any minor non-conformity or irregularity in a Technical Proposal that does not constitute a material deviation, reservation or omission may be waived by the FWD or required by the FWD to be rectified, provided such waiver or rectification does not prejudice or affect unfairly the competitive position of other responsive Technical Proposals.
- 6.4.4 Provided that a Bid is substantially responsive, FWD/TFEC may request that the Bidder submit the necessary information or documentation *via* the SPPRA EPADS, within a reasonable period of time, to rectify non-material non-conformities in the Bid related to documentation requirements. Requesting information or documentation on such non-conformities shall not be related to any aspect of the Financial Proposal. Failure of the Bidder to comply with the request may result in the rejection of its Bid.
- 6.4.5 If a Bid is not substantially responsive to the requirements of the RFP, it shall be rejected and may not subsequently be made responsive by correction of the material deviation, reservation, or omission.
- 6.4.6 A responsive Financial Proposal is one which meets the requirements of the RFP without

any deviation, reservation or omission. No change in the Financial Proposals shall be allowed and shall be evaluated as per the information provided by the Bidders. A non-responsive Financial Proposal may not subsequently be made responsive by correction of the deviation, reservation, or omission.

- 6.4.7 If a Financial Proposal, in the opinion of FWD/TFEC, is seriously unbalanced or is seen to unfairly exploit the evaluation mechanism, FWD/TFEC may require the relevant Bidder to produce detailed price analysis for any or all items of the Bid, to demonstrate the internal consistency of those prices. After evaluation of the price analysis, taking into consideration the terms of payments, the FWD/TFEC may require the Bidder to rationalize the costs and/or terms of payments.

6.5 EVALUATION CRITERIA

- 6.5.1 Bids of only those Bidders shall be considered who meet the basic eligibility criteria set forth in Annexure A (*Basic Eligibility Criteria*) of Part 4 (*Annexures*) of Volume I (*Bidding Procedure*) of the RFP.
- 6.5.2 In addition, and subject to the requirements set out in Section 6.3 (*Preliminary Examination of Bids*) and Section 6.4 (*Determination of Responsiveness of Bids*) each of the Instructions to Bidders, the Bidders shall be evaluated against the evaluation criteria for the Technical Proposals and the Financial Proposals set out in Annexure B (*Evaluation Criteria*) of Part 4 (*Annexures*) of Volume I (*Bidding Procedure*) of the RFP. For the avoidance of doubt, the Bidder may qualify on the basis of its shareholders’ credentials, provided that such shareholder(s) shall also be a party to the Sponsor Support Agreement.
- 6.5.3 The TFEC/FWD shall attribute a technical score to responsive Technical Proposals.
- 6.5.4 Technical Proposals scoring less than seventy (70) points shall be rejected. The technical score shall be calculated as follows:

SR. NO.	CRITERIA	WEIGHTAGE/ MARKS
A.	Financial Capability	25
B.	Project Development Experience	40
C.	Project Team Experience	25
D.	Approach and Methodology	10
	Total	100

For technical qualification, a Bidder must score at least seventy (70) or more marks. The detailed technical evaluation criteria for Technical Proposal is set out in Annexure B (*Evaluation Criteria*) of Part 4 (*Annexures*) of Volume I (*Bidding Procedure*) of the RFP.

- 6.5.5 After complete evaluation of the Technical Proposals, the Financial Proposals of the Bidders, who have been qualified technically, shall be evaluated as per the requirements set out in Volume I (*Bidding Procedure*) of the RFP.

6.6 SUCCESSFUL BIDDER

- 6.6.1 The Bidder who secures the highest marks based on the financial evaluation criteria, and whose Bid is determined to be the Best Evaluated Bid in terms of the Applicable Evaluation Documents, shall be declared the Successful Bidder.
- 6.6.2 In the event it is determined that the highest marks scored based on the financial evaluation criteria by Bidders are achieved by two (2) or more Bidders, the Bidder (among such tied Bidders) who secured higher marks based on the technical evaluation criteria and whose Bid is determined to be the Best Evaluated Bid in terms of the Applicable Evaluation Documents, shall be declared the Successful Bidder.

6.7 FWD RIGHT TO VERIFY DOCUMENTS

- 6.7.1 The FWD/TFEC retains the right to verify particulars regarding any information, statements and/or documents furnished with a Bid. Any Bidder found to be misrepresenting information may be disqualified at any stage of the Bidding Process and their Bid Security shall be forfeited.

7. AWARD OF CONCESSION

7.1 AWARD CRITERIA

- 7.1.1 Subject to Section 7.2 (*FWD's Right to Accept / Reject Bids*), the FWD/TFEC shall award the Concession to the Bidder whose Bid has been determined to be the Best Evaluated Bid in terms of the requirements of the Applicable Evaluation Documents, provided that such Bidder continues to be eligible in accordance with the requirements set out in the Annexure A (*Basic Eligibility Criteria*) of Part 4 (*Annexures*) of Volume I (*Bidding Procedure*) of the RFP.

7.2 FWD's RIGHT TO ACCEPT / REJECT BIDS

- 7.2.1 No Bid shall be considered to have been accepted, unless such acceptance is confirmed in writing and notified to the Successful Bidder by the FWD.
- 7.2.2 The FWD reserves the right to annul the Bidding Process and reject all Bids at any time prior to the issuance of the Notification of Award, without thereby incurring any liability to Bidders or providing any reason for rejection of the Bids. In case of such annulment, all the Bid Securities, shall be promptly returned to the Bidders. The decision of the FWD shall be final and binding and no correspondence shall be entered into with the Bidders, except as provided in the Applicable Evaluation Documents.
- 7.2.3 The FWD shall not be responsible for, or pay for, any expenses or losses which may be incurred by any Bidder in the preparation of, or in connection with, its Bid.
- 7.2.4 Each Bidder fully waives off any and all rights to claim in respect of such expenses or losses and agrees to indemnify the FWD, its affiliates and their advisors fully in respect of any direct or indirect losses, damages, costs or expenses of any kind incurred by any of them.

7.3 NOTIFICATION OF AWARD

- 7.3.1 Prior to expiration of the Bid Validity Period, the FWD shall notify the Successful Bidder through the Notification of Award that its Bid has been accepted.
- 7.3.2 The FWD shall, at least three (3) business days prior to the issuance of the Notification of Award, publish on the websites of the SPPRA, the FWD and the Sindh PPP Unit, the results of the Bidding Process in the form of a technical and financial evaluation report in accordance with the Application Evaluation Documents.
- 7.3.3 The Successful Bidder shall acknowledge and return the Notification of Award with its acceptance (the “**Acceptance of Notification of Award**”) within seven (7) days of the issuance of Notification of Award, failure of which may constitute sufficient grounds for the annulment of the award and forfeiture of its Bid Security.

7.4 FORMATION OF SPV BY THE SUCCESSFUL BIDDER

- 7.4.1 The Successful Bidder shall incorporate a wholly owned SPV (i.e., the Concessionaire) that shall be incorporated in accordance with the laws of Pakistan exclusively for the implementation of the Project.
- 7.4.2 The Successful Bidder / SPV shall be obligated to replace the Bid Security (prior to expiry of the Bid Security) with the Development Performance Security as per the requirements set out in Sub-Section 7.5.1 of the Instructions to Bidders.

7.5 DEVELOPMENT PERFORMANCE SECURITY

- 7.5.1 The Successful Bidder / SPV shall, within twenty-eight (28) days of issuance of the Notification of Award or such extended date as may be specified by FWD in its sole discretion, but in any case prior to execution of the Concession Agreement, furnish to FWD a satisfactory Development Performance Security equivalent to PKR 50,000,000/- (Pakistani Rupees Fifty Million only) (subject to increase in the face amount in accordance with the Concession Agreement) and shall maintain the same in full force and effect until the Development Performance Security Expiry Date, in accordance with the requirements of the Concession Agreement and the RFP.
- 7.5.2 Failure of the Successful Bidder to comply with the requirements of Sub-Section 7.5.1 of the Instructions to Bidders shall constitute sufficient grounds for the annulment of the award and forfeiture of its Bid Security. Prior to execution of the Concession Agreement, the Development Performance Security may be encashed for the same reasons as the Bid Security and for such other purpose as specified in the RFP. Following execution of the Concession Agreement, the Development Performance Security shall be encashed in terms of the Concession Agreement.

7.6 SIGNING OF THE CONCESSION AGREEMENT

- 7.6.1 The Concession Agreement shall be executed between, the FWD and the SPV (as the Concessionaire), within forty-five (45) days of issuance of the Notification of Award or within such extended timeline as determined by the FWD in its sole discretion. In case the Concession Agreement is not executed within the aforesaid timeline, the Bid Security or the Development Performance Security (as applicable) shall be encashed by FWD and the award shall be cancelled, if such failure is due to reasons attributable to the Successful Bidder.

8. OTHER CONSIDERATIONS

8.1 CONFIDENTIALITY

- 8.1.1 Subject to Sub-Section 8.1.3 and Section 3.3 (*Clarifications of RFP*), each of the Instructions to Bidders, no Bidder shall contact the FWD/TFEC on any matter relating to its Bid following the time of submission of its Bid.
- 8.1.2 Any attempt by a Bidder to influence the FWD/TFEC in relation to the Bidding Process may result in the rejection of its Bid and encashment of its Bid Security.
- 8.1.3 Notwithstanding Sub-Section 8.1.2 of the Instructions to Bidders, from the time of Bid opening to the time of award of the Concession, if any Bidder wishes to contact the FWD/TFEC on any matter related to the Bidding Process, it should do so in writing.
- 8.1.4 Information relating to the examination, clarification, evaluation and recommendation for the Bidder shall not be disclosed to any person who is not officially concerned with the Bidding Process or is not a retained professional advisor advising the GoS Parties in relation to, or matters arising out of, or concerning the Bidding Process. The FWD will endeavour to treat all information, submitted as part of the Bid, in confidence and will require all those who have access to such material to treat the same in confidence. The FWD may not divulge any such information, unless it is directed to do so by any statutory entity that has the power under law to require its disclosure, is required under the applicable laws in Pakistan, or it is to enforce or assert any right or privilege of the FWD, a statutory entity.
- 8.1.5 All information supplied by the FWD in connection with this RFP, shall be treated as confidential and the Bidders shall not, without the prior written consent of the FWD, at any time make use of such information for their own purposes or disclose such information to any person (except as may be required by applicable law). Subject to the provisions of this RFP, the RFP shall remain the property of the FWD and is issued solely for the purpose of preparation and submission of the Bid in accordance herewith.
- 8.1.6 The RFP and every part of it and all other information provided by or on behalf of the FWD must be treated as private and confidential. Bidders shall not disclose the fact that they have been invited to submit a Bid or release details of the RFP other than on a strictly confidential basis to those parties whom they need to consult for the purposes of preparing the Bids.

- 8.1.7 Bidders shall not at any time release any information concerning the RFP and/or their Bid and/or any related documents and/or any discussion with the FWD in this connection for publication in the press or on radio, television, screen, social media or any other medium without the prior written approval of the FWD.
- 8.1.8 Each Bidder undertakes to indemnify the GoS Parties and to keep the GoS Parties indemnified against all actions, claims, demands, liability, proceedings, damages, costs, charges and expenses whatsoever arising out of or in connection with any breach of the provisions of this Section 8.1 (*Confidentiality*).
- 8.1.9 Any Bid submitted in response to the RFP is submitted upon a full understanding and agreement of terms of this Section 8.1 (*Confidentiality*) and therefore the submission of the Bid in response to the RFP would be deemed as an acceptance to the said terms.

8.2 **CORRUPT AND FRAUDULENT PRACTICES**

- 8.2.1 The FWD/TFEC will reject a Bid if it determines that a Bidder (or a Consortium Member, if applicable) (including any of its Affiliates) has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices or other integrity violations during the Bidding Process. FWD/TFEC may declare a Bidder (or a Consortium Member) ineligible, or blacklist a Bidder (or a Consortium Member) in accordance with the Regulations for Blacklisting of Bidders, Contractors, Suppliers and Consultants, 2023.
- 8.2.2 Coercive, collusive, corrupt, fraudulent or obstructive practices, for the purposes of Sub-Section 8.2.1 of the Instructions to Bidders shall have the following meaning:
 - (a) **“Coercive practice”** means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence the actions of a party to achieve a wrongful gain or to cause a wrongful loss to another party;
 - (b) **“Collusive practice”** means any arrangement between two or more parties to the procurement process or contract execution, designed to achieve with or without the knowledge of the procuring agency to establish prices at artificial, non-competitive levels for any wrongful gain;
 - (c) **“Corrupt practice”** means the offering giving, receiving or soliciting directly or indirectly of anything of value to influence the acts of another party for wrongful gain;
 - (d) **“Fraudulent practice”** means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation; and
 - (e) **“Obstructive practice”** means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a contract or deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements before investigators in order to materially impede an investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or acts intended to materially impede the exercise of inspection and audit rights.

8.3 **INTEGRITY PACT**

Each Bidder (and in case of a Consortium, each Consortium Member) shall sign and stamp Bidding Form T2 (*Form of Integrity Pact*) of Part 2 (*Bidding Forms*) of the RFP (the **“Integrity Pact”**). Failure to provide such Integrity Pact may cause the Bid to be rejected by TFEC/FWD as non-responsive.

8.4 **GRIEVANCE REDRESSAL**

Any Bidder being aggrieved by any act or decision of the FWD/TFEC, may after the issuance of the RFP, lodge a written complaint to the “*complaint redressal committee*” constituted by the FWD in accordance with the Applicable Evaluation Documents. The mechanism for redressal of grievances of Bidders shall be as per the Applicable Evaluation Documents.

8.5 INSURANCES

If a Bidder is selected as the Successful Bidder, it understands, undertakes and confirms that it shall be responsible for procuring Insurances in respect of the Project. All fees, costs and other expenditures relating to such Insurances shall be borne by the SPV (as the Concessionaire).

8.6 NO LOBBYING

- 8.6.1 The Bidders (including any member of the Consortium), will not attempt to communicate, directly or indirectly, with any of the GoS Parties at any stage of the Bidding Process (including during the evaluation process), except as expressly permitted under this RFP, directed or permitted by the FWD, or except as may be required and permitted under another procurement process, project or other assignment, in which event the Bidder will not have any discussions regarding the Project.
- 8.6.2 The FWD/TFEC reserves the right to disqualify any Bidder that, in the FWD/TFEC’s opinion, has engaged in lobbying in connection with this Project.

9. DATA SHEET

The following specific data shall supplement the provisions in the Instructions to Bidders.

1.	Address for seeking clarifications on the RFP	Designation: Chief Conservator of Forests (Riverine & Inland Forests, Sindh) Forest & Wildlife Department, Government of Sindh Address: Barrack No. 10, Sindh Secretariat 4-A, Court Road, Karachi Phone No.: +92-21-99222193 - 99203647 Subject of email to be Att. [CERF-P2]– RFP ([Name of Bidder]).
2.	Pre-Bid Meetings	Dates for Pre-Bid Meetings: Pre-Bid Meeting 1: February 27, 2025 Pre-Bid Meeting 2: April 7, 2025 FWD will communicate the confirmed time and venue of each Pre-Bid Meeting to the Interested Parties upon their: (a) registration through https://tinyurl.com/2wsjv6bw ; or (b) email at info.p3proc@gmail.com . Pursuant to Section 3.3.2 of the Instructions to Bidders, the Pre-Bid Meetings may be held virtually, in which case the web link shall be shared by FWD with the Interested Parties prior to the date of the relevant Pre-Bid Meeting, upon request submitted via email at info.p3proc@gmail.com . In the event additional Pre-Bid Meetings are scheduled, the FWD shall notify the Interested Parties of the scheduled date, time, and venue via the SPPRA EPADS and/or through a notice published on the respective websites of FWD and the PPP Unit.
3.	Address for submission of Bid Security	Forest and Wildlife Department, Government of Sindh, Barrack No. 10, Sindh Secretariat 4-A, Court Road, Karachi
4.	Address for opening of Bids	Committee Room of the Planning & Development Board, 2 nd Floor, Tughlaq House, Sindh Secretariat, Shahrah-e-Kamal, Atta-Turk Road, Karachi
5.	Bid Submission Date	April 30, 2025 <u>May 26, 2025</u>
6.	Link to SPPRA EPADS	https://portalsindh.eprocure.gov.pk/
7.	Link to Submission Guidelines	http://tiny.cc/FWLD
8.	Bid Opening Date (Technical Proposals only)	April 30, 2025 <u>May 26, 2025</u>
9.	Name of Project	Carbon Removal through Forestation Project - Package 2

PART 2

BIDDING FORMS

1. BIDDING FORMS

1.1 The Bidding Forms comprise the forms stated below and each relevant form is required to be submitted with the Technical Proposal and the Financial Proposal, as applicable.

1.2 In case a document / Bidding Form required to be submitted as part of the Technical Proposal is submitted with Financial Proposal, or a document / Bidding Form required to be submitted with Financial Proposal is submitted with Technical Proposal, it shall not be considered for evaluation and such document / Bidding Form shall be considered as not submitted by the Bidder and may also form the basis of rejection of a Bid.

(A) For the Technical Proposal:

- (a) **FORM T1 – LETTER OF TECHNICAL PROPOSAL;**
- (b) **FORM T2 – FORM OF INTEGRITY PACT;**
- (c) **FORM T3 – FORM OF POWER OF ATTORNEY;**
- (d) **FORM T4 – FORM OF AFFIDAVIT;**
- (e) **FORM T5 – BASIC INFORMATION FORM;**
- (f) **FORM T6 – HISTORICAL NON-PERFORMANCE AND PENDING LITIGATION;**
- (g) **FORM T7 – NET WORTH OF ASSETS OWNED BY THE BIDDER;**
- (h) **FORM T8 – CASH AND FUNDING LINES;**
- (i) **FORM T9 – BIDDER’S EXPERIENCE;**
- (j) **FORM T10 – TEAM COMPOSITION;**
- (k) **FORM T11 – FORMAT OF CURRICULUM VITAE (CV) FOR PROPOSED KEY STAFF;**
- (l) **FORM T12 – APPROACH AND METHODOLOGY;**
- (m) **FORM T13 – FORM OF BID SECURITY; AND**
- (n) **FORM T14 – DEVELOPMENT OF WORK PLAN.**

(B) For the Financial Proposal:

- (a) **FORM F1 – LETTER OF FINANCIAL PROPOSAL; AND**
- (b) **FORM F2 – FINANCIAL PROPOSAL STANDARD FORM.**

A. TECHNICAL PROPOSAL BIDDING FORMS

BIDDING FORM T1 – LETTER OF TECHNICAL PROPOSAL

[Date]

To: Chief Conservator of Forests (Riverine & Inland Forests, Sindh), Forest & Wildlife Department, Government of Sindh
Barrack No. 10, Sindh Secretariat 4-A,
Court Road, Karachi

Re: Design, finance, build, operate, maintain and transfer of the ‘Carbon Removal through Forestation Project - Package 2’ (the “Project”).

Dear Sir,

Reference the Request for Proposals document issued on February 18, 2025, by the Forest and Wildlife Department, Government of Sindh (“FWD”), (the “RFP”) in relation to the Project.

We, [Name of the Bidder] hereby submit our Technical Proposal in conformity with the requirements of the RFP.

All capitalized terms unless defined herein shall bear the meaning as ascribed thereto in the RFP.

We, agree, confirm, undertake and declare that:

- (a) We have examined and have no reservations to the RFP, including Addenda No(s) [●] / Corrigenda No(s) [●].
- (b) We, [including all Consortium Members,] fully and completely understand and accept the terms of the RFP and hereby undertake to comply with the requirements specified therein.
- (c) We offer to perform and undertake the works and services in respect of the Project in conformity with the RFP (including the Project Agreements) without any omission, reservation and deviation; and we accept and undertake to comply with all requirements in the RFP, including the appendices / annexures attached to the RFP.
- (d) As security for due performance of the undertakings and obligations of this Bid, we submit unconditionally herewith a Bid Security equivalent to [●] drawn in your favour or made payable to you and valid for a period twenty-eight (28) days beyond the period of validity of Bid. We confirm that the Bid Security has been issued and maintained in accordance with the requirements of the RFP.
- (e) We, [including all Consortium Members,] as per the requirements of the RFP, respectively:
 - (i) have nationalities of Eligible Countries; and
 - (ii) have not been declared ineligible/blacklisted by any of our employers, by any Federal or Provincial governmental or non-governmental department/ agency in Pakistan, or any other provincial government/ governments of any foreign countries or their governmental bodies and/ or International Organizations (e.g., World Bank, Asian Development Bank, United Nations, International Monetary Fund etc.), as at the Bid Submission Date.
- (f) We, [including all Consortium Members,] as per the requirements of the RFP, do not have any conflict of interest.
- (g) Our Bid consisting of the Technical Proposal and the Financial Proposal shall be valid for a period of one hundred twenty days (120) days from the date fixed for the Bid Submission Date in accordance with the RFP, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.
- (h) We understand that all the volumes, appendices / annexures attached to the RFP are integral part of the RFP.

- (i) We have reviewed and accepted the form of the Concession Agreement along with the appendices attached thereto (attached as Volume III (*Concession Agreement and Schedules*) to the RFP), and undertake to execute the same within the time period stipulated in Notification of Award.
- (j) We acknowledge that GoS Parties will be relying on the information provided in our Bid and the documents accompanying it to determine the Successful Bidder. We certify that all information provided in our Bid is true and correct and that nothing has been omitted which renders such information misleading.
- (k) We certify that in the last three (3) years, we have neither failed to perform on any contract, as evidenced by imposition of a penalty by any arbitral or judicial authority or a judicial pronouncement or arbitration award, nor have been expelled from any project or contract by any public authority, nor have had any contract terminated by any public authority for breach by us or, if we are a Consortium, by any of our Consortium Members.
- (l) We understand that this Bid, together with your written acceptance thereof included in your Notification of Award, shall constitute a binding contract between us, until the Concession Agreement (attached as Volume III (*Concession Agreement and Schedules*) to the RFP) is executed.
- (m) We[, or any of our Consortium Members] (or any of our Affiliates), are not participating as a Bidder in more than one Bid in this Bidding Process in accordance with the requirements of the RFP.
- (n) We understand that the FWD may cancel the Bidding Process at any time and that the FWD is not bound either to accept any Bid that it may receive, without incurring any liability to the Bidders.
- (o) We agree to permit the FWD, and any persons, representatives or auditors appointed and authorized by the FWD to inspect and audit our accounts, records and other documents relating to our Bid.
- (p) All the information submitted along with our Bid, including the enclosed forms and documents, is accurate in all respects.
- (q) We accept the right of the FWD to: (i) request additional information reasonably required to assess the Bid; (ii) amend the procedures and requirements or make clarifications thereof; and (iii) extend or amend the timelines as stipulated in the RFP.
- (r) All information, representations and other matters of fact communicated (whether in writing or otherwise) to the FWD by us or on our behalf, in connection with or arising out of the Bid are true, complete and accurate in all respects.
- (s) We hereby declare that all the information and statements made in this Bid are true and accept that any misrepresentation contained in it shall lead to our disqualification, forfeiture of the Bid Security and/or our blacklisting by the FWD.
- (t) We, [including all Consortium Members,] have made our own investigations and research and have satisfied ourselves in respect of all matters (whether actual or contingent) relating to the Bid and the Project.
- (u) We undertake, if our Bid is accepted, to furnish the Development Performance Security as per the requirements of the RFP.
- (v) We do hereby declare that the Bid is made without any collusion, comparison of figures or arrangement with any other person or persons making a Bid for the Project.
- (w) We understand that the RFP has been issued by the FWD for the Project; and we undertake and confirm that if our Bid is accepted, we and the SPV (to be incorporated by us, in case the Project is awarded to us), as applicable, shall execute the Concession Agreement

(including other Project Agreements) (attached as Volume III (*Concession Agreement and Schedules*) to the RFP) and all other instruments as may be required to be executed in relation to the Project as per the requirements of the RFP.

Name
In the capacity of
Signed
..... (Seal)...

Duly authorized to sign the Bid for and on behalf of: *(Insert Name of the Bidder/names of all Consortium Members)*

Date

BIDDING FORM T2 – FORM OF INTEGRITY PACT

Dated _____

[*Name of Bidder (or in case of a Consortium, name of Consortium Member)*] hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from Forest and Wildlife Department, Government of Sindh, any administrative subdivision or agency thereof or any other entity owned or controlled by the Government of Sindh (collectively to be hereinafter referred to as the “GoS”) through any corrupt business practice.

Without limiting the generality of the foregoing, [*name of Bidder (or in case of a Consortium, name of Consortium Member)*] 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 GoS, except that which has been expressly declared pursuant hereto.

[*name of Bidder (or in case of a Consortium, name of Consortium Member)*] 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 the GoS and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.

[*name of Bidder (or in case of a Consortium, name of Consortium Member)*] 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 rights and remedies available to GoS under any law, contract or other instrument, be voidable at the option of GoS.

Notwithstanding any rights and remedies exercised by GoS in this regard, [*name of Bidder (or in case of a Consortium, name of Consortium Member)*] agrees to indemnify GoS for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to GoS in an amount equivalent to ten time the sum of any commission, gratification, bribe, finder’s fee or kickback given by [*name of Bidder (or in case of a Consortium, name of Consortium Member)*] 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 GoS.

Name of Employer: Forest and Wildlife Department, Government of Sindh

Signature¹:

[Seal]

Name of Bidder / Consortium Member: _____

Signature:

[Seal]

¹ To be signed by FWD.

BIDDING FORM T3 – FORM OF POWER OF ATTORNEY

A. POWER OF ATTORNEY TO AUTHORIZE A PERSON TO SIGN THE DOCUMENTS

NOTES FOR EXECUTION OF POWER OF ATTORNEY

- *To be executed by each Bidder and in case the Bidder is a Consortium, by each Consortium Member, authorizing the relevant attorney to sign the required documents on its behalf. Such attorney may be the same person authorised to submit documents on behalf of the Bidder (or Consortium Member) or may be a separate person.*
- *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*
- *The Power of Attorney is to be executed on a stamp paper of PKR 1000/-; or if executed overseas, to be adequately stamped when brought into Pakistan with a stamp duty of PKR 1000/-*
- *This Power of Attorney is to be notarised by the Notary Public.*
- *The Power of Attorney executed and issued overseas will have to be:*
 - (i) attested by the Pakistani Embassy / Consulate in the country where the Power of Attorney is executed; or*
 - (ii) subject to applicable laws of the country where Power of Attorney is executed, authenticated by an apostille under the Apostille Convention.*
- *The Power of Attorney should comply with the requirements set out in Part 3 (Bidding Documentary Requirements) of Volume I (Bidding Procedure) of the RFP.*
- *The Power of Attorney shall be witnessed by two (02) male witnesses or one (01) male and two (02) female witnesses.*

KNOW ALL BY THESE PRESENTS, WE, _____ *(name of the entity and address of the registered office)* do hereby irrevocably constitute, nominate, appoint and authorise Mr. / Ms. (Name), son / daughter / wife of _____ holding [CNIC / Passport] Number _____ and presently residing at _____, as our true and lawful attorney (hereinafter referred to as the “**Attorney**”) (with power to sub-delegate) to do in our name and on our behalf, all such acts, deeds and things as are necessary or required in connection with or incidental to the requirements of the request for proposals document issued on [To be inserted] (the “**RFP**”) by the Forest and Wildlife Department, Government of Sindh (“**FWD**”) in relation to design, finance, build, operate, maintain and transfer the ‘Carbon Removal through Forestation Project - Package 2’ (the “**Project**”), including but not limited to signing and submission of all documents and providing information / responses to the FWD, representing us in all matters before the FWD, and generally dealing with the FWD in all matters in connection with our Bid for the Project.

We hereby ratify all prior and/ or future acts, deeds and things lawfully done or caused to be done by the Attorney in relation to the Project (including with respect to the submission of our Bid in response to the RFP) pursuant to this Power of Attorney and we hereby agree that all prior and/or future acts, deeds and things done by the Attorney in relation to the Project (including with respect to the submission of our Bid in response to the RFP) shall, and shall always be deemed to have been done by us.

SIGNATURE OF ATTORNEY

Name of Attorney: _____

CNIC / Passport Number of Attorney: _____

Title / Designation of Attorney: _____

Address of Attorney: _____

Capitalized terms used herein and not otherwise defined shall bear the meaning ascribed thereto in the RFP.

IN WITNESS WHEREOF WE THE ABOVE NAMED HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS _____ DAY OF _____ 20____.

Name: _____ *[Insert name of the person executing this Power of Attorney on behalf of the Bidder / Consortium Member]*

Title / Designation: _____ *[Insert title / designation of the person executing this Power of Attorney on behalf of the Bidder / Consortium Member]*

Address: *[Insert address of the person executing this Power of Attorney on behalf of the Bidder/ Consortium Member]*

For: _____ *[insert name of Bidder / Consortium Member]*

(Signature)

WITNESSES:

Witness 1:

.....
Name: _____
CNIC / Passport Number: _____
Address: _____

Witness 2:

.....
Name: _____
CNIC / Passport Number: _____
Address: _____

B. POWER OF ATTORNEY TO AUTHORIZE THE LEAD MEMBER

NOTES FOR EXECUTION OF POWER OF ATTORNEY

- *This Power of Attorney for the appointment and authorization of Lead Member, is to be executed by the authorized representative of each Consortium Member (appointed pursuant to the power of attorney in Form A (Power of Attorney to Authorize a Person to Sign the Documents)).*
- *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*
- *The Power of Attorney is to be executed on a stamp paper of PKR 1000/-; or if executed overseas, to be adequately adhesive stamped when brought into Pakistan with a stamp duty of PKR 1000/-.*
- *The Power of Attorney is to be notarised by the notary public.*
- *The Power of Attorney executed and issued overseas will have to be:*
 - (i) *attested by the Pakistani Embassy / Consulate in the country where the Power of Attorney is executed; or*
 - (ii) *subject to applicable laws of the country where Power of Attorney is executed, authenticated by an apostille under the Apostille Convention.*
- *The Power of Attorney should comply with the requirements set out in Part 3 (Bidding Documentary Requirements) of Volume I (Bidding Procedure) of the RFP.*
- *The Power of Attorney shall be witnessed by two (02) male witnesses or one (01) male and two (02) female witnesses.*

WHEREAS, the Forest and Wildlife Department, Government of Sindh (“**FWD**”) has invited bids for the ‘Carbon Removal through Forestation Project - Package 2’ (the “**Project**”) pursuant to the request for proposals document issued on [To be inserted] by the FWD (as amended from time to time) (the “**RFP**”);

WHEREAS, _____, _____ and _____ (each hereinafter referred to individually as a “**Consortium Member**” and collectively as “**Consortium Members**”) have formed a consortium (the “**Consortium**”) in accordance with the requirements of the RFP and have executed a Consortium Agreement as per the requirements of the RFP;

AND WHEREAS, the Consortium Members issue this Power of Attorney for the appointment and authorization of the ‘**Lead Member**’ with all necessary powers and authority to represent and irrevocably bind all the Consortium Members in all matters connected with the Bidding Process and during execution of the relevant agreements in relation to the Project, in case the Consortium is awarded the Project.

KNOW ALL BY THESE PRESENTS

WE, _____, having our registered office at _____, M/s. _____, having our registered office at _____, and M/s. _____, having our registered office at _____, do hereby irrevocably designate, nominate, constitute, appoint and authorise M/s _____, having its registered office at _____, being one of the Consortium Members, as the Lead Member and true and lawful attorney of the Consortium (hereinafter referred to as the “**Attorney**”) and hereby irrevocably authorise the Attorney (with power to sub-delegate) to conduct all business for and on behalf of the Consortium and any one of us during the Bidding Process being conducted by the FWD pursuant to the RFP and to do on our behalf and on behalf of the Consortium, all or any of such acts, deeds or things as are necessary or required or incidental to

the Project, including but not limited to signing and submission of our Bid (if not submitted by any other Consortium Member on behalf of the Lead Member), all applications and other documents and writings, participate in conferences / meetings, respond to queries, submit information / documents, sign and execute contracts and undertakings including the Acceptance of Notification of Award, as applicable (if awarded the Project) and generally to represent the Consortium in all its dealings with the FWD (and the GoS), and/or any other governmental agencies or any person, in all matters in connection with or relating to or arising out of the Consortium's Bid and its acceptance by the FWD.

We hereby ratify all prior and future acts, deeds and things lawfully undertaken by the Attorney in relation to the Project (including with respect to the submission of our Bid in response to the RFP) pursuant to this Power of Attorney and we hereby agree that all prior and/ or future acts, deeds and things done by the Attorney in relation to the Project (including with respect to the submission of our Bid in response to the RFP) shall, and shall always be deemed to have been done by us.

ACKNOWLEDGED AND ACCEPTED BY THE ATTORNEY

_____ *[to be signed by the authorised representative of the Attorney]*

Name of authorised representative of the Attorney: _____

Name of Attorney: _____

Address of Attorney: _____

Capitalized terms used herein and not otherwise defined shall bear the meaning ascribed thereto in the RFP.

IN WITNESS WHEREOF WE THE ABOVE NAMED HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS _____ DAY OF _____ 20____.

Name: _____ *[Insert name of the person executing this Power of Attorney on behalf of the first Consortium Member]*

Title / Designation: _____ *[Insert title / designation of the person executing this Power of Attorney on behalf of the first Consortium Member]*

Address: *[Insert address of the person executing this Power of Attorney on behalf of the first Consortium Member]*

For: _____ *[insert name of the first Consortium Member]*

(Signature)

Name: _____ *[Insert name of the person executing this Power of Attorney on behalf of the second Consortium Member]*

Title / Designation: _____ *[Insert title / designation of the person executing this Power of Attorney on behalf of the second Consortium Member]*

Address: *[Insert address of the person executing this Power of Attorney on behalf of the second Consortium Member]*

For: _____ *[insert name of the second Consortium Member]*

(Signature)

Name: _____ [Insert name of the person executing this Power of Attorney on behalf of the third Consortium Member]

Title / Designation: _____ [Insert title / designation of the person executing this Power of Attorney on behalf of the third Consortium Member]

Address: [Insert address of the person executing this Power of Attorney on behalf of the third Consortium Member]

For: _____ [Insert name of the third Consortium Member]

(Signature)

WITNESSES:

Witness 1:

.....
Name: _____
CNIC / Passport Number: _____
Address: _____

Witness 2:

.....
Name: _____
CNIC / Passport Number: _____
Address: _____

BIDDING FORM T4 – FORM OF AFFIDAVIT

NOTES FOR EXECUTION OF THE AFFIDAVIT

- *This Affidavit is to be executed by the authorised representative of the Bidder / each Consortium Member.*
- *The Affidavit is to be executed on a stamp paper of PKR 200/-; or if executed overseas, to be adequately adhesive stamped when brought into Pakistan with a stamp duty of PKR 200/-.*
- *If executed in Pakistan, the Affidavit shall be notarised by the notary public and certified by the Oath Commissioner.*
- *For an Affidavit executed and issued overseas, the same will have to be notarized by notary public and:
 - (i) *attested by the Pakistani Embassy / Consulate in the country where the Affidavit is executed; or*
 - (ii) *subject to applicable laws of the country where Affidavit is executed, authenticated by an apostille under the Apostille Convention.**
- *This Affidavit shall be witnessed by two (02) male witnesses or one (01) male and two (02) female witnesses.*
- *See Bidding Documentary Requirements set out in Part 3 (Bidding Documentary Requirements) of Volume I (Bidding Procedure) of the RFP.*

AFFIDAVIT (this “Affidavit”)

Date: _____

FOREST AND WILDLIFE DEPARTMENT, GOVERNMENT OF SINDH
Barrack No. 10, Sindh Secretariat 4-A, Court Road, Karachi

Reference the request for proposals document issued on [To be inserted], by Forest and Wildlife Department, Government of Sindh (the “RFP”), in relation to the design, finance, build, operate, maintain and transfer of the ‘Carbon Removal through Forestation Project - Package 2’.

I, [in case of company, insert name of the authorized person and its designation] of [insert name of company] / [in case of sole proprietor/natural person, insert name of sole proprietor/natural person and its CNIC or Passport No.] of [insert name of sole proprietorship, if any] / [in case of partnership, insert name of authorized person and its CNIC or Passport No.] of [insert name of partnership, if any] (the “Entity”), a [in case of company / partnership, insert nature of company / partnership (if any)] duly organised and existing under the laws of [Pakistan] [insert country of incorporation] with its registered office located at [insert registered address], do hereby solemnly affirm, declare and state that:

- (a) the Entity is not ineligible/ blacklisted (due to reasons, including but not limited to corrupt practices and poor performance) by any Federal or Provincial governmental or non-governmental department/ agency in Pakistan, or any other provincial government/ governments of any foreign countries or their governmental bodies and/ or International Organizations (e.g. World Bank, Asian Development Bank, United Nations, International Monetary Fund etc.) at the date of submission of this Affidavit;
- (b) the Entity and any of its Affiliate are not included:
 - (i) as a debarred person pursuant to the public sanctions list of any multilateral development bank that is party to the Agreement on Mutual Enforcement of Debarment Decisions of 9 April 2010 (www.crossdebarment.org); or

- (ii) on any sanctions lists promulgated by the UN Security Council or its Committees, or any other recognised international sanctions list;
- (c) no action, suit or other legal proceeding or governmental investigation is pending against the or any of its respective officers, directors or employees, or that any of the foregoing has received any notice thereof, which questions the validity and execution of this Affidavit or the representations provided in this Affidavit;
- (d) the Entity has no tax liabilities or liabilities in respect of judgments awarded by any court or similar proceedings in the period of three (3) years prior to the date of this Affidavit, save in each case to the extent that it has made suitable accounting provision for such liabilities in accordance with applicable accounting regulations;
- (e) the Entity has not directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the award of any contract, project or transaction;
- (f) the Entity and any of its Affiliates are not in bankruptcy or liquidation proceedings or receivership, or wound up, or their affairs are not being administered by a court or a judicial officer, or their business activities have not been suspended or they are not the subject of legal proceedings of any of the foregoing and have a reasonable expectation of being able to discharge all financial liabilities as they fall due;
- (g) [the Entity is legally and financially autonomous and operates under commercial law]²;
- (h) [there is no pending litigation which represents more than fifty percent (50%) of the Entity's net worth]³;
- (i) there is no conflict of interest or potential conflict of interest arising from prior or existing contracts or relationships which could materially affect potential involvement of the Entity in the Project and to comply with the obligations set out in the RFP or with respect to the Project;
- (j) neither the Entity, nor I have concealed any information that might hinder the Bidding Process for the Project;
- (k) [are not under any non-performance of a contract within last three (3) years of the Bid Submission Date]⁴; and
- (l) [have not failed to sign a contract with any procuring authority following award, due to reasons solely attributable to it]⁵.

That whatever stated above is true and correct to the best of my knowledge and belief and nothing has been concealed thereto

We have also attached proof of our registration from the relevant statutory authority.

All capitalized terms unless defined herein shall bear the meaning as ascribed thereto in the RFP.

Deponent

²Only relevant for the government owned legal enterprise or institution.

³If applicable.

⁴If applicable.

⁵ If applicable.

Verified on oath at _____ on this ____ day of _____, 20____ that the contents of the above Affidavit are true and correct to the best of my knowledge and belief.⁶

Deponent

Yours sincerely,

Name and Title of Signatory:	_____
Name of Bidder / Consortium Member:	_____
Address of Bidder / Consortium Member:	_____

<u>WITNESS 1:</u>	<u>WITNESS 2:</u>
.....
NAME:	NAME:
CNIC / PASSPORT NUMBER:	CNIC / PASSPORT NUMBER:
ADDRESS:	ADDRESS:

⁶ Bidders to note that in case this Affidavit is executed outside Pakistan, such verification will not be required.

BIDDING FORM T5 – BASIC INFORMATION FORM

To be submitted by all Bidders. In case of a Consortium, each Consortium Member must fill in this form.

Basic Information Form (~~Company Profile~~)

1.	Name of Entity: (In case of Consortium, legal name of each Consortium Member)	
2.	Nature of Business: (Whether the entity is a <u>natural person</u> , corporation, partnership, trust <i>etc.</i>)	
3.	Head office address:	
4.	Telephone: Fax Number: E-mail address:	
5.	Place of Incorporation / Registration <u>(if applicable)</u> : Year of Incorporation / Registration <u>(if applicable)</u> :	
6.	Bidder's authorized representative: Telephone: Fax numbers: E-mail address:	
7.	Nationality of owners <u>or Bidder/Consortium Member</u> :	
	Name:	Country:

BIDDING FORM T6 – HISTORICAL NON-PERFORMANCE AND PENDING LITIGATION

Non-Performing Contracts			
<input type="checkbox"/> Contract non-performance did not occur within the last three (3) years prior to the Bid Submission Date based on all information on fully settled disputes or litigation (Affidavit to be provided)			
<input type="checkbox"/> Contract non-performance during the stipulated period.			
Year	Outcome as Percent of Total Assets	Contract Identification	Total Contract Amount (current value, PKR)
		Contract Identification: Name of Employer: Address of Employer: Matter in dispute:	

Pending Litigation			
<input type="checkbox"/> No pending litigation (A fully settled dispute or litigation is one that has been resolved in accordance with the dispute resolution mechanism under the respective contract and where all appeal instances available to the Bidder / Consortium Member have been exhausted) (Affidavit to be provided)			
<input type="checkbox"/> Pending litigation (All pending litigation shall in total not represent more than fifty percent (50%) of the Bidder's/ Consortium Member's net worth and shall be treated as resolved against the Bidder/ Consortium Member)			
Year	Outcome as Percent of Total Assets	Details	Total Contract Amount (PKR)
		Contract Identification: Name of Employer: Address of Employer: Matter in dispute:	

BIDDING FORM T7 – NET WORTH OF ASSETS OWNED BY THE BIDDER

[This form will be used for evaluation of criteria A-1]

Each Bidder or member of a Consortium must fill in this form

Financial Data for Previous Three (03) Years			
Information from Balance Sheet			
	Year 1	Year 2	Year 3
Total Assets			
Total Liabilities			
Current Assets			
Current Liabilities			
Net Worth			

- |
- ☐ Copies of audited financial statements and wealth statements (where applicable) which shall be signed and stamped by the auditor of the Bidder / respective Consortium Members (balance sheets including all related notes, and income statements) for the last three (3) years, as indicated above, complying with the following conditions:
- All such documents reflect the financial situation of the Bidder / every Consortium Member, and not sister or parent companies.
 - Historic financial statements must be audited by a certified accountant.
 - Historic financial statements must be complete, including all notes to the financial statements.
 - Historic financial statements must correspond to accounting periods already completed and audited (no statements for partial periods shall be requested or accepted).
 - National tax number certificate (or equivalent) must be attached.
 - Tax return filed must be provided.
 - Foreign Bidders / Consortium Members should submit national tax number certificate (or equivalent) of their country duly attested by consulate of their country.

BIDDING FORM T8 – CASH AND FUNDING LINES

[This form will be used for evaluation of criteria A-2]

Each Bidder or member of a Consortium must fill in this form

Financial Data for Previous 3 Years			
Information from Balance Sheet			
	Year 1	Year 2	Year 3
Cash and Bank Balances			
Short Term Investments			
Funding Lines (Expiry Date)			
Total			

- ☐ Proof of funding lines such as term sheets, commitment letters etc. with financial institutions (if applicable) must be attached. The Bidders must provide such proof by way of confirmation of the respective financial institution(s) which has provided such funding lines.

BIDDING FORM T9 - BIDDER’S EXPERIENCE

[This form will be used for evaluation of criteria B]

Note: Using the format below, provide details of the relevant experience required under Annexure B (Evaluation Criteria) of Volume I (Instructions to Bidders) of the RFP.

Projects will only be evaluated for scoring if the completion certificates or any other document that proves the completion of the project is provided.

ASSIGNMENT NAME:		COUNTRY:
LOCATION WITHIN COUNTRY:		PROFESSIONAL STAFF PROVIDED BY APPLICANT FIRM:
NAME OF CLIENT:		NO. OF STAFF:
ADDRESS:		NO. OF STAFF MONTHS:
START DATE(MONTH/YEAR):	COMPLETION DATE(MONTH/YEAR):	APPROX. VALUE OF SERVICES (IN CURRENT USD/PKR):
NAME OF ASSOCIATED FIRM(S), IF ANY:		NO. OF MONTHS OF PROFESSIONAL STAFF PROVIDED BY ASSOCIATED FIRM(S):
NAME OF SENIOR STAFF (PROJECT DIRECTOR/CO-ORDINATOR, TEAM LEADER) INVOLVED AND FUNCTIONS PERFORMED:		
NARRATIVE DESCRIPTION OF PROJECT:		
DESCRIPTION OF ACTUAL SERVICES PROVIDED BY YOUR STAFF:		
NAME(S) OF THE CONSORTIUM MEMBER(S), IF ANY:		

Note: Documentary proof (i.e., work order and completion certificate) to be attached.

BIDDING FORM T10 – TEAM COMPOSITION

[This form will be used for evaluation of criteria C]

Bidders and each member of a Consortium should provide the names of suitably qualified personnel to meet the specified requirements stated in technical evaluation criteria.

SR. NO.	NAME	PROPOSED KEY POSITION
1		
2		
3		
4		
5		
6		

BIDDING FORM T11 - FORMAT OF CURRICULUM VITAE (CV) FOR PROPOSED KEY STAFF

[This form will be used for evaluation of criteria C]

1. PROPOSED POSITION: _____
2. NAME OF FIRM: _____
3. NAME OF STAFF: _____
4. PROFESSION: _____
5. DATE OF BIRTH: _____
6. YEARS WITH FIRM: _____
7. NATIONALITY: _____
8. MEMBERSHIP IN PROFESSIONAL SOCIETY: _____
(Membership of and registration with Pakistan Engineering Council (PEC) or with an equivalent international body / authority acceptable to FWD is mandatory)
9. DETAILED TASKS ASSIGNED ON THE PROJECT: _____
10. KEY QUALIFICATION:
(Give an outline of staff member's experience and training most pertinent to assigned tasks. Describe degree of responsibility held by staff members or relevant previous assignments and give dates and locations. Use up to one page.)
11. EDUCATION:
(Summarize college/university and other specialized education of staff member, giving names of institutions, dates attended and degrees/diplomas obtained.)
12. EMPLOYMENT RECORD:
(Starting with present position, list in reverse order every employment held.)
13. LANGUAGES:
(Indicate proficiency in speaking, reading and writing of each language: excellent, good, fair or poor.)
14. CERTIFICATION:

I, the undersigned, certify to the best of my knowledge and belief that:

- (i) This CV correctly describes my qualifications and experience;
- (ii) I am not a current employee of the executing or the implementing agency/FWD;
- (iii) I was not part of the team who wrote the terms of reference for this consulting services assignment; and
- (iv) I certify that I have been informed by the firm that it is including my CV in the bid for the 'Carbon Emission Reduction through Forestation – Package 2'. I confirm that I will be available to carry out the assignment for which my CV has been submitted in accordance with the implementation arrangements and schedule set out in the Proposal.

If the CV is signed by the firm's authorized representative, insert:

I, as the authorized representative of the firm submitting this Proposal for the 'Carbon Emission Reduction through Forestation – Package 2' certify that I have obtained the

consent of the named expert to submit his/her CV, and that s/he will be available to carry out the assignment in accordance with the implementation arrangements and schedule set out in the Proposal, and confirm his/her compliance with paras (i) to (iv) above.

Signature of staff Member

Date: _____
Day/Month/Year

Signature of Authorized official of firm

Date: _____
Day/Month/Year

BIDDING FORM T12 – APPROACH AND METHODOLOGY

[This form will be used for evaluation of criteria D]

GENERAL INSTRUCTIONS:

- (a) Provide a detailed description of the technical approach and methodology proposed to undertake the scope of work under Volume II (*Project Scope*) of the RFP.
- (b) Clearly explain how the proposed approach addresses the project objectives, challenges, and requirements.
- (c) Include innovative methodologies, tools, or technologies (if applicable).
- (d) Ensure alignment with international best practices and relevant carbon standards in the compliance and voluntary carbon markets.
- (e) Use additional sections or subsections if needed to explain complex processes.

TECHNICAL APPROACH:

(a) Overview of the Approach:

- Provide a high-level summary of your technical approach to the project. This includes:
 - ❖ Providing a comprehensive explanation of their understanding of the objectives and scope of the Project.
 - ❖ Demonstrating an understanding of the unique aspects of the riverine forest ecosystem, particularly with respect to the carbon credit generation potential, biodiversity conservation, and community engagement requirements.
- Highlight key strategies, priorities, and expected outcomes.
- Demonstrate knowledge and experience in international carbon market standards in the compliance and voluntary markets including, *inter alia*, the following:
 - ❖ Article 6.2 and 6.4 Mechanisms under the Paris Agreement, 2015;
 - ❖ Verified Carbon Standard (VCS);
 - ❖ Climate, Community & Biodiversity Standards (CCB);
 - ❖ Gold Standard;
 - ❖ Open Forest Protocol;
 - ❖ Plan Vivo;
 - ❖ Intergovernmental Panel on Climate Change (IPCC) Guidelines;
 - ❖ Forest Stewardship Council (FSC) Guidelines; and
 - ❖ Integrity Council on Voluntary Carbon Markets.

(b) Detailed Scope of Work Approach

- **Baseline Assessments**
 - ❖ Describe the methodology for completing baseline assessments: identifying drivers of deforestation and degradation, analysing land tenure, and conducting baseline carbon stock assessments, socio-economic and biodiversity assessments.
 - ❖ Include proposed tools, data sources, and sampling techniques.
- **Project Design**
 - ❖ Detail the approach for project design, including site selection and preparation, species selection, planting techniques, and silvicultural activities over the project lifecycle.
 - ❖ Explain how the project's design aligns with the scope of work and international carbon standards.
- **Carbon Quantification**

- ❖ Explain the methods to be used for carbon sequestration quantification, including the application of approved methodologies, remote sensing tools, and development of tier 3 data.
- **Implementation Planning**
 - ❖ Describe the steps for developing and executing implementation strategies.
 - ❖ Include a timeline for activities such as silvicultural practices and stakeholder engagement.
- **Monitoring, Reporting, and Verification (MRV)**
 - ❖ Outline the MRV framework to ensure accurate, consistent, and transparent reporting of project outcomes. Include technologies and processes to be deployed.
 - ❖ Detail how data collection, analysis, validation and verification will be conducted.
- **Carbon Credits and Timber Commercialization and Marketing Plan**
 - ❖ Outline the firm's business model for the project including timber and carbon credits commercialization and marketing strategy for deriving maximum benefits from the project.

METHODOLOGY:

- (a) **Tools and Techniques**
 - Specify the tools, software, or models to be used (e.g., GIS, remote sensing, carbon modelling tools).
 - Mention any advanced techniques (e.g., LiDAR, satellite imagery analysis) proposed for project activities.
- (b) **Data Collection and Analysis**
 - Describe the process for primary and secondary data collection.
 - Highlight statistical or analytical methods to ensure transparency, accuracy, consistency and reliability.
- (c) **Stakeholder Engagement**
 - Explain how local communities and stakeholders will be engaged throughout the project lifecycle.
 - Mention specific tools or frameworks for consultation and participatory planning (e.g., Social Biodiversity Impact Assessment (SBIA) workshops).
- (d) **Risk Mitigation**
 - Identify potential risks (e.g., ecological, social, economic, technological, and operational) and propose mitigation strategies.
 - Address risks related to project delays, environmental factors, and socio-economic challenges.
- (e) **Capacity Building and Knowledge Transfer**
 - Describe the firm's plan to build the capacity of local stakeholders in accordance with Volume II (Project Scope) of the RFP, including government staff and community members.
 - Highlight training programs, workshops, and knowledge-sharing initiatives.
- (f) **Alignment with International Standards**
 - Describe how the approach complies with compliance carbon markets and voluntary carbon markets standards and other relevant frameworks.
 - Mention any additional certifications or methodologies that will guide the project.
- (g) **Innovation and Value Addition**
 - Highlight innovative approaches, tools, or practices to enhance project outcomes.
 - Discuss how the proposed methodology ensures sustainability and long-term impact.

WORK ALLOCATION:

Provide details on the allocation of specific tasks to the relevant team members (as proposed in Bidding Form T10 (*Team Composition*)), in line with the scope of work set out in Volume II (*Project Scope*) of the RFP.

Such tasks shall include, *inter alia*, the following:

- (a) Baseline assessments (e.g., ecological, socio-economic, carbon stock assessment).
- (b) Project design and planning (e.g., development of the Project Description Document).
- (c) Implementation planning.
- (d) Silvicultural activities (e.g., cleaning operations, thinning, harvesting and replanting).
- (e) Monitoring, reporting, and verification.
- (f) Carbon credits issuance.
- (g) Timber and carbon credits commercialization and marketing plan.
- (h) Stakeholder engagement and capacity building.
- (i) Knowledge transfer and training.
- (j) Exit strategy.

ADDITIONAL INFORMATION:

Bidders may include any additional information or value-added services they can provide to enhance the successful implementation of the Project. This may include, *inter alia*, mentioning innovative approaches, advanced technologies, or unique expertise the Bidder brings to the Project.

BIDDING FORM T13 – FORM OF BID SECURITY

BANK GUARANTEE

Guarantee No. _____
(the “**Bank Guarantee**”)
Executed on _____
Expiry date _____

Name of Guarantor (Bank) with address: _____
Name of Bidder/Consortium Member with address: _____

Guaranteed Amount (express in words and figures): _____

Date of Bid _____

The above premised, we (the “**Guarantor Bank**”) hereby undertake irrevocably and unconditionally on demand to pay to Forest and Wildlife Department, Government of Sindh (“**FWD**”), without any notice, reference or recourse to the Bidder or to any other entity or without any recourse or reference to any document, agreement, instrument or deed, any sum or sums (or any part thereof) equivalent in aggregate up to but not exceeding a maximum amount of:

[●] [●]/- ([●][●])
(the “**Guaranteed Amount**”)

at sight and immediately upon the receipt of FWD’s first written demand (the “**Demand**”) at the Guarantor Bank’s offices located at [●] or through SWIFT instructions transmitted by FWD’s bank, on behalf of FWD, to the Guarantor Bank, or through e-mail sent by FWD at the Guarantor Bank’s e-mail address i.e., [●], such Demand stating:

- (a) that the Bidder is in breach of its obligations towards FWD; and
- (b) the total amounts demanded.

A Demand shall only be honoured by us: (i) in the case of a written Demand, if it is made by and bears the signature of an authorised officer or other representative of FWD; or (ii) in the case of a Demand transmitted through SWIFT, if it is transmitted through authenticated SWIFT instructions by FWD’s bank, on behalf of FWD; or (iii) in the case of a Demand made through email, it is made by and bears the signature of an authorised officer or other representative of FWD.

We, the Guarantor Bank, shall unconditionally honour a Demand hereunder made in compliance with this Bank Guarantee at sight and immediately on the date of receipt of your Demand, as stated earlier, and shall transfer the amount specified in the Demand to the bank account, as notified in the Demand, in immediately available and freely transferable funds in the currency of this Bank Guarantee, free and clear of and without any set-off or deduction for or on account of any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any nature whatsoever and by whomsoever imposed.

This Bank Guarantee shall come into force and shall become automatically effective upon its issuance.

Such demand must be received by us on or before the [●] (the “**Expiry Date**”), when this Bank Guarantee shall expire and shall be returned to us.

Upon expiry, this Bank Guarantee shall be returned to the Bidder without undue delay. Multiple Demands may be made by FWD under this Bank Guarantee, but our aggregate liability will be restricted up to the Guaranteed Amount.

We hereby agree that any amendment, renewal, extension, modification, compromise, release or discharge by mutual agreement by FWD, the Bidder or any other entity of any document, agreement, instrument or deed shall not in any way impair or affect our liabilities hereunder and maybe

undertaken without notice to us and without the necessity for any additional endorsement, consent or guarantee by us.

This Bank Guarantee for its validity period shall not be affected in any manner by any change in our constitution or of the Bidder’s constitution or of their successors and assignees and this Bank Guarantee shall be legally valid, enforceable and binding on each of their successors and permitted assignees.

All references to any contract, agreement, deed or other instruments or documents are by way of reference only and shall not affect our obligations to make payment under the terms of this Bank Guarantee.

If one or more of the provisions of this Bank Guarantee are held or found to be invalid, illegal, or unenforceable for any reason whatsoever, in any respect, any such invalidity, illegality, or unenforceability of any provision shall not affect the validity of the remaining provisions of this Bank Guarantee.

The Guarantor Bank hereby declares and confirms that under its constitution and applicable laws and regulations, it has the necessary power and authority, and all necessary authorizations, approvals and consents thereunder to enter into, execute, deliver and perform the obligations it has undertaken under this Bank Guarantee, which obligations are valid and legally binding on and enforceable against the Guarantor Bank under the laws of Pakistan.

Further, the Guarantor Bank hereby declares and confirms that the signatory(ies) to this Bank Guarantee is/are its duly authorized officer(s) to execute this Bank Guarantee.

This Bank Guarantee and all rights and obligations arising from this Bank Guarantee shall be governed and construed in all respects in accordance with the laws of Pakistan. The courts in Pakistan shall have exclusive jurisdiction in respect of any dispute relating to any matter contained herein.

The issuance of this Bank Guarantee is permitted according to the laws of Pakistan and the laws of the jurisdiction where this Bank Guarantee is issued.

This Bank Guarantee is subject to the Uniform Rules for Demand Guarantee, ICC Publication No.758. To the extent that there is any inconsistency between the terms of this Bank Guarantee and the Uniform Rules for Demand Guarantees, ICC Publication No. 758, the terms of this Bank Guarantee shall prevail.

Name:
Designation:

BIDDING FORM T14 – DEVELOPMENT OF WORK PLAN

GENERAL INSTRUCTIONS:

- (a) Develop a detailed work plan setting out the relevant milestones for undertaking the scope of work outlined in Volume II (Project Scope) the RFP.
- (b) Incorporate the detailed order in which the activities identified in Volume II (Project Scope) of the RFP shall be performed, together with timelines for performance of the same in chronological order.
- (c) Include all major activities, sub-activities, milestones, timelines, and deliverables.
- (d) Ensure the Work Plan reflects a realistic and achievable timeline.
- (e) Use additional rows as necessary.

ACTIVITY/ TASK	SUB- ACTIVITIES	MILESTONES	RESPONSIBLE TEAM MEMBER (S)	TIMELINE (START- END DATE)	DELIVERABLES (DELIVERABLE DESCRIPTION)

Pursuant to the scope of work identified in Volume II (*Project Scope*) of the RFP, the tasks to be assigned to team members include, *inter alia*, the following:

- (a) Baseline assessments (e.g., ecological, socio-economic, carbon stock assessment).
- (b) Project design and planning (e.g., development of the Project Description Document).
- (c) Implementation planning.
- (d) Silvicultural activities (e.g., cleaning operations, thinning, harvesting and replanting).
- (e) Monitoring, reporting, and verification.
- (f) Carbon credits issuance.
- (g) Timber and carbon credits commercialization and marketing plan.
- (h) Stakeholder engagement and capacity building.
- (i) Knowledge transfer and training.
- (j) Exit strategy.

ADDITIONAL DOCUMENTS:

- ☐ Supporting documents and Gantt chart / timeline diagram (if applicable) must be attached.

C. FINANCIAL PROPOSAL BIDDING FORMS

BIDDING FORM F1 – LETTER OF FINANCIAL PROPOSAL

[Date]

To: Chief Conservator of Forests (Riverine & Inland Forests, Sindh), Forest & Wildlife Department, Government of Sindh
Barrack No. 10, Sindh Secretariat 4-A,
Court Road, Karachi.

Re: Design, finance, build, operate, maintain and transfer of the ‘Carbon Removal through Forestation Project - Package 2’ (the “Project”).

Dear Sir,

Reference the Request for Proposals document issued on [To be inserted] by the Forest and Wildlife Department, Government of Sindh (“FWD”), (the “RFP”) in relation to the Project.

We, [name of the Bidder] hereby submit our Financial Proposal in conformity with the requirements of the RFP.

All capitalized terms unless defined herein shall bear the meaning as ascribed thereto in the RFP.

We, agree, confirm, undertake and declare that:

- (a) We have examined and have no reservations to the RFP, including Addenda No(s).....
- (b) We, [including all Consortium Members,] fully and completely understand and accept the terms of the RFP and hereby undertake to comply with the requirements specified therein.
- (c) We offer to perform and undertake the works and services in respect of the Project in conformity with the RFP, including the Project Agreements, without any omission, reservation and deviation; and we accept and undertake to comply with all requirements in the RFP including the appendices / annexures attached to the RFP.
- (d) We, [including all Consortium Members,] as per the requirements of the RFP, respectively:
 - (i) have nationalities of Eligible Countries; and
 - (ii) have not been declared ineligible/blacklisted by any of our employers, by any Federal or Provincial governmental or non-governmental department/ agency in Pakistan, [or any other provincial government/ governments of any foreign countries or their governmental bodies and/or International Organizations (e.g., World Bank, Asian Development Bank, United Nations, International Monetary Fund etc.),] as at the Bid Submission Date.
- (e) We, [including all Consortium Members], as per the requirements of the RFP, do not have any conflict of interest.
- (f) Neither we, [including all Consortium Members,] nor any Affiliate:
 - (i) are included as a debarred person pursuant to the public sanctions list of any multilateral development bank that is party to the Agreement on Mutual Enforcement of Debarment Decisions of 9 April 2010 (www.crossdebarment.org); or
 - (ii) are included on any sanctions lists promulgated by the UN Security Council or its Committees, or any other recognised international sanctions list.
- (g) Our Bid consisting of the Technical Proposal and the Financial Proposal shall be valid for a period of one hundred twenty days (120) days from the date fixed for the Bid Submission Date in accordance with the RFP, and it shall remain binding upon us and may be accepted

at any time before the expiration of that period.

- (h) We understand that all the volumes, appendices/ annexures attached to the RFP are integral part of the RFP.
- (i) We have reviewed and accepted the form of the Concession Agreement along with the Appendices attached thereto (attached as Volume III (*Concession Agreement and Schedules*) to the RFP) and undertake to execute the same within the time period stipulated in Notification of Award.
- (j) We acknowledge that the GoS Parties will be relying on the information provided in our Bid and the documents accompanying them to determine the Successful Bidder. We certify that all information provided in our Bid is true and correct and that nothing has been omitted which renders such information misleading.
- (k) We certify that in the last three (3) years, we have neither failed to perform on any contract, as evidenced by imposition of a penalty by any arbitral or judicial authority or a judicial pronouncement or arbitration award, nor have been expelled from any project or contract by any public authority, nor have had any contract terminated by any public authority for breach by us or, if we are a Consortium, by any of our Consortium Members.
- (l) We understand that this Bid, together with your written acceptance thereof included in your Notification of Award, shall constitute a binding contract between us, until the Concession Agreement (attached as Volume III (*Concession Agreement and Schedules*) to the RFP) is executed.
- (m) We[, or any of our Consortium Members] (or any of our Affiliates), are not participating as a Bidder in more than one Bid in this Bidding Process in accordance with the requirements of the RFP.
- (n) We understand that the FWD may cancel the Bidding Process at any time and that the FWD is not bound either to accept any Bid that it may receive, without incurring any liability to the Bidders.
- (o) We agree to permit the FWD and any persons, representatives or auditors appointed and authorized by the FWD to inspect and audit our accounts, records and other documents relating to our Bid.
- (p) All the information submitted along with our Bid, including the enclosed forms and documents, is accurate in all respects.
- (q) We accept the right of the FWD to: (i) request additional information reasonably required to assess the Bid; (ii) amend the procedures and requirements or make clarifications thereof; and (iii) extend or amend the timelines as stipulated in the RFP.
- (r) All information, representations and other matters of fact communicated (whether in writing or otherwise) to the FWD by us or on our behalf, in connection with or arising out of the Bid are true, complete and accurate in all respects.
- (s) We hereby declare that all the information and statements made in this Bid are true and accept that any misrepresentation contained in it shall lead to our disqualification, forfeiture of the Bid Security and/or our blacklisting by the FWD.
- (t) We, [including all Consortium Members,] have made our own investigations and research and have satisfied ourselves in respect of all matters (whether actual or contingent) relating to the Bid and the Project.
- (u) We undertake, if our Bid is accepted, to furnish the Development Performance Security as per the requirements of the RFP.
- (v) We do hereby declare that the Bid is made without any collusion, comparison of figures or arrangement with any other person or persons making a Bid for the Project.

(w) We understand that the RFP has been issued by the FWD for the Project; and we undertake and confirm that if our Bid is accepted, we and the SPV (to be incorporated by us, in case the Project is awarded to us), as applicable, shall execute the Concession Agreement (including other Project Agreements) (attached as Volume III (*Concession Agreement and Schedules*) to the RFP) and all other instruments as may be required to be executed in relation to the Project as per the requirements of the RFP.

Name

In the capacity of

Signed
..... (Seal)...

Duly authorized to sign the Bid for and on behalf of: *(Insert Name of the Bidder/names of all Consortium Members)*

Date

Witness # 1:	Witness # 2:
Signature: _____	Signature: _____
Name: _____	Name: _____
Designation: _____	Designation: _____
Date: _____	Date: _____
CNIC/Passport No.:_____	CNIC/Passport No.:_____

BIDDING FORM F2 – FINANCIAL PROPOSAL STANDARD FORM

This form shall be used for the preparation of the Financial Proposal.

Notes:

- The ‘Additional FWD Revenue Share (%)’ (as denoted by ‘X’ in the table below) shall be the Bid Price.
- The Bidder who quotes the highest ‘Additional FWD Revenue Share (%)’, using a single percentage share of the Net Base Carbon Revenue and the Non-Carbon Revenue, will be considered as the Successful Bidder.
- The ‘Additional FWD Revenue Share (%)’ shall be above and beyond the fixed ‘Minimum FWD Revenue Share (%)’, i.e. forty percent (40%) of the Net Base Carbon Revenue and the Non-Carbon Revenue.
- The Concessionaire shall be required to share eighty percent (80%) (as a fixed percentage) of the Net Windfall Carbon Revenue.
- Please refer to the ‘Illustrative Example’ set out below for clarity with respect to the mechanism through which the Net Base Carbon Revenue, Net Windfall Carbon Revenue, FWD Revenue Share, and the Concessionaire Revenue Share may be calculated (subject to the assumptions set out therein), based on the Additional FWD Revenue Share (%) quoted.
- ‘X’ shall be a single value and the same percentage shall be applied to both the Non-Carbon Revenue and the Net Base Carbon Revenue

Bidders are required to fill in the value of ‘X’ (to exactly two decimal places) and the resulting ‘Total FWD Revenue Share’, as applicable to the Net Base Carbon Revenue and the Non-Carbon Revenue, each as a single percentage (to exactly two decimal places) in the table below:

		MINIMUM FWD REVENUE SHARE (%)	ADDITIONAL FWD REVENUE SHARE (%)	TOTAL FWD REVENUE SHARE (%)
NON-CARBON REVENUE (PKR)		40.00%	[X]% (Quoted to exactly two (2) decimal places)	[40.00%+[X]%]
CARBON REVENUE (PKR)	Net <u>Base</u> Carbon Revenue Amount (PKR)	40.00%		[40.00%+[X]%]
	Net <u>Windfall</u> Carbon Revenue Amount (PKR)	80.00%		80.00%

The ‘Additional GoS Revenue Share’ (in percentage terms) = [Insert Percentage Amount in Words] percent ([Insert Percentage Amount in Numerical Form]%) (the “**Bid Price**”).

Illustrative Example:

(Note: This illustrative example is provided for informational purposes only and does not provide an exhaustive list of applicable deductions and allocations, nor does it constitute definitive amounts or calculation of the deductions and allocations applicable to the Project. The deductions and allocations, and their respective amounts referenced herein, are hypothetical and solely for illustrative purposes. For the purposes of the Project, all deductions and allocations under the Concession Agreement (including the order of such deductions and allocations) shall be applied in accordance with the Applicable Standards.)

I. Calculation of the carbon credits available for sale:

Relevant Assumptions:

- A total of one hundred (100) carbon credits have been generated from the Project.
- Twelve percent (12%) of the total carbon credits generated from the Project are to be allocated to the buffer pool (in accordance with the requirements of the relevant carbon standard) and, therefore, are not available for sale or revenue generation by the Concessionaire.

- *Five percent (5%) of the total carbon credits generated from the Project are to be deducted at source, for the purpose of contributing towards Pakistan's Nationally Determined Contributions (NDCs).*

PROJECT CARBON CREDIT GENERATION	PERCENTAGE	UNITS
Total carbon credits generated	-	100
<i>Less</i> project carbon standard deduction of Buffer Credits	12.00%	12
<i>Less</i> allocation towards Pakistan’s NDC under the Carbon Policies	5.00%	5
Carbon credits available for sale		83

II. Calculation of the Net Base Carbon Revenue and the Net Windfall Carbon Revenue:

Relevant Assumptions:

- *Row A:*
 - *The cumulative price per carbon credit is assumed to be USD 30/- (US Dollars Thirty only).*
 - *For determining the windfall revenue, the benchmark price per Carbon Credit shall be USD 25/- (US Dollars Twenty-Five only).*
- *Row C:*
 - *An exchange rate of USD 1 = PKR 300 has been assumed.*
 - *The gross carbon revenue shall be utilized for further deductions.*
- *Row E: The applicable export sales tax is one percent (1%) of the gross carbon revenue.*
- *Row H: The Carbon Policies require a one percent (1%) administrative fee to be deducted from the gross revenue generated from sale of carbon credits.*
- *Row K: The Carbon Policies require a twelve percent (12%) corresponding adjustment fee to be deducted from the net revenue generated for providing corresponding adjustments.*

			NET BASE CARBON REVENUE CALCULATION	NET WINDFALL CARBON REVENUE CALCULATION
ROW	NET BASE CARBON REVENUE CALCULATION	ASSUMED PERCENTAGE	AMOUNT PKR/USD	AMOUNT PKR/USD
	Gross Carbon Revenue			
A	Cumulative price per carbon credit (in USD)		25/-	5/-
B	Gross carbon revenue from sales of carbon credits (in USD)		2,075/-	415.00/-
C	Gross carbon revenue from sales of carbon credits (in PKR)		Gross Base Carbon Revenue = 622,500.00/-	Gross Windfall Carbon Revenue = 124,500.00/-
	Applicable Export Sales Tax			
D	Gross carbon revenue before tax (in PKR)		622,500.00/-	124,500.00/-

E	Less applicable export sales tax (in PKR)	1.00%	6,225/-	1,245/-
F	Carbon revenue after tax (in PKR)		616,275.00/-	123,255.00/-
Carbon Policies (Administrative Fee)				
G	Carbon revenue before administrative fee (in PKR)		616,275.00/-	123,255.00/-
H	Less administrative fee (in PKR)	1.00%	6,162.75/-	1,232.55/-
I	Carbon revenue after administrative fee (in PKR)		610,112.25/-	122,022.45/-
Carbon Policies (Corresponding Adjustment Fee)				
J	Carbon revenue before corresponding adjustment fee (in PKR)		610,112.25/-	122,022.45/-
K	Less corresponding adjustment fee (in PKR)	12.00%	73,213.47/-	14642.69/-
L	Net carbon revenues (in PKR)		Net Base Carbon Revenue = 536,898.78/-	Net Windfall Carbon Revenue = 107,379.76/-

III. Calculation of the FWD Revenue Share and the Concessionaire Revenue Share:

Relevant Assumptions:

- It is assumed that the total non-carbon revenue is PKR 100,000/- (Pakistani Rupees One Hundred Thousand only).
- The ‘Net Base Carbon Revenue’ and ‘Net Windfall Carbon Revenue’, as set out in the preceding table, shall be utilized for further calculations.
- An ‘Additional FWD Revenue Share’ of ten percent (10%) over and above the minimum FWD revenue share percentage (of forty percent (40%)) has been quoted as the bid price by the Concessionaire.

		Illustrative Purposes only				
		Minimum FWD Revenue Share (%)	Additional FWD Revenue Share (%)	FWD Revenue Share (%)	FWD Revenue Share (PKR)	Concessionaire Revenue (PKR)
NON-CARBON REVENUE (PKR)		40.00%	10.00%	50.00%	50,000.00/-	50,000.00/-
CARBON REVENUE (PKR)	Net Base Carbon Revenue Amount (PKR)	40.00%		50.00%	268,449.39/-	268,449.39/-
	Net Windfall Carbon Revenue	80.00%	-	80.00%	85,903.80/-	21,475.95/-

	Amount (PKR)					
				Total	404,353.19/ -	339,925.34/-

PART 3

BIDDING DOCUMENTARY REQUIREMENTS

BIDDING DOCUMENTARY REQUIREMENTS

No.	DOCUMENT	REQUIREMENTS ⁷	
		LOCAL ENTITY	FOREIGN ENTITY
1.	LETTER OF TECHNICAL PROPOSAL AND LETTER OF FINANCIAL PROPOSAL	To be dated, signed by the authorized representative and witnessed.	To be dated, signed by the authorized representative and witnessed.
2.	FORM OF BID SECURITY	To be dated, signed by an authorized representative and duly stamped (PKR 1000/-).	<i>Note: Where the Bid Security is issued by a foreign bank outside Pakistan, such Bid Security shall be counter-guaranteed / confirmed by a scheduled bank in Pakistan (having the Minimum Credit Rating at all times, acceptable to FWD).</i> Counter-guarantee to be dated, signed by an authorized representative and duly stamped (PKR 1000/-).
3.	POWER OF ATTORNEY	To be dated; witnessed; notarized; duly stamped (PKR 1000/-); signed by an authorized representative; and in the language as required under the Instructions to Bidders.	To be dated, witnessed, signed by an authorized representative, adequately adhesive stamped when brought into Pakistan with a stamp duty of PKR 1000/-. The Power of Attorney executed and issued overseas will have to be notarized by notary public and: (i) attested by the Pakistani Embassy / Consulate in the country where the Power of Attorney is executed; or (ii) subject to applicable laws of the country where Power of Attorney is executed, authenticated by an apostille under the Apostille Convention.
5.	INTEGRITY PACT	To be dated and signed by the authorized representative of the Bidder.	To be dated and signed by the authorized representative of the Bidder.
6.	AFFIDAVIT	To be dated; signed by the authorized signatory, witnessed, duly stamped (PKR 200/-), and in the format as required under the RFP. The	To be in the English language and in compliance with the requirements under the RFP, dated; signed by the authorized signatory; witnessed; and adequately adhesive stamped

⁷ Under the Laws of Pakistan (Qanun-e-Shahdat Order, 1984), the minimum witnessing requirement mandates the presence of either two males, or one male and two females to witness, for all instances of witnessing in financial matters.

		Affidavit to be attested by an oath commissioner.	<p>when brought into Pakistan with a stamp duty of PKR 200/-.</p> <p>For an Affidavit executed and issued overseas, the same will have to be notarized by notary public and: (i) attested by the Pakistani Embassy / Consulate in the country where the Affidavit is executed; or (ii) subject to applicable laws of the country where Affidavit is executed, authenticated by an apostille under the Apostille Convention.</p>
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PART 4

ANNEXURES

ANNEXURE A – BASIC ELIGIBILITY CRITERIA

A Technical Proposal received from the Bidder, shall only be considered if all the following information/ components have been provided and the requirements herein are satisfied:

In case any document/ information furnished is in a language other than English, it will need to be accompanied by an English translation (duly notarized by Notary Public: (i) attested by Pakistan Embassy / Consulate and, once brought into Pakistan, should be attested by Ministry of Foreign Affairs, Pakistan); or (ii) subject to applicable laws of the country where English translation is issued, authenticated by an apostille under the Apostille Convention. In case of any discrepancy, the English translation shall prevail.)

BASIC ELIGIBILITY CRITERIA FOR BIDDERS:

A Bid received from a Bidder, shall only be considered if all the following components of the Basic Eligibility Criteria are satisfied:

ELIGIBILITY CRITERIA FOR BIDDERS

➤ **CONSTITUTIVE DOCUMENTS**

A detailed description of the Bidder (including each Consortium Member), containing (as applicable):

- legal name;
- complete head office contact information, including mailing address, telephone and fax numbers, and an e-mail address;
- incorporation details, including corporate charter and articles of incorporation. If a Bidder (including a Consortium Member) is an unincorporated legal entity, then the proof of that legal entity's existence must be provided.

➤ **REGISTRATION WITH TAX AUTHORITIES**

The Bidder (or in the case of a Consortium, all Consortium Members) must possess a valid registration certificate from the income tax authority (i.e., the NTN certificate) and relevant sales tax authority, if applicable.

(Valid NTN certificate and tax returns filed for last three (3) years are to be attached and relevant sales tax certificate, if applicable.)

(Foreign entities participating in the Bidding Process should submit a tax certificate of their country and tax returns filed for last three (3) years, if applicable.)

(In case of natural person(s), valid NTN certificate and tax returns filed for last three (3) years, along with relevant tax registration certificate and personal net worth statement, are to be attached.)

➤ **AFFIDAVIT FOR GOVERNMENT OWNED LEGAL ENTITIES**

In case if the Bidder, or any Consortium Member, is a government owned legal enterprise or institution, such Bidder or any Consortium Member (as applicable) must establish that it is legally and financially autonomous and operating under commercial law.

(Bidders, or any Consortium Member, who are government owned legal enterprise or institution shall submit an Affidavit confirming that they are legally and financially autonomous and operating under commercial law).

*Relevant Form: **BIDDING FORM T4 (FORM OF AFFIDAVIT)***

➤ **NO CONFLICT OF INTEREST**

Bidders (including Consortium Members) may be considered to be in a conflict of interest if they, *inter alia*, participated as a consultant in the preparation of the design or technical / commercial / financial / legal specifications for the works and/or services for the Project, that are the subject of this Bidding Process, or is an affiliate of FWD or any of its advisors.

A Bidder (including a Consortium Member) may be considered to be in a conflict of interest if it (including a Consortium Member) participated in more than one Bid in the Bidding Process, either individually or as a partner in a Consortium. This will result in the disqualification of all Bids in which it is involved. For avoidance of doubt, Bidders (including a Consortium Member) shall not be considered to be in a conflict of interest under this RFP if they participate in the bidding processes for more than one Land Parcel (under different request for proposal packages), either through an identical or varied consortium.

The circumstances provided above which may constitute a conflict of interest are not exhaustive, and the FWD and TFEC shall be the sole determinant of whether a conflict of interest situation has arisen.

In case there is no conflict, the Bidder (in case of a Consortium, each Consortium Member) shall provide evidence in the form of an affidavit for non-conflict.

*Relevant Form: **BIDDING FORM T4 (FORM OF AFFIDAVIT)***

➤ **NON- BLACKLISTING**

Each Bidder (including each Consortium Member) shall provide evidence, in the form of an affidavit, of its non-blacklisting by its employers, by any Federal or Provincial governmental or non-governmental department/ agency in Pakistan, or any other provincial government/governments of any foreign countries or their governmental bodies and/or International Organizations (e.g. World Bank, Asian Development Bank, United Nations, International Monetary Fund etc.) as at the Bid Submission Date.

*Relevant Form: **BIDDING FORM T4 (FORM OF AFFIDAVIT)***

➤ **HISTORY OF NON- PERFORMING CONTRACTS AND LITIGATION**

Any non-performance of a contract by the Bidder (or in case of Consortium, each Consortium Member) should not have occurred in the last three (3) years prior to the Bid Submission Date based on all information on fully settled disputes or litigation. All pending litigation against the Bidder or any Consortium Member shall in total not represent more than fifty percent (50%) of the respective net worth, nor shall there be any litigation that prevents or materially impedes the Bidder or any Consortium Member from its obligations in respect of the Project and the terms of the Concession Agreement.

The Bidders (or in case of a Consortium, each Consortium Member) shall provide details of the litigation or the Bidder (or in case of Consortium, each Consortium Member) shall submit an Affidavit in case of no litigation on PKR 200/- (Pakistani Rupees One Hundred only) stamp paper attested by Notary Public. Foreign Bidders' Affidavit should be attested by Pakistani Consulate / Pakistan High Commission of their country or authenticated by an apostille under the Apostille Convention, as applicable.

*Relevant Forms: **BIDDING FORM T6 (HISTORICAL NON-PERFORMANCE AND PENDING LITIGATION)** AND **BIDDING FORM T4 (FORM OF AFFIDAVIT)***

➤ **FAILURE TO SIGN CONTRACTS**

The Bidder (or in case of a Consortium, each Consortium Member) shall not have failed to sign a contract in the last three (3) years.

(The Bidder (or in case of a Consortium, each Consortium Member) shall provide details of such failure to sign contracts or the Bidder (or in case of a Consortium, each Consortium Member) shall submit an Affidavit in case if not applicable on PKR 200/- (Pakistani Rupees One Hundred only) stamp paper attested by Notary Public. Foreign Bidders' Affidavit should

be attested by Pakistani Consulate / Pakistan High Commission of their country or authenticated by an apostille under the Apostille Convention, as applicable.

Relevant Form: BIDDING FORM T6 (HISTORICAL NON-PERFORMANCE AND PENDING LITIGATION) AND BIDDING FORM T4 (FORM OF AFFIDAVIT)

➤ **ELIGIBLE COUNTRIES**

Bidder, including all Consortium Members, shall be incorporated in / have nationality of an Eligible Country. A Bidder, including all Consortium Members, shall be deemed to have the nationality of an Eligible Country, if the Bidder (including all Consortium Members) is a national of that country; or is constituted, incorporated, or registered and operates in conformity with the provisions of the laws of that country.

➤ **FINANCIAL SITUATION / HISTORICAL FINANCIAL PERFORMANCE**

• ***Net Worth***

The Bidder must have a net worth of at least USD 7,000,000/- (US Dollars Seven Million only)

(For the avoidance of doubt, the Net Worth shall be calculated in PKR based on the TT selling rate for the relevant currency, as published by the National Bank of Pakistan and prevailing on the Bid Submission Deadline)

In case of a Consortium, only such Consortium Members that are proposed to be shareholders of the SPV as per the consortium agreement shall be considered for this criterion, and in the evaluation of the same they must collectively meet the criterion, and:

- (a) The Lead Member must have a minimum net worth of USD 4,000,000/- (US Dollars Four Million only); and
- (b) Other Consortium Members shall have an aggregate Net Worth of USD 4,000,000/- (US Dollars Four Million only) or equivalent based on the latest audited financial statements.

The Consortium shall not comprise of more than three (3) members.

• ***Average Annual Turnover or Liquid Investments***

The Bidder shall have an average annual turnover of PKR 3,000,000,000/- (Pakistani Rupees Three Billion Only) for the last three (3) years.

OR

The Bidder must have a minimum cash, short term or liquid investments and funding lines of which at least seventy percent (70%) of the aggregate number should be demonstrated through cash and short term investments. Such cash, short term or liquid investments and funding lines should not be less than USD 2,000,000/- (US Dollars Two Million only) (the Bidder/each Consortium Member shall submit audited financial statements for the last three (3) years to demonstrate their collective capability for this criteria).

➤ ~~**FORESTRY EXPERTISE AND EXPERIENCE**~~

~~The Bidder (or in the case of a Consortium, at least one member of the Consortium or its staff) must demonstrate expertise and experience in managing forest carbon projects, other forestry and afforestation projects, agroforestry projects, or nature-based solutions projects through all stages, including baseline studies, feasibility assessments, implementation, monitoring and evaluation, and reporting stages. Only projects with a minimum area of at least ten thousand hectares (10,000 ha) shall be considered under this criterion.~~

➤ **TECHNICAL EXPERTISE AND EXPERIENCE**

The Bidder (or in the case of a Consortium, at least one member of the Consortium or its staff) must demonstrate expertise and prior experience in carbon accounting, project description documents preparation, validation and verification processes with recognized carbon standards (such as, VERRA, Gold Standard).

➤ **ENVIRONMENTAL AND SOCIAL SAFEGUARDS RELATED EXPERTISE AND EXPERIENCE**

The Bidder (or in the case of a Consortium, at least one member of the Consortium or its staff) must demonstrate expertise and experience in working with local communities and other stakeholders, and in conducting environmental and social safeguards assessments and management.

ANNEXURE B – EVALUATION CRITERIA

(I) TECHNICAL EVALUATION CRITERIA

The Technical Proposal shall be evaluated on the basis of the criteria given below:

A) Financial Capability	Maximum Points – 25
A – 1) Net worth The Bidder must have a net worth of at least USD 7,000,000/- (US Dollars Seven Million only). Net worth of USD 7,000,000/- (US Dollars Seven Million only) will be awarded 15 marks. For each increment of USD 1,000,000/- (US Dollars One Million only) above the minimum, 1 mark will be awarded till the maximum of 20 marks is reached. In case of a Consortium, only such Consortium Members that are proposed to be shareholders of the SPV as per the consortium agreement shall be considered for this criterion, and in the evaluation of the same they must collectively meet the criterion, and: (a) The Lead Member must have a minimum net worth of USD 4,000,000/- (US Dollars Four Million only). (b) Other Consortium Members shall have an aggregate Net Worth of USD 4,000,000/- (US Dollars Four Million only) or equivalent based on the latest audited financial statements and minimum net worth of a Consortium Member shall be USD 2,000,000/- (US Dollars Two Million). In case of a Consortium, a collective net worth of USD 8,000,000/- (US Dollars Eight Million only), in accordance with the above criteria, will be awarded 15 marks. For each increment of USD 1,000,000/- (US Dollars One Million only) above the minimum, 1 mark will be awarded till the maximum of 20 marks is reached.	Maximum Points – 20
A – 2) Cash and funding lines The Bidder must have a minimum cash, short term or liquid investments and funding lines of which at least seventy percent (70%) of the aggregate number should be demonstrated through cash and short-term investments. Cash, short term or liquid investments and funding lines of not less than USD 2,000,000/- (US Dollars two Million only) will be awarded 5 marks.	Maximum Points - 5
B) Project Development Experience The following categories of experience would qualify as technical capability and eligible experience: <i>(Note: With respect to the relevant category, the Bidder must provide project completion certificates for projects mentioned in the submitted Bid. The certificates must have been issued by the sponsors of the projects)</i>	Maximum Points – 40

<p>(i) Category 1: Development Experience in Forestry Projects</p> <p>The Bidder (or in the case of a Consortium, at least one Consortium Member) has successfully completed at least one (1) Agriculture, Forestry and Other Land Use (AFOLU) project that includes afforestation and reforestation, agroforestry, forest management, carbon market development projects, nature-based carbon emission reduction with successful generation and trading of verified carbon credits.</p> <p>Each of the implemented projects must have a cost of at least USD 7,000,000/- (US Dollars Seven Million only) or cover an area of at least ten thousand (10,000) hectares.</p> <p>Projects must demonstrate climate change mitigation and adaptation benefits and be validated/verified with one of the recognized Carbon Standards (e.g., Verified Carbon Standard, Gold Standard, Plan Vivo, Open Forest Protocol, Climate Action Reserve, American Carbon Registry, Clean Development Mechanism, etc.).</p> <p>The Bidder must have staff in their teams with expertise in carbon projects management, carbon standards and AFOLU methodologies, GHG accounting, and carbon markets, or have contractual agreements with professionals who have expertise in these areas.</p> <p>This experience must have been gained within the last ten (10) years.</p> <p>(ii) Category 2: Experience with Climate Change Projects</p> <p>The Bidder (or in the case of a Consortium, at least one Consortium Member) has proven expertise in climate mitigation projects other than AFOLU, in at least one (1) of the following areas: (a) energy; (b) industrial products and processes; and (c) waste sector; and must have implemented such projects in the last ten (10) years.</p> <p>Projects must demonstrate climate change mitigation and be validated/verified with one of the recognized Carbon Standards (e.g., Verified Carbon Standard, Gold Standard, Plan Vivo, Climate Action Reserve, American Carbon Registry, Clean Development Mechanism, etc.).</p> <p>The Bidder must have staff in their teams with expertise in carbon projects management, carbon standards and their applicable methodologies, GHG accounting, and carbon markets, or have contractual agreements with professionals who have expertise in these areas.</p> <p>Each of the implemented projects must have a cost of at least USD 7,000,000/- (US Dollars Seven Million only).</p> <p>(iii) Category 3: Experience with Agro-based Manufacturing</p> <p>The Bidder, directly or indirectly, has been involved in projects or business related to agro-based industry involving supply chain solutions / food processing or value-added product manufacturing.</p>	
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<p>The Bidder must have a minimum average turnover of PKR 5,000,000,000/- (Pakistani Rupees Five Billion only) for last three (3) years.</p> <p>(iv) Category 4: Experience with investment in Nature Based Solution Private Equity fund</p> <p>The Bidder has invested in nature-based carbon credits, either directly or indirectly (through a PE/climate fund), subject to a minimum of five hundred thousand (500,000) carbon credits.</p> <p>The following scores will be allocated to each category:</p> <ul style="list-style-type: none"> • Category 1 – 30 marks for the first completed project and 10 marks for each subsequent completed project. • Category 2 – 30 marks for the first completed project and 5 marks for each subsequent completed project. • Category 3 – 30 marks for PKR 5,000,000,000/- (Pakistani Rupees Five Billion only) and 2 marks for every additional PKR 1,000,000,000/- (Pakistani Rupees One Billion only). • Category 4 – 30 marks for five hundred thousand (500,000) carbon credits and 2 marks for every additional five hundred thousand (500,000) carbon credits. <p><i>(Note: Any specific project can only be quoted for one category. If multiple projects are shown, the total marks will be aggregated up till the maximum 40 marks. If a Bidder's quoted project qualifies under multiple categories, the category in which the highest marks will be allocated shall be considered the relevant category for evaluation.)</i></p>	
<p>C) Project Team Experience</p> <p>Project Manager / Team Leader – 10 marks Ph.D. or Master's degree in forestry, agriculture, or environmental sciences with fifteen (15) years overall experience in managing large-scale forest restoration, conservation or sustainable forest management projects or Afforestation, Reforestation or Revegetation (ARR) projects, Improved Forest Management (IFM) projects, or Reducing Emissions from Deforestation and Forest Degradation (REDD) projects, or other sustainable land management projects in the AFOLU sector, or having a Bachelor of Science degree in forestry, agriculture or environmental sciences with at least at least twenty (20) years overall experience in the above mentioned projects, out of which ten (10) years relevant experience (detailed CV along with a copy of degree to be submitted).</p> <p>Forest Carbon Accounting or General Greenhouse Gas Accounting Specialist – 5 marks Must have a Master's degree in Natural Sciences or Social Sciences or Business subjects with specialized certification in GHG accounting and overall experience of at least ten (10) years and relevant experience of at least two (2) years (detailed CV along with a copy of degree to be submitted)</p> <p>Carbon Finance and Carbon Markets Expert – 5 marks Must have a Master's degree / professional accountancy certification in relevant field, with at least ten (10) years overall experience and relevant experience of at least two (2) years (detailed CV along with a copy of degree to be submitted)</p>	<p>Maximum Points – 25</p>

<p>Environmental Specialist – 2.5 marks Must hold a Master’s degree in Environmental Sciences field with at least ten (10) years overall experience out of which two (2) years relevant experience (detailed CV along with a copy of degree to be submitted)</p> <p>Social Specialist – 2.5 marks Must hold a Master’s degree in Social Sciences field with at least ten (10) years overall experience out of which two (2) years relevant experience (detailed CV along with a copy of degree to be submitted)</p> <p>CVs in the manner and form format provided in this Request for Proposal would be provided for these experts, who should either be employees of the Bidder/any Consortium Member or be associated with them through binding contracts</p>	
D) Approach and Methodology	Maximum Points – 10
<p>D – 1) Project Understanding and Approach:</p> <p>Demonstration of a clear understanding of the project's objectives and challenges in accordance with Volume II (<i>Project Scope</i>) and Volume III (<i>Concession Agreement</i>), each of the RFP.</p>	Maximum Points – 5
<p>D – 2) Methodology and Work Plan:</p> <p>Proposed methodology for project design, planning, development, implementation, financing, stakeholder engagement, monitoring, reporting, knowledge and technology transfer, etc, in accordance with Volume II (<i>Project Scope</i>) and Volume III (<i>Concession Agreement</i>), each of the RFP.</p>	Maximum Points – 5

(II) FINANCIAL EVALUATION CRITERIA

Bidder whose Bid has been determined the Best Evaluated Bid in terms of highest “Additional FWD Revenue Share (%)” shall be declared the Successful Bidder.

The bid price shall be calculated as follows:

$$Bid\ Price = Highest\ Additional\ FWD\ Revenue\ Share\ (\%)$$

ANNEXURE C – REQUIREMENTS FOR CONSORTIUM AGREEMENT

The legally binding and enforceable Consortium Agreement between each Consortium Member shall include, at a minimum, the following representations, undertakings, terms, conditions and requirements:

- (a) Specify the designated Lead Member, nominated by the Consortium, as its representative and the role of each Consortium Member.
- (b) Each Consortium Member shall authorise the Lead Member to sign and submit the Bid on its behalf and participate in the Bidding Process.
- (c) The proportion of the Ownership Stake in the SPV to be held by each Consortium Member in the SPV.
- (d) The Lead Member shall undertake, and all Consortium Members shall confirm, that the Lead Member shall maintain a minimum of fifty-one percent (51%) Ownership Stake in SPV. No change in the Consortium, by addition/withdrawal of a Consortium Member or change in percentage shareholding of any consortium member, except as may be permitted under the Concession Agreement (post award to the Successful Bidder).
- (e) The other Consortium Members should hold at least ten percent (10%) Ownership Stake in the SPV and there cannot be more than three (3) Consortium Members in a Consortium.
- (f) Confirmation that the terms of the Consortium Agreement shall not be changed, amended or modified in any manner during the Bidding Process without prior consent of FWD, provided that no such change shall impact the minimum requirements set out in the RFP.
- (g) Specify that the Consortium Members are jointly and severally liable in respect of their obligations in relation to the Project.

VOLUME II:
PROJECT SCOPE

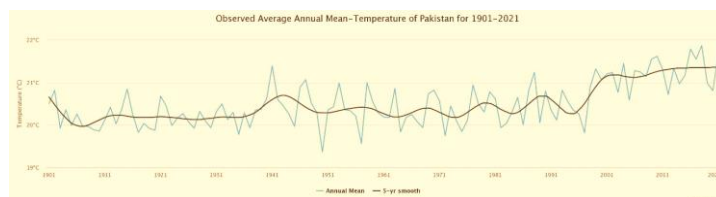
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All capitalized terms used herein and not otherwise defined shall have the meaning given to them in Volume III (Concession Agreement and Schedules) of the RFP.

1. BACKGROUND

Pakistan faces considerably higher rates of warming in comparison with the global average, with a potential rise of 1.3°C–4.9°C by the 2090s over the 1986–2005 baseline¹. On a sub-national level, the warming occurs more towards the southern regions, with Punjab, Sindh, and Balochistan experiencing winter warming in the region of 0.91°C–1.12°C.²



*Figure 1: Observed Annual Mean Temperature of Pakistan
(Source: Climate Change Knowledge Portal, World Bank Group)*

Pakistan, as a party to the Paris Agreement, 2015, established under the United Nations Framework Convention on Climate Change (UNFCCC), has submitted its ‘*Nationally Determined Contributions*’ (NDCs) in 2021. The NDCs represent the national consensus to accelerate the transition towards a climate-resilient economy. ‘*Forestry & Afforestation*’ are a key part of Pakistan’s NDC commitments.

Key mitigation policy actions and objectives under Pakistan’s NDCs include:

- Conserving existing forests;
- Increasing tree cover through community participation;
- Meeting international obligations related to forests; and
- Undertaking mass afforestation through the involvement of government agencies, provinces and private parties.

Sindh has approximately 660,584 hectares of forest land (which amounts to four-point six percent (4.6%) of its total land area). Due to past management practices, tree growth has reduced to less than twenty-one percent (21%) in declared forest areas.

2. INTRODUCTION

FWD intends to develop and implement a sustainable Afforestation, Reforestation, and Revegetation (ARR) project on the Site (comprising of 11,772.2 hectares of ‘*reserved forests*’ along the riverine belt in the districts of Jamshoro and Matiari) (the “**Project**”).

The Project aligns with national and provincial climate change mitigation strategies and seeks to promote ecosystem restoration, generate Carbon Credits, and improve livelihoods. To achieve this, FWD intends to engage a private sector entity to design, build, finance, operate, maintain and transfer the Project.

¹ Climate Risk Country Profile of Pakistan, 2021, The World Bank Group

² Ibid.

The Project will be executed under through a Public-Private Partnership (PPP), in order to leverage private sector expertise and resources for sustainable forest management, Carbon Credit generation, and the commercialization of ecosystem benefits.

3. OBJECTIVES

In river plains, undertaking ARR activities can lead to significant ecological benefits such as stabilization of riverbanks and the river channel, and creation of a buffer between the communities and river channel during high floods. Moreover, riverine forests are the mainstay of forestry in Sindh. They provide products and services such as timber, firewood, pit props for mines, forage and browse for livestock, supports biodiversity and game animals. Other non-timber forest products from riverine forests include tannin from bark, gum, honey and even fish from dhands (ponds) and dhoras (depression of old riverbeds). Additionally, riverine forests also act as carbon sinks, moderate climate, stop soil erosion and protect soils and settlements from the ferocity of flood waters.

In order to leverage the natural and ecological benefits of riverine forests, FWD, through the Project, intends to achieve, *inter alia*, the following objectives:

- restore degraded riverine forests through ARR activities;
- enhance carbon sequestration and biodiversity conservation at the Site;
- generate Carbon Credits and other timber and non-timber benefits for commercialization;
- implement sustainable forest management practices and knowledge transfer; and
- promote socio-economic development of local communities dependent on forest resources.

4. SITE ANALYSIS

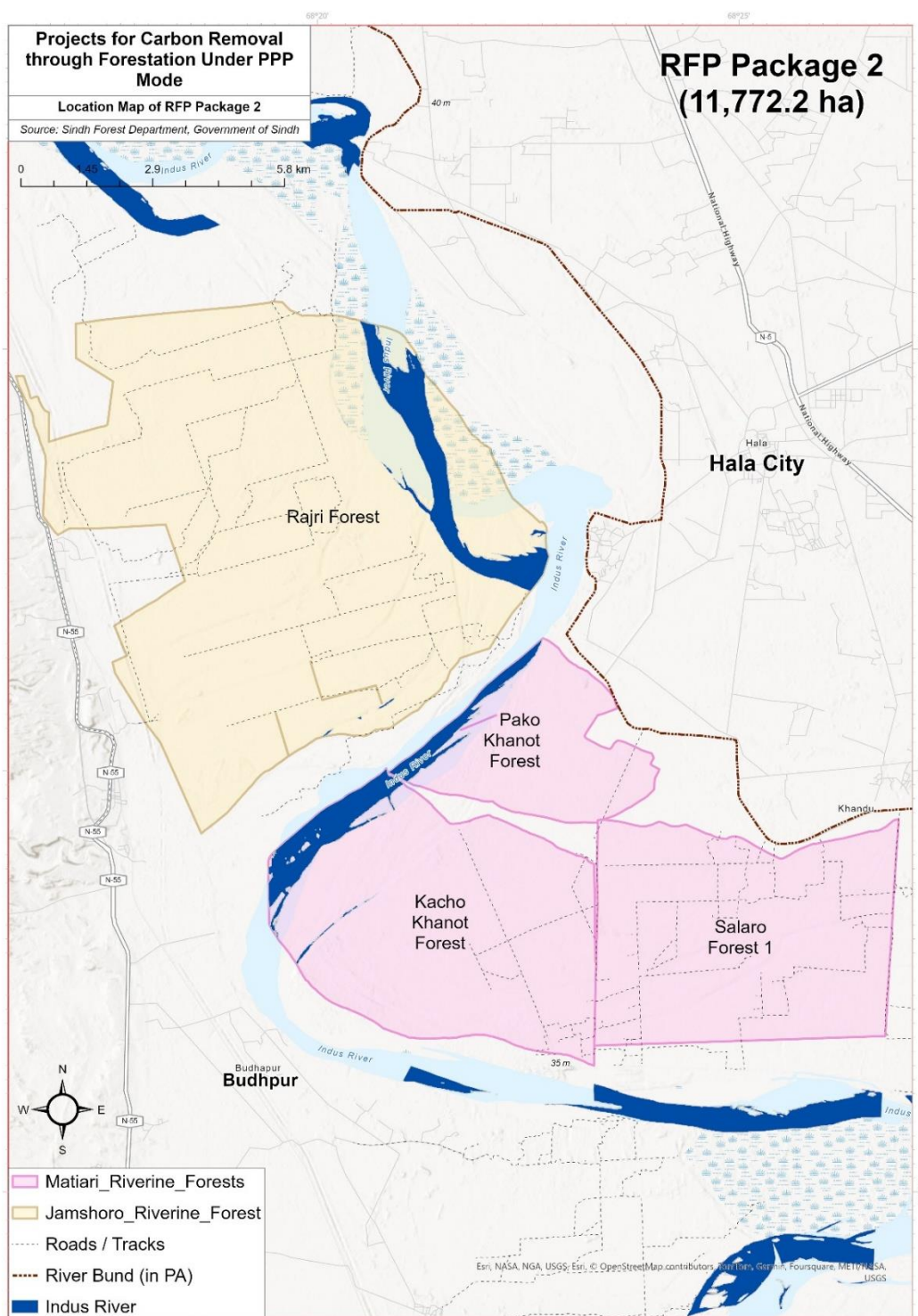
4.1. GENERAL INFORMATION

The total eligible area for plantation³ within the Site is 11,772.2 hectares. The forests within the Site and the geographical coordinates of their central points are as follows:

NO.	DISTRICT	FOREST RANGE	FOREST	LONGITUDE	LATITUDE
1.	Jamshoro	Manjhband Range	Rajri Riverine Forest	68.3276190°E	25.7977637°N
2.	Matari	Hala Range	Kacho Khanot Forest	68.3575045°E	25.7195656°N
3.	Matari	Hala Range	Pako Khanot Forest	68.3766678°E	25.7553006°N
4.	Matari	Hala Range	Salaro Forest 1	68.4171369°E	25.7166948°N

The map of the Site is provided below:

³ An “eligible area for plantation” refers to land parcels suitable for ARR activities proposed under the Project, typically excluding areas like water bodies and river, existing forest cover, roads / tracks etc. The eligible area in its baseline conditions is not constant due to meandering river flow, seasonal variations in water bodies, erosion and development of natural vegetation cover.



4.2. SALIENT FEATURES

(a) Geographical location

The Site is part of the Lower Indus Plain, more specifically, the flood plain of the Indus River system which is a vast alluvial plain that runs along the Indus

River. Therefore, the area consists of flat land that slightly slopes towards the Indus River. Protective embankments or ‘*bunds*’ are provided along the left bank of Indus River, located outside the Site, to protect cities and communities from floods.

(b) Surface and sub-surface hydrology

Part of the flow of the Indus River (downstream Sukkur Barrage) flows into and feeds the Site (floodplain inside river bund). The low-lying areas inside the floodplains are inundated during the monsoon flooding and dried after the floodwater recedes. There are no canals or streams emanating from Sukkur Barrage that fall into the river, nor are there any irrigation drains present in the Site. Evidence of past agricultural activity is apparent on the Site, such as tubewells, small water channels, and natural water bodies (known locally as ‘*dhands*’ which are non-perennial and dried in low flow days of Indus River). The surface water cover in the Site is not constant and depends on the flow of the river, which is controlled by the Sukkur Barrage and monsoon rains in upper reaches of Indus River.

With respect to the sub-surface hydrology of the Site, the depth of the water table, analyzed by PCRWR in 2021⁴, reveals that the most significant seasonal variation occurs immediately after monsoon season. The average water-table depth in pre-monsoon season is 4.6 m, whereas in the post-monsoon season, it decreases to 2.4 m. Groundwater quantity and quality assessment for the Site suggests that the groundwater resources are in abundance due to continuous recharge through River Indus. The depth of the groundwater (estimated in 2024) varies from 6 m to 12 m, depending on the low-lying and high-lying areas.

4.3. SITE ACCESSIBILITY

The Site is located approximately seventy (70) km from Hyderabad City and two-hundred and thirty (230) km from Karachi City. The Site can be accessed either from the Indus Highway (N55) or from the National Highway (N5) via Manjhand Town or via Saeedabad City respectively, ensuring seamless logistical connections. Within the Site, dirt roads or access pathways separate the forest compartments and are accessible via 4x4 vehicles.

5. CONCESSIONAIRE’S SCOPE OF WORK

5.1. GENERAL

The Concessionaire shall be responsible for implementing the Project throughout the Concession Period (spanning over forty-four (44) years, unless otherwise extended in accordance with the Concession Agreement). The Project will comprise of two successive implementation cycles of twenty-two (22) years each. The Concessionaire’s scope of work during the Concession Period shall comprise of the following:

- (a) Commencement Works: Activities to be undertaken by the Concessionaire prior to the Commencement Date;

⁴ Abdul Salam et al. (2023), Exploring Groundwater Dynamics: A Comprehensive Investigation and Spatial Mapping in Canal Command Areas of Sindh, Pakistan Council of Research in Water Resources (PCRWR)

- (b) Development Works: Activities to be undertaken by the Concessionaire during the Development Period;
- (c) Operation and Maintenance: Activities to be undertaken by the Concessionaire during the O&M Period; and
- (d) Handover and Knowledge Transfer: Activities to be undertaken by the Concessionaire during Project Handover.

The subsequent chapters will outline the detailed scope of work of the Concessionaire with respect to each category of work highlighted above, including the detailed requirements and responsibilities of the Concessionaire throughout the Concession Period.

5.2. APPROVALS AND CONSENTS

Throughout the Concession Period, the Concessionaire shall ensure that all necessary approvals, permits, certifications and consents are obtained at the provincial, national, and international levels. Moreover, the Concessionaire shall also coordinate closely with FWD and other relevant provincial, national, and international stakeholders to expedite the approvals process and ensure all requirements and timelines are met efficiently. Relevant approvals include:

- (a) Provincial Approvals: This includes procuring relevant permissions from FWD including procuring a no-objection certificate (NOC) to proceed with activities that may impact forest areas within the Site, and compliance with environmental regulations in Sindh.
- (b) National Approvals: This includes engaging extensively with the Ministry of Climate Change & Environmental Coordination, Government of Pakistan (MoCC) to acquire Letter of Intent (LOI) and Letter of Approval (LOA), and fulfil Corresponding Adjustment (CA) requirements, as set out in the Carbon Policies. The Concessionaire must also secure the approval of the Designated National Authority (as designated under the Carbon Policies) to ensure the Project is consistent with Pakistan's NDCs and aligns with the voluntary carbon market mechanisms. In cases where the mechanisms under Article 6 of the Paris Agreement are relevant, the Concessionaire must obtain explicit authorization for the Project to function within those frameworks (as may be required from time to time). The Concessionaire shall also be required to register the Project under Pakistan's National Carbon Registry System, following its operationalization to formalize the Project's inclusion in the national inventory, reinforcing its legitimacy and compliance with the country's climate objectives.
- (c) International Approvals: The Project must comply with global standards for carbon markets and environmental safeguards. The Concessionaire shall be required to Register the Project with the Project Carbon Standard Body. In order to achieve this, the Concessionaire shall prepare and submit all required documentation, including a detailed PDD, to an accredited third-party validation and verification body (VVB). Moreover, the Concessionaire shall implement the Project in alignment with Pakistan's international commitments, including commitments under the United Nations Framework Convention on Climate Change (UNFCCC) and the Convention on Biological Diversity (CBD).

6. COMMENCEMENT WORKS

This chapter identifies the relevant activities to be undertaken by the Concessionaire prior to the Commencement Date.

6.1. MOBILIZATION OF KEY PERSONNEL

The Concessionaire shall mobilize and recruit a multidisciplinary team with qualifications and expertise aligned with the evaluation criteria provided for the Project. This team is essential for ensuring efficient, effective, and professional implementation of all Project components, including technical, financial, social, and environmental aspects.

The Concessionaire shall also establish a robust performance monitoring system to regularly assess the efficiency and effectiveness of the team. This system shall have mechanisms to hold team members accountable and identify skill gaps, which shall be addressed through targeted training or additional recruitment. To maintain transparency and stakeholder confidence, progress reports on staffing and mobilization shall be shared consistently with the FWD and other relevant stakeholders.

6.2. BASELINE ASSESSMENTS AND BASELINE ASSESSMENT REPORT

The Concessionaire shall undertake the baseline assessments identified herein, and any additional assessments required by the Project Carbon Standard, in order to understand the existing conditions of the Site, identify key characteristics and set benchmarks against which future changes and impacts can be measured.

The results of the baseline assessments shall be consolidated in the **Baseline Assessment Report**. The Baseline Assessment Report shall provide a detailed and holistic understanding of the Site, capturing its ecological, carbon, and socio-economic attributes. It shall also shed light on the factors contributing to environmental degradation and deforestation. This comprehensive baseline shall serve as the foundation for project planning, enabling the Concessionaire to design effective interventions, monitor progress, and ensure compliance with environmental and carbon market standards. The Concessionaire shall, in undertaking the Project Works, ensure evidence-based decision making and sustainable development.

The Baseline Assessment Report shall include the following key assessments:

(a) Land Cover Analysis

A comprehensive analysis of land cover within the Site shall be undertaken using high-resolution satellite imagery to map and classify the various land cover types. Advanced techniques, including supervised classification or machine learning algorithms, shall be employed to enhance the accuracy of the analysis. To validate the satellite data, field teams shall conduct ground-truthing surveys, visiting sample sites representative of different land cover categories. By comparing historical and current imagery, the Concessionaire will gain valuable insights into land cover changes over time, providing a clear picture of baseline conditions. In order to undertake this analysis, the Concessionaire shall procure access to reliable satellite data and GIS software for mapping and engage field teams equipped with GPS tools for on-site validation.

(b) Carbon Stock Assessment

Understanding the carbon stock of the Site is crucial for accessing the carbon markets. The Concessionaire shall conduct extensive field surveys to measure above-ground and below-ground biomass (AGB and BGB) using systematic sampling techniques. The Concessionaire shall undertake key measurements, such as tree diameter and height, and convert such measurement into carbon stock estimates using scientifically validated allometric equations. Soil samples shall also be collected to analyse carbon content in the topsoil, particularly in areas susceptible to degradation. The data collected through fieldwork shall be integrated by the Concessionaire with remote sensing outputs to create a comprehensive picture of the carbon stock baseline. To undertake this process the Concessionaire shall utilize specialized tools and laboratory facilities for soil analysis and employ expertise in carbon accounting methodologies aligned with Inter-Governmental Panel on Climate Change (IPCC) guidelines or similar standards.

(c) Socio-Economic Profiling

The Concessionaire shall develop a detailed socio-economic profile of the communities in and around the Site to provide insight into their demographics, livelihoods and dependency on natural resources. In this regard, the Concessionaire shall conduct structured interviews and organize focused group discussions with local residents to understand their needs and challenges. Through the stakeholder mapping, the Concessionaire shall identify influential groups, including community leaders, government representatives, and NGOs. The Concessionaire shall also assess income sources, land tenure arrangements, and factors contributing to socio-economic vulnerability, such as resource dependency or exposure to climate risks. By engaging directly with communities, the Concessionaire shall ensure the data reflects the ground realities and helps design interventions that are both effective and equitable.

(d) Identification of Biodiversity and Ecosystem Services

The Concessionaire shall systematically document the biodiversity of the Site, and the ecosystem services it provides, through field surveys. Using techniques like transects, quadrats, and camera traps, the Concessionaire shall inventory flora and fauna, noting species presence and abundance. Alongside this, threats to biodiversity, such as habitat fragmentation or invasive species, shall be analysed.

(e) Analysis of Drivers of Deforestation and Forest Degradation

The Concessionaire shall address the root causes of deforestation and forest degradation on the Site by analysing historical and current land-use trends using remote sensing tools. By engaging with local communities, the Concessionaire shall uncover socio-economic and cultural drivers, which may include, agricultural expansion, logging, and fuelwood collection. Through policy reviews, the Concessionaire shall identify local and national regulations that influence land use, and through the economic analysis, the Concessionaire shall explore market forces and activities that drive deforestation. This analysis shall be used to design targeted interventions to mitigate these drivers effectively.

(f) Hydrological and Water Resources Assessment

In undertaking the hydrological assessment in the riverine floodplain, the Concessionaire shall adopt an integrated approach to evaluate both surface water and groundwater resources, along with the dynamics of natural ponds along the river. This comprehensive methodology shall focus on understanding the interplay between hydrological components, seasonal variations, and their influence on the floodplain ecosystem.

To assess surface water resources, the Concessionaire shall undertake hydrological monitoring and mapping of Indus flows, flood patterns, and water distribution across the floodplain. The Concessionaire shall collect real-time data on water levels, flow velocities, and discharge rates during different seasons from the Irrigation Department, Government of Sindh, for the Site or for downstream Sukkur Barrage. The Concessionaire shall employ advanced remote sensing and GIS tools to analyse flood inundation patterns, identify natural ponds, and track water retention areas. This data shall be complemented by field surveys to ground-truth observations and verify model outputs. The Concessionaire shall undertake these activities using flood modelling tools such as HEC-RAS.

For groundwater resources, the methodology shall include aquifer characterization and groundwater monitoring. Hydrogeological surveys shall be conducted using existing community wells to map aquifer properties, including depth, transmissivity, and recharge zones. Groundwater samples shall be collected and analysed to assess quality and suitability for various uses. Additionally, the interaction between surface water and groundwater shall be examined by identifying areas of recharge and discharge, as well as quantifying seepage from the river and ponds into the aquifer system. The role of natural ponds in groundwater recharge shall also be studied by monitoring their seasonal water levels and evaporation losses.

6.3. PROJECT IMPLEMENTATION PLAN

The Concessionaire shall develop a comprehensive and actionable **Project Implementation Plan** covering all aspects of project design, implementation, operations, compliance, and exit strategy. The Project Implementation Plan must align with the Applicable Standards, international best practices, stakeholder expectations, and Project-specific objectives, and must reflect the key outcomes of the Baseline Assessment Report, to ensure that the Project is effective, sustainable, and impactful.

The detailed components of the Project Implementation Plan are discussed below:

(a) Project Roadmap and Project Implementation Planning

The Concessionaire shall establish a robust framework that integrates technical, financial, and operational strategies for Project. This framework shall include a step-by-step roadmap for the Project outlining the sequence of activities, dependencies, and milestones including contingency plans for addressing delays or risks, and shall reflect clearly defined timelines, deliverables, and resource allocation to ensure smooth execution. Each Project phase shall be guided by specific objectives, key performance indicators (KPIs), and milestones. Site-specific data, including ecological, social, and economic considerations, shall be

incorporated to ensure feasibility and sustainability, reflecting the Concessionaire's commitment to delivering a well-rounded solution. The Concessionaire shall also include visual aids such as maps, Gantt charts, and flow diagrams.

(b) Silvicultural Planning

To ensure the Project's sustainability, the Concessionaire shall undertake relevant activities for plantation establishment (i.e. broadcasting, cleaning, thinning, and harvesting cycles) and forest protection measures (fire control, pest management, and prevention of illegal logging). This shall include the development of relevant infrastructure and logistical measures required for seamless operations of the Project. Additionally, the Concessionaire shall provide continuous capacity building and skill enhancement programs for staff and local communities to maintain high standards of implementation.

Moreover, in relation to the silvicultural activities to be undertaken by the Concessionaire during the O&M Period, the Concessionaire shall indicate the appropriate silvicultural activities for the Project. This includes defining planting density, selecting species, specifying silvicultural practices and forest management regimes. These activities shall align with sustainable forest management principles ensuring they are ecologically sound and socially inclusive.

(c) Stakeholder Engagement

The Concessionaire shall undertake stakeholder engagement by identifying all relevant groups, such as local communities, government bodies, and private partners. Mechanisms for free, prior, and informed consent (FPIC), consultation, and grievance redress shall be established to enable meaningful participation. The Concessionaire shall also outline strategies for community benefit-sharing, capacity building, and conflict resolution, ensuring inclusivity and transparency throughout the Project.

(d) Risk Analysis

The Concessionaire shall identify key risks associated with the Project and propose detailed mitigation strategies to be implemented for the Project with respect to each risk. The Concessionaire shall ensure that all relevant risk categories outlined in the latest version of the Agriculture, Forestry, and Other Land Use (AFOLU) Non-Permanence Risk Assessment Tool are assessed. Key risks to be addressed include, *inter alia*, the following:

- *Internal Risks*

Project-specific risks related to design, implementation, finances, and management. Examples include poor Project design or unrealistic implementation timelines, inadequate financial resources for Project execution, ineffective governance and management structures, and weak monitoring and reporting mechanisms. To mitigate these risks, the Concessionaire shall develop clear timelines, milestones, and performance indicators. Financial sustainability will be ensured through structured budgets, secured funding, and contingency reserves. Governance will be

strengthened by defining roles, responsibilities, and accountability mechanisms. Advanced Monitoring, Reporting, and Verification (MRV) systems will use technologies like GIS, remote sensing, and field assessments. Additionally, periodic training and capacity-building programs will be conducted for staff and stakeholders.

- *External Risks*

These risks originate from factors beyond direct control of the Project. Examples include political instability or changes in government policies, socio-economic conflicts with local communities and market volatility affecting Carbon Credit pricing and revenues. To mitigate these, the Concessionaire shall engage government authorities and align the Project with national and provincial policies, including Pakistan's NDCs. Community engagement plans will foster strong stakeholder relationships and equitable benefit-sharing.

- *Natural Risks*

These risks relate to environmental and ecological factors. Examples include pest outbreaks or diseases affecting plantation health, natural disasters like floods, droughts, or wildfires, and soil erosion or salinity issues in the Site. The Concessionaire shall select native, pest-resistant, and climate-resilient species for afforestation and reforestation, and monitor and control pests and diseases. Resilience will be enhanced with multi-species planting, flood protection bunds, water ponds, and irrigation ditches. With respect to the disaster risks, the Concessionaire shall include measures such as firebreaks, flood defences, and emergency response protocols.

- *Climate Risks*

These risks arise from long-term changes in climatic conditions that may affect Project outcomes. Examples include increased frequency and severity of extreme weather events (e.g., heatwaves, floods and storms, prolonged droughts), long-term shifts in temperature and precipitation patterns, and reduced carbon sequestration potential due to changing climatic conditions. The Concessionaire shall conduct climate risk assessments to understand potential impacts and adopt climate-resilient forestry practices, such as diversifying species and using drought- and heat-tolerant varieties. Adaptive management practices will allow adjustments to planting, thinning, and harvesting schedules based on evolving climatic conditions. Collaborations with meteorological and climate research institutions will ensure informed decision-making, and a buffer pool of Carbon Credits will safeguard against climate-induced non-permanence risks.

In undertaking the risk analysis, the Concessionaire shall also ensure that the detailed requirements under Annexure A (*Requirements of Risk Analysis*) are adhered.

(e) Compliance and Quality Assurance

The Concessionaire shall ensure that the Project adheres to national and international regulations, including environmental laws, rules of the selected Carbon Standard (such as the methodologies under the Verified Carbon Standard (VCS) and Climate, Community, and Biodiversity Standards (CCB)), and best practices. Quality assurance protocols shall be established for monitoring, evaluation, reporting, and third-party audits to ensure transparency and accountability in all Project activities.

(f) Project Management and Governance

The Concessionaire shall establish a clear governance structure, defining roles and responsibilities for all relevant stakeholders. The Concessionaire shall employ advanced project management tools and technologies, to ensure efficient coordination, resource management, and reporting.

(g) Knowledge and Technology Transfer

The Concessionaire shall undertake knowledge and technology transfer initiatives for FWD and conduct training programs and capacity-building initiatives to empower local staff and community members.

(h) Exit Strategy

The Concessionaire shall develop an exit strategy to ensure the Project's sustainability beyond the Concession Period. This shall include transitioning Project responsibilities to local authorities or communities, maintaining the continuity of forest management and monitoring activities, and establishing financial and institutional mechanisms to support long-term sustainability.

6.4. MARKETING PLAN

The Concessionaire shall develop a detailed **Marketing Plan** for the commercialization and marketing of Carbon Credits generated by the Project. This plan should ensure maximum value realization and alignment with the Project's objectives to support sustainable development and benefit-sharing.

Additional key requirements for the Marketing Plan are provided in Annexure B (*Requirements for Marketing Plan*).

7. DEVELOPMENT WORKS

Following the Commencement Date, the Concessionaire shall commence the Development Works in accordance with the timelines stipulated within the Concession Agreement. The Concessionaire shall ensure that the activities identified hereunder, and any other appropriate and associated activities, are undertaken during the Development Period. The activities should comply with the Applicable Standards, the Baseline Assessment Report and the Project Implementation Plan.

7.1. ESTABLISHMENT OF PROJECT OFFICES

The Concessionaire shall establish a '*Project Office*' in Jamshoro/Matiari District and a '*Field Office*' on the Site. This is critical to ensuring the efficient, effective, and transparent execution of the Project. These offices will serve as operational hubs and

field bases for managing Project activities, maintaining stakeholder engagement, and responding promptly to challenges that arise during Project implementation. The following specific requirements with respect to each office shall be adhered to:

(a) Project Office (Jamshoro/Matiari District)

- Location and Accessibility

The office shall be situated in a central and easily accessible location within the Jamshoro or Matiari District of Sindh. Its placement should ensure convenience and practicality, ideally being close to government / forest offices, major transportation routes, and other essential facilities to support efficient operations and connectivity.

- Infrastructure and Facilities

The office shall offer ample space to accommodate both administrative and technical staff, ensuring a productive and organized work environment. It shall be well-equipped with meeting rooms to facilitate effective coordination with stakeholders. Additionally, the office shall incorporate robust IT infrastructure, including high-speed internet, computers, printers, and video conferencing facilities, to support seamless communication and workflow. The office shall include a dedicated area for document storage and archiving shall also be created to provide a secure and systematic solution for managing Project documentation.

- Operations

The office shall remain operational throughout the Concession Period, with regular working hours and dedicated contact points for stakeholders.

(b) Field Office (Site)

- Location and Accessibility

The office shall be strategically located within or near the Site, ensuring proximity to the plantation sites and for efficient access to all Project activities. This location must also prioritize safe and secure access for staff, stakeholders, and community members, creating an environment conducive to smooth operations.

- Infrastructure and Facilities

The office shall be equipped with essential infrastructure, including functional workspaces, a reliable power supply with a preference for solar backup, and robust communication facilities. Dedicated storage facilities shall be developed for field equipment, tools, and materials. Furthermore, the provision of on-site transportation, such as vehicles or motorcycles, will enable field staff to access remote areas with ease.

- Staffing

The office shall be equipped with a dedicated team comprising of field supervisors, forest technicians and community liaison officers, responsible for overseeing the on-ground implementation of Project activities. Priority shall be given to hiring local personnel to foster cultural understanding and enhance community engagement.

- Operations

The office shall serve as the central hub for Project implementation, encompassing plantation, maintenance, monitoring, and reporting activities. Regular coordination with the Project Office shall be maintained to align field activities with the overarching Project plan and ensure consistency in execution.

- Health and Safety

The office shall be equipped with basic first aid supplies and will adhere to workplace safety standards. To ensure safety, an emergency response plan will be in place to address potential risks, such as floods, heatwaves, or other hazards.

7.2. MONITORING PLAN

The Concessionaire is required to develop a **Monitoring Plan** for the Project. The Monitoring Plan must take into account the requirements of the Project Carbon Standard. Moreover, the Monitoring Plan must ensure the accuracy, transparency, and credibility of all data related to carbon sequestration, Project performance, and co-benefits.

To track planting success and tree growth, the Concessionaire shall implement monitoring plots and use remote sensing and ground-based measurements to track planting success and tree growth. Through a real-time monitoring system, the Concessionaire shall ensure transparency and accountability throughout the Project.

The Concessionaire shall periodically review and revise the Monitoring Plan to include survival rates, forest health, carbon sequestration and biodiversity outcomes. Additionally, the Concessionaire shall adapt to evolving Project conditions, advancements in methodologies, or updates to the requirements of the Project Carbon Standard.

The detailed requirements of the Monitoring Plan are provided in detail in Annexure C (*Requirements for Monitoring Plan*).

7.3. PROJECT DESIGN DOCUMENT VALIDATION AND PROJECT REGISTRATION

The Concessionaire shall collaborate closely with the Project Carbon Standard Body to ensure timely Validation, Registration, and Issuance of Carbon Credits.

(a) Preparation of Project Design Document

The **Project Design Document (PDD)** serves as the cornerstone of the Project, detailing its objectives, methodologies, and expected outcomes. The Concessionaire shall develop the PDD in alignment with the requirements of the Project Carbon Standard.

To prepare the PDD, the Concessionaire must engage relevant experts familiar with the Project Carbon Standard's methodologies.

The minimum requirements of the PDD are provided in Annexure D (*Requirements for Project Design Document*) and are subject to the requirements of the Project Carbon Standard.

(b) Validation of Project Design Document

The Concessionaire shall engage an accredited VVB to Validate the PDD for compliance with requirements of the Project Carbon Standard.

The Concessionaire shall ensure that the VVB selected for the Validation is accredited by the Project Carbon Standard Body and has proven expertise in AFOLU projects. Priority will be given to the VVBs that have a strong track record in validating and verifying forest carbon projects.

(c) Registration

The Concessionaire shall submit the Validated PDD to the Project Carbon Standard Body for official Registration. This step will involve:

- Pre-Registration Compliance: Ensuring all prerequisites are fulfilled, including stakeholder consultations and environmental impact assessments, as mandated by the Project Carbon Standard.
- Document Submission: Providing all required documentation to demonstrate the Project's alignment with the Project Carbon Standard's methodology and objectives.

7.4. PLANTATION ACTIVITIES

(a) Site Preparation for Planting

To ensure successful afforestation or reforestation, the Concessionaire shall undertake meticulous site preparation. This shall include, *inter alia*, undertaking the following:

- Assessment of Site Conditions

A detailed Site assessment shall be conducted for Site preparation activities to evaluate soil quality, soil analysis, topography, hydrology, and existing vegetation. Through this analysis, the Concessionaire shall identify areas suitable for planting and prioritize degraded lands or those vulnerable to erosion for restoration efforts.

- Soil Preparation

Preparatory activities shall include clearing invasive species and undesirable vegetation to reduce competition for resources. Eco-friendly techniques shall be employed to protect and improve soil quality, promoting a healthier foundation for planting.

- Floodwater Management

In flood-prone areas, planting techniques and species selections shall be tailored to ensure resilience. A mix of species capable of surviving periodic flooding shall be implemented to maintain ecosystem stability.

- Drought Management

For areas prone to drought or located above floodwater reach, irrigation measures such as constructing water ponds and irrigation ditches shall be established to ensure adequate water availability for the planted species.

- Community Engagement

Local communities will play a pivotal role in the Site preparation activities. Their involvement will foster a sense of ownership, enhance project sustainability, and create employment opportunities within the region.

- Cleaning Operations

Following the first (1st) year of the Development Period, cleaning operations shall be conducted to remove weeds and unwanted vegetation, reducing competition and retaining the target density of 1,111 plants per hectare.

(b) Choice of Species

The selection of tree species is critical to achieving the Project's ecological and socio-economic objectives. The Concessionaire shall prioritize a carefully curated mix of species to meet these goals effectively. The following criteria shall be adopted to select species to be planted on the Site:

- Native and Climate-Resilient Species

Native species that are well-adapted to local soil, climate, and hydrological conditions shall be prioritized. Additionally, climate-resilient species shall be incorporated to enhance ecosystem stability and productivity in the face of climate variability.

- Diversity of Species

To promote biodiversity and increase ecosystem resilience, a diverse mix of species shall be planted. Through this approach, the Concessionaire shall mitigate risks posed by pests and diseases, ensuring the long-term health of the forest ecosystem. The Concessionaire shall scientifically justify the selection of species with description of their ecological and economic benefits.

- Timber and Non-Timber Products

The species selection shall include both high-value timber species and those that provide non-timber forest products (NTFPs), such as fruit, honey, and

medicinal plants. These selections will deliver ecological benefits while supporting local livelihoods.

- *Fast-Growing and Long-Lived Species*

The planting strategy shall incorporate fast-growing species for early carbon sequestration and long-lived species to ensure sustained carbon storage and timber production over time.

- *Expert Consultation*

The Concessionaire shall work closely with forestry experts and institutions, such as the Pakistan Forest Institute, to finalize the species list and ensure the selection is scientifically sound and ecologically appropriate for the region.

- *Proposed Riverine Species*

To maintain biodiversity, multiple species are proposed to be planted based on the site suitability to create diverse specie mix from biodiversity perspective. These species should be native to the province of Sindh and should neither be invasive nor otherwise environmentally damaging. These species may include *Acacia nilotica* (Kikar / Babul), *Prosopis cineraria* (Kandi), *Azadirachta indica* (Neem) and *Populus euphratica* (Bahan), *Eucalyptus*.

(c) Planting Methods and Techniques

The Concessionaire shall implement planting methods and techniques tailored to maximize tree growth, ensure survival rates, and optimize resource use, based on Site-specific conditions and species requirements.

- *Planting Techniques*

Appropriate methods, such as broadcasting, line planting, or pit planting, will be employed depending on the terrain and species. Proper spacing shall be ensured to prevent overcrowding while maintaining a target density of approximately 1,111 plants per hectare. The Concessionaire shall ensure a survival rate of more than ninety percent (90%) and incorporate planned planting techniques.

- *Quality Planting Stock*

To ensure healthy growth and high survival rates, the Concessionaire shall use high-quality seeds, seedlings, or propagules sourced from FWD nurseries or certified suppliers.

- *Timing and Seasonality*

Planting activities shall be conducted during the most favourable season, such as after floodwaters recede, to take advantage of optimal soil moisture levels and enhance seedling survival.

- Protection Measures

The Concessionaire shall implement protective measures, including the deployment of guards (chowkidars), to safeguard planted areas from grazing and other human activities.

- Community Involvement

Local communities shall be actively engaged in planting activities. The Concessionaire shall provide training and fair compensation, fostering local ownership and sustainability of the Project.

(d) Capacity Building and Community Engagement

The Concessionaire shall conduct a minimum of five (5) training sessions during the Development Period for FWD and local communities on planting techniques, nursery management, and forest conservation, in order to maximize the Project's socio-economic impact and foster community participation.

8. OPERATION AND MAINTENANCE

Following the Development Period, the Concessionaire shall undertake the following activities throughout the O&M Period.

8.1. PROJECT MONITORING

To ensure effective Project implementation, the Concessionaire shall undertake comprehensive monitoring and adaptive management in accordance with the Monitoring Plan. This shall include, *inter alia*, the following:

(a) Monitoring and Protection

The Concessionaire shall monitor tree growth, survival rates, forest health, carbon sequestration, and biodiversity outcomes using technologies such as GIS, drones, and carbon modelling software. This data will inform decision-making and Project adjustments. The Concessionaire shall also implement stringent protection measures to safeguard the Site from illegal grazing, encroachment, and forest fires. This shall include deploying guards, establishing firebreaks, engaging local communities in monitoring and prevention efforts, and developing fire management and anti-encroachment strategies, to minimize risks and preserve the integrity of the forest.

(b) Adaptive Management

The Concessionaire shall ensure that the monitoring and adaptive management practices are periodically reviewed and revised based on monitoring results, climatic conditions, and stakeholder feedback to ensure continuous improvement. These practices will play a vital role in responding to unforeseen challenges and ensuring the Project remains effective and sustainable.

- Pest and Disease Management

The Concessionaire shall monitor the Site for potential pest outbreaks or disease occurrences, implementing Integrated Pest Management (IPM) practices to control and mitigate their impact. Early detection systems shall be established to ensure prompt action.

- *Climate Variability*

To address the impacts of climate variability, the Concessionaire shall adjust forest management practices which include, species composition, irrigation strategies, or planting schedules. This flexibility will ensure the forest's resilience to changing climatic conditions.

- *Continuous Improvement*

The Concessionaire shall review management practices periodically, incorporating insights from monitoring data and stakeholder feedback. This iterative approach will ensure that the Project evolves to meet emerging challenges and opportunities effectively.

(c) Biodiversity and Ecosystem Management

The Concessionaire shall undertake measures to conserve and enhance biodiversity within the Site while maintaining ecosystem services essential to the local environment and communities. This shall include regular monitoring of changes in biodiversity and the provision of ecosystem services, such as water regulation, soil fertility, and carbon sequestration. This monitoring shall involve both field-based surveys and technological tools like GIS and remote sensing. Data collected will inform future management strategies and demonstrate the Project's ecological impact.

(d) Capacity Building

To support continuous improvement, the Concessionaire shall train local communities and relevant stakeholders in sustainable forest management practices, enhancing their skills and ensuring the Project's sustainability. This capacity-building initiative will be carried out once annually during the O&M Period and whenever new technologies and methods are introduced. Through this initiative, the Concessionaire shall equip staff with the skills and knowledge needed to conduct accurate and efficient monitoring activities, foster a sense of ownership and accountability among team members and ensure consistent adherence to high standards across all stages of the Project.

(e) Internal Quality Assurance and Control Protocols

The Concessionaire shall establish comprehensive quality assurance and control protocols to maintain high standards in data collection, analysis, and reporting, ensure data accuracy through cross-referencing and spot checks, promote consistency by standardizing procedures across all monitoring activities, and enhance reliability of data by using tools to minimize errors. This shall also include undertaking regular audits of monitoring activities and outputs to identify and address discrepancies promptly, maintaining the Project's alignment with requirements of the Project Carbon Standard.

(f) Documentation and Record-Keeping

The Concessionaire shall establish a robust documentation system to maintain comprehensive records of all monitoring activities. This shall include:

- Data Management

Raw data, analytical results, and photographic evidence shall be systematically recorded and stored.

- GIS Integration

GIS shall be used to map and track changes over time, providing a centralized platform for spatial data.

- Data Storage

Digital platforms shall be employed to organize and secure monitoring data, ensuring accessibility for reporting and validation purposes.

This meticulous record-keeping shall enhance transparency and accountability, enabling independent auditors and stakeholders to verify Project outcomes confidently.

8.2. FOREST MANAGEMENT

The Concessionaire shall implement forest management practices designed to optimize carbon sequestration, biodiversity conservation, and sustainable resource use while supporting local communities. This shall include, *inter alia*, the following:

(a) Enrichment Planning

To promote biodiversity, the Concessionaire shall implement enrichment planting by introducing additional native species to existing forest areas. This practice will enhance habitat diversity, support wildlife populations, and increase ecosystem resilience.

(b) Habitat Restoration

The Concessionaire shall focus on restoring degraded habitats by addressing factors such as soil degradation, hydrological disruptions, and invasive species. Through restoration efforts, the Concessionaire shall reestablish natural processes and create a balanced ecosystem.

(c) Enhanced Carbon Sequestration

The Concessionaire shall maximize carbon sequestration by maintaining healthy canopy cover, controlling pests, and preventing forest fires. Advanced tools such as remote sensing, LiDAR, and field-based sampling shall be used to monitor carbon stock changes.

(d) Timber Production

Sustainable timber management practices shall be implemented to ensure a balance between timber yields and environmental integrity to promote long-term forest health. Practices like selective felling and replanting shall be adopted to ensure continuous productivity without compromising the forest ecosystem.

(e) **Biodiversity Conservation**

The forest layout shall incorporate buffer zones, wildlife corridors, and undisturbed areas to conserve biodiversity. Mixed-species planting shall be adopted to replace monocultures to support diverse and resilient ecosystems.

(f) **Community Benefits**

Benefit-sharing mechanisms shall be implemented to ensure equitable distribution of benefits among local communities. Alternative livelihoods, including sustainable use of non-timber forest products (NTFPs), eco-tourism, and training programs, will further enhance community well-being.

8.3. SILVICULTURAL OPERATIONS

For each Project cycle during the Concession Period, the Concessionaire shall undertake silvicultural operations to maintain forest health (which includes cleaning, thinning and main felling), protocols to optimize tree growth, post-harvest management. This shall include, *inter alia*, the following activities:

(a) **Thinning Operations**

The Concessionaire shall undertake regular thinning activities to optimize tree growth and maintain forest health. Thinning activities for each Project cycle shall be undertaken as follows:

- **First Thinning**

Indicative Years:

- Project cycle 1 – Year 7 from Commencement Date; and
- Project cycle 2 – Year 29 from Commencement Date.

Description: The first thinning shall be conducted to remove fifty percent (50%) of the trees (approximately 536 per hectare), ensuring adequate resources for the remaining trees.

- **Second Thinning**

Indicative Years:

- Project cycle 1 – Year 14 from Commencement Date; and
- Project cycle 2 – Year 36 from Commencement Date.

Description: The second thinning shall be undertaken to remove an additional 200 trees per hectare, leaving 336 trees for final felling.

- **Main Felling**

Indicative Years:

- Project cycle 1 – Year 22 from Commencement Date; and
- Project cycle 2 – Year 44 from Commencement Date.

Description: Through the main felling, the mature trees shall be harvested, ensuring the area retains at least ten percent (10%) canopy cover post-harvest.

(b) Harvesting and Post-Harvest Management

Sustainable harvesting practices shall be employed to minimize soil disturbance and maintain forest productivity.

(c) Nutrient Recycling

Post-harvest residues, including branches and leaves, shall be used as organic mulch to enrich soil fertility and promote the long-term health of the forest ecosystem.

8.4. REPLANTATION ACTIVITIES

Following the completion of the main felling for the first Project cycle, the Concessionaire shall repeat the following activities undertaken during the Development Period:

- (a) Assessment of Site Conditions, Soil Preparation and Cleaning Operations in accordance with Section 7.4(a) (*Site Preparation for Planting*); and
- (b) Section 7.4(c) (*Planting Methods and Techniques*).

8.5. PERIODIC MONITORING, VERIFICATION, AND ISSUANCE OF CARBON CREDITS

During the O&M Period, the Concessionaire shall implement a robust framework for monitoring the Project outcomes, engaging an accredited VVB, and collaborating with the Project Carbon Standard Body, to ensure the Issuance of high-integrity Carbon Credits. These requirements are critical in order to maintain transparency, accountability, and compliance with international carbon market standards. In this regard, the Concessionaire shall, *inter alia*, undertake the following activities:

(a) Preparation of Monitoring Reports

The Concessionaire shall prepare Monitoring Reports prepared in accordance with the methodology the Project Carbon Standard. These reports shall include detailed assessments measuring, recording, and analysing critical parameters in relation to the Project outcomes and co-benefits, including the following:

- Carbon Stock Changes

This shall focus on above-ground and below-ground biomass, as well as changes in Soil Organic Carbon (SOC), to evaluate the Project's carbon sequestration potential.

- Tree Growth and Survival

This shall entail outlining planting density, species survival rates, and overall performance, monitored regularly to ensure optimal growth and forest health.

- Co-Benefits

This shall entail tracking biodiversity conservation, soil health and socio-economic improvements, highlighting the Project's positive environmental and social impacts.

- Field Measurements

On-the-ground assessments, including tree height, diameter, and soil sampling, will provide baseline and ongoing data for analysis.

- Remote Sensing

Satellite imagery, drones, and LiDAR shall be employed to monitor large-scale changes, such as canopy cover and land-use dynamics.

- Modelling Tools

Advanced carbon modelling software shall be used to calculate carbon stock changes.

The Concessionaire shall strictly adhere to the guidelines of the Project Carbon Standard, ensuring the statistical precision and reliability of the data. Sampling techniques shall meet the rigorous requirements for accuracy and transparency, supporting robust carbon accounting and verification processes.

(b) Verification of Monitoring Reports

The Concessionaire shall engage an accredited VVB to independently Verify monitoring data and certify the Project's compliance with requirements of the Project Carbon Standard. In this regard, the Concessionaire shall undertake the following:

- Selection of Verification Bodies

The Concessionaire shall carefully select VVBs accredited by the Project Carbon Standard Body and with proven expertise in AFOLU projects. Priority shall be given to the VVBs that have a strong track record in validating and verifying forest carbon projects.

- Verification Process

The Verification process shall involve close collaboration between the Concessionaire and the VVB to facilitate a thorough and efficient review. This shall involve:

- *Document Submission:* The Concessionaire shall provide the VVB with all relevant documentation, including the PDD, the relevant

Monitoring Report and supporting data, to ensure a comprehensive assessment.

- *Field Visits*: The Concessionaire shall facilitate field visits by the VVB for Verification of on-ground activities, including tree planting, survival rates, and silvicultural operations.
- *Addressing Recommendations*: The Concessionaire shall work promptly to resolve any corrective actions or recommendations identified by the VVB.
- *Verification Reports*

Following the Verification, the VVB shall issue detailed Verification Reports documenting the Project's compliance with the Project Carbon Standard. The Concessionaire shall address all findings and recommendations of the VVB to ensure alignment with the Project Carbon Standard.

(c) **Issuance of Carbon Credits**

The Concessionaire shall undertake all efforts to ensure the maximum Issuance of Carbon Credits by the Project Carbon Standard Body.

8.6. PROJECT MANAGEMENT AND REPORTING

The Concessionaire shall implement a structured approach to ensure that the Project remains on track, meets its objectives, and fosters stakeholder trust. This shall involve undertaking, *inter alia*, the following:

(a) **Progress Review Meetings**

Regular progress review meetings shall be conducted every six (6) months during the O&M Period and shall consist of FWD and other stakeholders.

(b) **Grievance Redressal Mechanism**

A transparent grievance redressal system shall be established to allow stakeholders, including local communities, to raise concerns or provide feedback.

(c) **Periodic Progress Reports**

The Concessionaire shall prepare and submit regular reports detailing Project achievements, financial updates, and monitoring data, in order to provide stakeholders with insights into the Project's status and areas for improvement.

(d) **Comprehensive Documentation**

All Project activities, including planning, implementation, and monitoring, shall be systematically documented to ensure traceability and support audits, evaluations, and future decision-making processes.

9. PROJECT HANDOVER

Towards the end of the Concession Period, the Concessionaire shall ensure that the Project is handed over to FWD in accordance with Article 23 (*Handover of Rights and Interest*) of the Concession Agreement.

10. APPLICABLE STANDARDS

All activities to be undertaken for the Project shall be planned and implemented as per Good Industry Practices, and applicable local and international standard codes, manuals, including but not limited to the following, as may be applicable:

- Annexure E (*Best Practices*);
- Annexure F (*Compliance and Quality Assurance*);
- Performance Standards on Environmental and Social Sustainability (January 2012) by the International Finance Corporation;
- ‘*Core Carbon Principles*’ of the Integrity Council for the Voluntary Carbon Market; and
- Safeguard Policy Statement (June 2009) by the Asian Development Bank.

PROJECT SCOPE ANNEXURES

ANNEXURE A (*REQUIREMENTS OF RISK ANALYSIS*)

1. **Risk Identification and Assessment**

Using the **Agriculture, Forestry and Other Land Use (AFOLU) Non-Permanence Risk Assessment Tool**, risks shall be systematically identified, categorized, and scored based on their likelihood and impact.

2. **Mitigation Strategies**

Tailored mitigation strategies shall be developed for each identified risk, ensuring alignment with the Project Carbon Standard. These measures shall be integrated into the Project's operational, financial, and governance frameworks.

3. **Monitoring and Reporting**

A **Risk Monitoring System** shall be designed to track risk factors and evaluate the effectiveness of mitigation measures. Regular risk assessment reporting shall provide updates to stakeholders on emerging risks and their management.

4. **Contingency Planning**

The Concessionaire shall prepare detailed contingency plans to address high-impact risks, ensuring Project's resilience during unexpected challenges.

5. **Stakeholder Engagement**

Local communities, government bodies, and other stakeholders shall be actively involved in risk identification and mitigation planning. Capacity-building initiatives shall equip stakeholders to respond effectively to risks.

ANNEXURE B (*REQUIREMENTS FOR MARKETING PLAN*)

1. Market Analysis and Strategy Development

- **Market Research:**
 - Conduct detailed market research to identify demand trends, pricing dynamics, and potential buyers in both voluntary and compliance carbon markets.
- **Target Buyers:**
 - Focus on high-value buyers such as:
 - Multinational corporations with **Net Zero** or **carbon neutrality commitments**.
 - Government agencies under Article 6 of the Paris Agreement.
 - Impact-driven investors seeking credits with social and environmental co-benefits.
- **Competitive Positioning:**
 - Highlight the unique features of the Project, such as biodiversity conservation, community engagement, and alignment with Pakistan's NDCs, to position the credits as premium products.

2. Carbon Credit Marketing and Branding

- **Brand Development:**
 - Develop a brand identity for the Carbon Credits, emphasizing their high-quality, additionality, permanence, and co-benefits (e.g., biodiversity conservation and socio-economic upliftment).
- **Marketing Channels:**
 - Utilize multiple marketing channels, including:
 - Direct outreach to corporate sustainability departments.
 - Partnerships with carbon brokers and aggregators.
 - Participation in international carbon market platforms, such as **Climate Trade**, **AirCarbon Exchange**, or **South Pole**.
- **Promotion:**
 - Promote the Carbon Credits through:
 - Participation in global carbon and climate conferences (e.g., COP sessions).
 - Digital campaigns targeting buyers in key markets.
 - Collaboration with sustainability networks and industry associations.

3. Commercialization Mechanisms

- **Direct Agreements:**
 - Negotiate direct **offtake agreements** or **long-term purchase agreements (PAs)** with corporate buyers to secure predictable revenue streams.
- **Spot Sales:**
 - Leverage Carbon Credit exchanges or marketplaces for spot sales at competitive rates.
- **Bundling of Benefits:**

- Offer bundled credits that include biodiversity, community development and other co-benefits to increase market value and appeal.

OUTCOMES

By meeting these requirements, the Concessionaire shall ensure that the Carbon Credits generated from the Project are effectively commercialized and marketed, maximizing revenue while maintaining compliance with national and international standards. This approach will also enhance the Project's credibility, attract premium buyers, and deliver long-term environmental, social, and economic benefits.

ANNEXURE C (REQUIREMENTS FOR MONITORING PLAN)

By developing and implementing a comprehensive **Monitoring Plan**, the Concessionaire shall:

- Ensure transparency and credibility of Carbon Credits issued.
- Demonstrate compliance with international standards and regulatory requirements.
- Build confidence among stakeholders and attract investment.
- Contribute to the long-term sustainability and success of the Project.

Key Components of the Monitoring Plan

- **Carbon Stock Monitoring:**
 - Conduct baseline assessments of the Site, including land use, land cover, and carbon stock data.
 - Monitor carbon sequestration using methodologies approved by the Project Carbon Standard Body, including:
 - Field measurements (e.g., sample plots for tree growth and biomass).
 - Remote sensing technologies (e.g., satellite imagery, LiDAR).
 - Ensure compliance with the Project Carbon Standard, UNFCCC and IPCC Tier 3 guidelines for carbon accounting.
- **Co-Benefits Monitoring:**
 - Track biodiversity improvements, and other ecosystem services.
 - Develop indicators for socio-economic benefits, such as job creation, community engagement, and benefit-sharing.
- **Data Management:**
 - Establish protocols for data collection, storage, and processing to ensure consistency and traceability.
 - Use Geographic Information Systems (GIS) and other data management tools for spatial and temporal analysis.
- **Stakeholder Communication:**
 - Ensure reports are accessible to all stakeholders, including FWD, in a clear and understandable format.
- **Alignment with Standards:**
 - Ensure that all reports comply with the requirements of Project Carbon Standard and international best practices.
- **Technology Integration**
 - Leverage advanced technologies, such as drones, remote sensing, and carbon modelling software, to enhance the accuracy and efficiency of monitoring activities.
- **Documentation and Transparency**
 - Maintain detailed records of all monitoring activities, methodologies, and results to support third-party verification and audits.
 - Ensure that all relevant documentation is readily available for stakeholder review and meets transparency requirements.

ANNEXURE D (*REQUIREMENTS FOR PROJECT DESIGN DOCUMENT*)

The **Project Design Document (PDD)** is a critical deliverable that encapsulates all essential aspects of the Project, ensuring compliance with the Project Carbon Standard and serving as the primary reference for validation, monitoring, and verification. A well-crafted PDD must be comprehensive, transparent, and aligned with the technical, environmental, and social requirements of the Project.

Below is a detailed outline of the key components and the methodology to develop each:

1. **Project Overview**

The PDD shall outline the Project's objectives and its significance in addressing climate change. This shall include the following details:

- **Project Title:** A concise and descriptive name.
- **Project Purpose:** An explanation of how the Project contributes to carbon sequestration, biodiversity, and community well-being.
- **Location:** Geographic coordinates, maps, and descriptions of the Site, including administrative boundaries and proximity to significant landmarks.
- **Project Proponents:** Details of the Concessionaire and the FWD, including their expertise and roles in Project implementation.
- **Project Start Date and Duration:** Clear timelines for Project initiation, implementation phases, and overall lifespan.

2. **Baseline Scenario**

The Concessionaire shall paint a detailed picture of the pre-Project conditions in the **baseline scenario**. This involves analysing existing land use and land cover through satellite imagery and ground surveys, quantifying carbon stocks in vegetation and soil, and profiling the socio-economic context of local communities. The Concessionaire shall also examine the drivers of deforestation and land degradation in the region, such as agricultural expansion, illegal logging, or fuelwood collection. This section of the PDD will be informed by the Baseline Assessment Report.

3. **Additionality**

This section demonstrates the Project's carbon benefits beyond what would occur under a business-as-usual scenario. It must provide:

- **Barrier Analysis:** Identification of financial, technical, or social barriers that would prevent the Project's implementation without carbon financing.
- **Investment Analysis:** Evidence that the Project is not financially viable without revenue from Carbon Credits.
- **Common Practice Analysis:** A comparison with similar activities in the region to show the Project's uniqueness.

4. **Project Activities and Methodology**

The PDD shall include details of **Project activities and methodologies**, detailing how the Project will achieve its goals. Activities such as afforestation, reforestation, or agroforestry are described step by step, supported by scientifically validated methodologies approved by the Project Carbon Standard. These methodologies guide the

measurement of carbon sequestration, leakage management, and monitoring protocols. The PDD must also emphasize the inclusion of stakeholders, outlining how local communities and other actors are engaged in planning, implementation, and benefit-sharing.

5. **Monitoring and Reporting Section**

The **monitoring and reporting** section of the PDD shall outline the Project's progress is systematically tracked and validated. The parameters to be monitored include changes in carbon stock, biodiversity, and socio-economic indicators—and describes how data shall be collected, stored, and reported. The plan includes a schedule for regular monitoring activities and outlines the role of third-party verifiers in conducting periodic audits to validate compliance with the Project Carbon Standard. This section of the PDD will be informed by the Monitoring Report.

6. **Risk Assessment and Mitigation Section**

The PDD must also address potential challenges through a **risk assessment and mitigation section** which shall identify environmental, social, and financial risks that could threaten the Project's success, such as pest outbreaks, community conflicts, or funding shortfalls. The document should propose robust strategies to manage these risks, ensuring the Project's resilience and long-term sustainability. This section of the PDD will be informed by the Project Implementation Plan.

7. **Sustainable Development Contributions**

In addition to its climate benefits, the PDD highlights the Project's contributions to **sustainable development**. By enhancing biodiversity, improving water and soil quality, and creating jobs for local communities, the Project aligns with global goals such as the United Nations Sustainable Development Goals (SDGs). This section demonstrates how the Project goes beyond carbon sequestration to deliver meaningful environmental and social benefits.

8. **Legal and Regulatory Compliance**

The **legal and regulatory compliance** section ensures the Project adheres to national and provincial regulations, as well as the rules of the Project Carbon Standard Body. It includes documentation of land tenure and ownership, stakeholder agreements, and all necessary permits and approvals.

9. **Financial Section**

The **financial section** shall outline the budget allocation, expected revenue streams from Carbon Credits, and sources of investment, ensuring the Project is financially viable and sustainable.

10. **Validation and Registration**

The PDD must also outline the steps for **Validation and Registration**. This involves submitting the document, along with all supporting data, to accredited third-party auditors for review. After Validation, the Project shall be Registered with the Project Carbon Standard Body, officially recognizing it as a credible contributor to carbon markets.

ANNEXURE E (*BEST PRACTICES*)

1. **High-Quality Carbon Credits**
 - **Principle:** Carbon Credits generated must meet the IC-VCM Core Carbon Principles (CCPs), ensuring they are **real, additional, measurable, permanent, and independently verified**.
2. **Robust Monitoring, Reporting, and Verification (MRV)**
 - **Principle:** Establish a transparent and verifiable MRV system to monitor carbon sequestration and emissions reductions throughout the Project lifecycle.
3. **Permanence of Carbon Benefits**
 - **Principle:** Ensure the permanence of carbon sequestration by mitigating risks of reversal (e.g., deforestation, natural disasters).
4. **Environmental and Social Safeguards**
 - **Principle:** Promote co-benefits for biodiversity, ecosystems, and local communities, ensuring compliance with IC-VCM's **social and environmental integrity** principles.
5. **Stakeholder Engagement and Local Participation**
 - **Principle:** Ensure meaningful consultation and collaboration with local stakeholders throughout the Project lifecycle.
6. **Transparency and Accountability**
 - **Principle:** Ensure transparency in all Project activities, including carbon accounting, stakeholder engagement, and credit transactions.
7. **Alignment with National and International Policies**
 - **Principle:** Ensure compliance with national regulations, international treaties, and host country commitments under the Paris Agreement.
8. **Co-Benefits Beyond Carbon**
 - **Principle:** Generate measurable co-benefits, such as biodiversity enhancement, water conservation, and socio-economic upliftment, in line with the IC-VCM's emphasis on sustainable development.
9. **Independent Validation and Verification**
 - **Principle:** Ensure that all Project claims, including greenhouse gas reductions and co-benefits, are independently validated and verified by accredited third-party bodies.
10. **Long-Term Sustainability**
 - **Principle:** Ensure that the Project remains financially, socially, and environmentally sustainable beyond the Project crediting period.

ANNEXURE F (*COMPLIANCE AND QUALITY ASSURANCE*)

The Concessionaire shall implement Quality Assurance / Quality Compliance (QA/QC) measures to maintain the integrity and consistency of all Project activities. This includes, *inter alia*, the following:

- **QA/QC Protocols:**
 - Develop standard operating procedures (SOPs) for all Project activities, including plantation, silvicultural operations, monitoring, reporting, and stakeholder engagement.
 - Establish clear benchmarks and key performance indicators (KPIs) for Project quality.
- **Independent Audits:**
 - Conduct periodic third-party audits of Project activities to ensure adherence to quality standards and compliance requirements.
- **Data Accuracy and Consistency:**
 - Use advanced tools like GIS, remote sensing, and carbon modelling software to ensure accurate and consistent data collection.
 - Implement a **data validation process** to verify field measurements, carbon calculations, and co-benefit monitoring data.
- **Corrective Action Mechanisms:**
 - Establish a mechanism for identifying and addressing deviations from the Project plan or quality standards.

VOLUME III:
CONCESSION AGREEMENT AND
SCHEDULES

CONCESSION AGREEMENT

BETWEEN

THE GOVERNOR OF SINDH
(THROUGH THE FOREST AND WILDLIFE DEPARTMENT,
GOVERNMENT OF SINDH)

- AND -

[The SPV]

RELATING TO
RIVERINE FOREST LAND IN DISTRICTS MATIARI AND JAMSHORO
PROVINCE OF SINDH – PACKAGE 2

DATED [●]

Drafting Notes:

- 1. Items highlighted in green in the draft CA (including the appendices) will be inserted prior to signing based on the RFP and the Successful Bidder’s Proposal or as otherwise required.
- 2. If the Successful Bidder proposes to structure its shareholding in the Concessionaire through an offshore special purpose vehicle, the same shall be duly considered by FWD in their sole discretion. Where the Bidder’s proposal is acceptable, appropriate amendments shall be made to the Concession Agreement to reflect the arrangement, including, inter alia, the adopted corporate structure, transparency with respect to governance, information covenants, change in control restrictions, collection and retention of offshore revenues (that is, retention to the extent of the Concessionaire Revenue Share) arising from the sale of Carbon Credits, flow of funds, and exit controls.

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CONCESSION AGREEMENT

This CONCESSION AGREEMENT is entered into on this [Date] day of [Month], [Year] at Karachi, Pakistan,

BETWEEN:

- (1) THE GOVERNOR OF SINDH, for and on behalf of the GOVERNMENT OF SINDH, through Secretary, Forest and Wildlife Department, Government of Sindh (hereinafter referred to as “FWD”, which expression shall, unless excluded by or repugnant to the context, be deemed to mean and include its successors and assigns); and
- (2) [SPV NAME], a company incorporated and existing under the laws of Pakistan, having its registered office located at [●], (hereinafter referred to as the “Concessionaire”, which expression shall, where the context so permits, be deemed to mean and include its successors in interest, administrators, and permitted assigns);

WHEREAS:

- (A) FWD is desirous of implementing an afforestation, reforestation, and revegetation (“ARR”) project on riverine forest land located in the Matiari and Jamshoro districts through a public-private partnership, including development and sale of carbon credits in the international carbon credit market. For this purpose, FWD invited proposals from private parties for three (3) separate land parcels, collectively amounting to approximately 34,995 hectares (eligible area).

- (B) In furtherance of the ARR initiative, FWD invited proposals to undertake one of the three (3) identified land parcels, i.e. ‘Package-2’, pursuant to the request for proposals issued on February 18, 2025 (as amended, varied, or supplemented) (the “RFP”).
- (C) The Public Private Partnership Policy Board approved the Proposal in its meeting dated [REDACTED].
- (D) The Project has, pursuant to the process described in the RFP, been awarded to the Sponsor as set out in the letter of award issued by FWD on [REDACTED].
- (E) In accordance with the RFP, the Sponsor(s) has incorporated the Concessionaire as a special purpose vehicle (SPV) to implement the Project and to perform the obligations and exercise the rights of the Concessionaire, including the obligation to enter into this Agreement.
- (F) The Concessionaire acknowledges and confirms that, based on the RFP, it has undertaken comprehensive due diligence, including technical, financial, and legal viability assessments of the Project and its requirements. The Concessionaire, having satisfied itself through such independent review, is entering into this Agreement to accept the Concession for the implementation of the Project in accordance with the terms and conditions set forth herein.
- (G) The Parties are now entering into this Agreement to outline the terms and conditions applicable to the Concession, the development and operation of the Project, and to govern the relationship between FWD and the Concessionaire, including their respective rights and obligations.

NOW, THEREFORE, in view of the foregoing and in consideration of the mutual benefits to be derived and the representations and warranties, covenants and agreements contained herein and other good and valuable consideration, the sufficiency of which is hereby acknowledged and intended to be legally binding, the Parties hereby agree as follows:

ARTICLE 1 DEFINITIONS & INTERPRETATION

Section 1.1 Definitions

Except when the context requires otherwise, the capitalised terms used in this Agreement (including the Recitals) shall have the following meanings:

“**Abandonment**” or “**Abandon**” means:

- (a) during the Development Period, the Concessionaire’s failure to demonstrate to the Independent Expert its ability to: (i) perform its obligations under this Agreement (taking into account its ability to accelerate the Development Works, including under the Development Contract (if applicable)); (ii) achieve the Substantial Completion on or before the Scheduled Development Completion Date; and/or (iii) achieve the Development Completion on or before the Scheduled Substantial Completion Date, except, in each case, where such failure is attributable to a Force Majeure Event or a Relief Event; and/or
- (b) during the Operating Period, other than due to a Force Majeure Event or a Relief Event:
 - (i) a persistent failure of the Concessionaire to perform its obligations hereunder such as to suggest an intention to repudiate this Agreement; or
 - (ii) failure by the Concessionaire to resume and continue the performance of substantially all of its obligations under this Agreement within a reasonable period following the cessation of a Force Majeure Event or a Relief Event, in each case, which prevented, hindered or delayed such performance;

“**Acceptable Bank**” means: (a) together the Foreign Bank and the Acceptable Pakistani Bank, which is counter-guaranteeing the obligations of the Foreign Bank; or (b) an

Acceptable Pakistani Bank, as the case may be, and in each case such bank or financial institution is approved by FWD;

“**Acceptable Pakistani Bank**” means a scheduled bank or a financial institution incorporated or organised in Pakistan having a credit rating of at least AA or higher by PACRA;

“**Accounting Principles**” means the International Financial Reporting Standards, as may be amended from time to time, applicable in Pakistan;

“**Adjoining Property**” means any land and/or property adjoining or adjacent to any part of the Site, including all conduits, roads, footpaths, walls, fences, buildings, pipelines, cables, wires and other erections, structures and other apparatus on, under or within such land and/or property;

“**Administrator Event**” means the suspension of some or all of the processes of the Project Carbon Standard Body due to:

- (a) a security breach or following reasonable suspicion of a breach of security which threatens the integrity of the Project Carbon Standard Registry (including any back-up facilities);
- (b) scheduled or emergency maintenance; or
- (c) the failure to operate and maintain the Project Carbon Standard Registry in accordance with its rules and regulations;

“**Adverse Carbon Market Event**” means the prolonged and indefinite suspension or termination of major Carbon Markets, with no feasible alternative to sell the Carbon Credits, which materially affects the financial viability of the Project, as determined in accordance with Section 13.7 (Adverse Carbon Market Event);

“**Adverse Person**” means:

- (a) any person whose primary residence is in or who is incorporated or organized under the laws of a country:
 - (i) which is subject to sanctions levied by the United Nations (or the Security Council thereof) pursuant to authority derived from Article 41 of Chapter 7 of the United Nations Charter (a “**Sanctioned Country**”); or
 - (ii) with which the Government of Pakistan does not have commercial or trade relations or otherwise does not maintain official diplomatic relations (an “**Unfriendly Country**”);
- (b) any national government, or any political subdivision, of any Sanctioned Country or Unfriendly Country;
- (c) any ministry, department, authority, or statutory corporation of, or any corporation or other entity (including a trust), owned or controlled directly or indirectly by the national government, or any political subdivision, of any Sanctioned Country or Unfriendly Country; or
- (d) any person who has been blacklisted by any federal or provincial government, governmental body or non-governmental department/agency whether in Pakistan or the government or governmental body of any foreign countries and/or international organizations;

“**Affected Party**” shall have the meaning ascribed thereto in Section 19.5.1;

“**Affiliate(s)**” means, with respect to any Party, any other party that directly or indirectly, through one or more intermediaries, Controls or is Controlled by or is under common Control with the Party;

“**Agreement**” means this ‘*Concession Agreement*’ (including the Recitals, appendices and schedules hereto), as amended and supplemented from time to time;

“**Ancillary Activities**” means, other than carbon sequestration, any forest ecosystem goods and services, including, *inter alia*, with respect to timber, fuel, fruits, fodder or other by-products and/or bio-diversity credits, and eco-tourism;

“**Ancillary Activities Agreement**” means an agreement, other than a Carbon Credit Sale Agreement, entered into between the Concessionaire and a counterparty with respect to any Ancillary Activities;

“**Applicable Exchange Rate**” means, in respect of a Revenue Evaluation Period, the actual exchange rate applied by the Project Account Bank on the date Project Revenues are credited, from time to time, to the Revenue Account in PKR;

“**Applicable Export Sales Tax**” means the Tax applicable on export sales proceeds under the laws of Pakistan;

“**Applicable Law**” means all applicable laws, orders, rules, regulations, statutory regulatory orders, notifications, executive orders, or other similar directives issued by any Competent Authority pursuant thereto, including Environmental Legal Requirements, as any of them may be amended, re-promulgated, substituted or replaced from time to time;

“**Applicable Standards**” means the standards, specifications, requirements, criterion and timelines to the extent applicable to:

- (a) the Project; and
- (b) the performance by the Concessionaire of its respective obligations under the Project Agreements,

in each case above, as contained and set out in (as applicable):

- (i) this Agreement;
- (ii) the Project Agreements;
- (iii) the Applicable Laws;
- (iv) the Concessionaire Permits;
- (v) the Project Carbon Standard;
- (vi) the Performance Standards on Environmental and Social Sustainability (January 2012) prepared by the International Finance Corporation;
- (vii) the Safeguard Policy Statement (June 2009) prepared by the Asian Development Bank;
- (viii) the ‘*Core Carbon Principles*’ of the Integrity Council for the Voluntary Carbon Market;
- (ix) the Good Industry Practices; and
- (x) any other standards, requirements, criterion and timelines (as applicable), mutually agreed between the Parties from time to time,

provided, however, that in the event of any discrepancy or overlap in the standards, requirements, criterion and timelines (as applicable) set out above, the most stringent or expansive (as the case may be) standards, requirements, criterion and timelines shall apply;

“**Arbitration**” shall have the meaning ascribed thereto in Section 28.3.1(a);

“**Arbitrators**” shall have the meaning ascribed thereto in Section 28.3.1(a);

“**Archaeological Delay Event**” means the discovery of any Archaeological Items found or located on or under the Site that results in a delay to the Development Works;

“**Archaeological Items**” means articles of archaeological value, interest or antiquity, historical structures, human remains or other items of archaeological or historic interest;

“**ARR**” shall have the meaning ascribed thereto in the Preamble;

“**Award**” shall have the meaning ascribed thereto in Section 28.3.4;

“**Base Case Equity IRR**” means the post-tax internal rate of return, being eighteen percent (18%), on the Invested Equity;

“**Base Case Financial Model**” shall have the meaning ascribed thereto in Section 7.7.1(a);

“**Baseline**” means the quantified level of anthropogenic emissions by sources or anthropogenic removal by sinks of GHGs that would otherwise have occurred at the Site in the absence of the Project, as determined through the applicable tools of the Project Carbon Standard;

“**Baseline Assessments**” means the assessments to be undertaken by the Concessionaire to establish the Baseline for the Project, as set out in the Applicable Standards (including as set out in the Project Scope);

“**Baseline Assessment Report**” shall have the meaning ascribed thereto in Section 8.3.2(a);

“**Bid Submission Date**” means ;

“**Board Resolution**” means a resolution passed by the board of directors of the Concessionaire authorizing the Concessionaire, Sponsor or Contractor, as the case may be;

“**Buffer Credits**” means any carbon credits which are required to be deposited into the buffer pool managed by the Project Carbon Standard Body, to address the risk of unforeseen losses associated with the Project’s carbon stocks;

“**Carbon Credit(s)**” means a unit or tradable certificate or permit Issued in accordance with the Project Carbon Standard representing the GHG Reduction or Removal;

“**Carbon Credit Sale Agreement**” means an agreement between the Concessionaire and a Customer for the sale and purchase of Carbon Credits Issued or to be Issued;

“**Carbon Markets**” mean systems that enable governments and non-state actors to buy and sell carbon credits through, *inter alia*, bilateral transactions and market frameworks, and includes compliance and voluntary markets;

“**Carbon Policies**” shall mean the Pakistan Policy Guidelines for Trading in Carbon Markets and any guidelines, regulations and policies issued by any Competent Authority in Pakistan relating to the carbon governance framework, including carbon credit issuance, carbon trading, Carbon Markets, national commitments, carbon financing and carbon pricing, as may be amended, substituted or replaced from time to time;

“**Carbon Revenue**” means the revenue generated by the Concessionaire through sale of Carbon Credits;

“**Carbon Standard**” means the standards, frameworks, methodologies, rules, requirements, and guidelines established and administered by a Carbon Standard Body to operationalize the validation of ARR projects and programmes, and the verification of the outcomes achieved by such projects and programmes;

“**Carbon Standard Body**” means the entity which establishes, administers, and develops the Carbon Standards;

“**Carbon Standard Documents**” shall have the meaning ascribed thereto in 8.2.1;

“**Carbon Standard Registry**” means an operational and secure electronic system approved, authorised or recognised by a Carbon Standard Body that allows for, amongst other things, the issuance, holding, cancelling, or transferring of carbon credits;

“**Casualty Proceeds**” shall have the meaning ascribed thereto in Section 19.8.1;

“**Change in Law (Foreign)**” means any of the following events with respect to the Project Carbon Standard, Carbon Market regulations or international climate agreements, to the extent that such events arise under a law other than the laws of Pakistan or a requirement imposed by a Competent Authority outside of Pakistan;

- (a) the introduction, adoption, enactment or promulgation of any new requirement(s) or compliance(s); and
- (b) the introduction, adoption, change or repeal of any material condition in connection with the Registration of the Project or the Issuance, Transfer, or Retirement of any Carbon Credits;

“**Change in Law (Local)**” means any of the following events:

- (a) the introduction, adoption, enactment or promulgation of any new Pakistan law by a Competent Authority in Pakistan;
- (b) the change or repeal by any Competent Authority in Pakistan of any Pakistan law;
- (c) a change by a Competent Authority in Pakistan and having the force of law in Pakistan: (i) in the manner in which Pakistan law is applied; or (ii) in the interpretation of any Pakistan law; and
- (d) the introduction, adoption, change or repeal by any Competent Authority in Pakistan of any material condition in connection with the issue, renewal, or modification of any Concessionaire Permits,

which occurs after the Bid Submission Date till the Final Expiry Date and which:

- (i) results in any imposition of, or change in Taxes under Pakistani law, duties or levies payable by one or more of the Concessionaire or its Contractors, in relation to the Project Works; or
- (ii) results in change in or repeal of any of the requirements for the Project Works,

it is clarified that Change in Law (Local) shall not include: (A) any change in any withholding tax, or other similar Taxes, on income or dividends or other distributions distributed by the Concessionaire or its Contractors; (B) the coming into effect, on or after the Bid Submission Date, of any provision of Pakistan law which is already gazetted in accordance with Pakistan law or any proposed new Pakistan law (including any proposed amendment or any change thereto) that is in the public domain prior to the Bid Submission Date; and (C) Change in Law (Foreign);

“**Change in Scope**” means any alteration in the scope of the technical requirements or the designs and drawings applicable to the Project, as instructed by FWD or proposed by the Concessionaire, in accordance with Article 25 (*Change in Scope*), provided that, any such alteration shall not be considered as a Change in Scope if it arises as a result of a Change in Law (Local);

“**Change in Scope Order**” means an order issued by FWD and the Independent Appointees certifying approval of a proposed Change in Scope and recording the terms and conditions on which the proposed Change in Scope is required to be implemented;

“**Claims**” means any suits, actions, legal or administrative proceedings, claims, demands, losses, damages, liabilities, fines, costs and expenses of whatsoever kind or nature (including reasonable attorney’s fees and expenses and pre- and post- judgment interest and penalties), whether arising before or after the Final Expiry Date, but excluding any indirect or consequential damages;

“**Co-benefits**” means any community, biodiversity or other related benefits recognized under the Project Carbon Standard, resulting from the Project Works;

“**Combined Conditions Precedent**” shall have the meaning ascribed thereto in Section 3.1.3;

“**Commencement Certificate**” means the certificate duly signed and issued by the Independent Appointees to the Parties, certifying that each of the Conditions Precedent have been satisfied or waived in terms of this Agreement;

“**Commencement Date**” means the date certified as the ‘*Commencement Date*’ in the Commencement Certificate;

“**Commencement Date Delay Notice**” shall have the meaning ascribed thereto in Section 3.5.3;

“**Competent Authority**” means: (a) the Government of Pakistan, the Government of Sindh, local government (or any sub-division thereof); (b) any governmental department, commission, board, body, bureau, agency, authority, instrumentality, regulatory agency; or (c) court, tribunal or other judicial or administrative body; in each case having jurisdiction over the Concessionaire, the Project or any portion thereof, or the performance of all or any of the services or obligations of the Concessionaire under or pursuant to this Agreement;

“**Complementary Land Parcels**” means the land parcels located in the Jamshoro and Matiari districts of Sindh, where FWD intends to undertake the Complementary Projects;

“**Complementary Projects**” means the projects for carbon removal through ARR activities to be undertaken by FWD pursuant to the request for proposals issued for ‘*Package 1*’ and ‘*Package 3*’, bearing reference numbers FWD-PPPN/PROC-CERF/2024-25/P-1 and FWD-PPPN/PROC-CERF/2024-25/P-3, respectively;

“**Completion Inspections**” means the inspections required to be conducted in order to assess achievement of the parameters set out in Section 10.2.1 for Substantial Completion;

“**Completion Inspections Date Notice**” shall have the meaning ascribed thereto in Section 10.1.1;

“**Concession**” shall have the meaning ascribed thereto in Section 2.1.1;

“**Concession Period**” means the period commencing 00:00 hours on the Commencement Date and ending at 24:00 hours on the Final Expiry Date, including any extension granted pursuant to Section 2.3 (*Extension of Concession Period*);

“**Concessionaire**” shall have the meaning ascribed thereto in the Preamble;

“**Concessionaire Conditions Precedent**” shall have the meaning ascribed thereto in Section 3.1.2;

“**Concessionaire Cure Period**” shall have the meaning ascribed thereto in Section 22.3.2;

“**Concessionaire Designated Account**” means the Pakistani Rupee denominated account of the Concessionaire wherein the Concessionaire Revenue Share shall be credited in

accordance with this Agreement, details of which shall be notified in writing by the Concessionaire upon establishment, and from time to time thereafter, to the Project Account Bank, FWD and the Independent Appointees;

“**Concessionaire Event of Default**” shall have the meaning ascribed thereto in Section 21.1 (*Concessionaire Event of Default*);

“**Concessionaire Indemnified Parties**” shall have the meaning ascribed thereto in Section 14.2 (*Indemnification by FWD*);



“**Concessionaire IPR**” means all Intellectual Property Rights owned by the Concessionaire (or its relevant licensor) as at the Effective Date, including all information provided as part of its Proposal;

“**Concessionaire Notice of Intent to Terminate**” shall have the meaning ascribed thereto in Section 22.3.1;

“**Concessionaire Permits**” means all such approvals, consents, authorizations, notifications, acknowledgements, licenses, permits, decisions or similar items that relate to the Project and its implementation; including all such consents and authorisations issued by a Competent Authority; and those which the Concessionaire is, or its Contractors are, required to obtain from any Competent Authority, and thereafter, to maintain to fulfil its obligations under the Project Agreements; provided, however, that in no event shall the Concessionaire Permits include any concessions or exemptions from the Applicable Laws unless they are expressly granted;

“**Concessionaire’s Representative**” means the persons specified in Section 5.3 (*Concessionaire’s Representatives*) or such other person appointed from time to time by the Concessionaire thereunder, who acts on behalf of the Concessionaire;

“**Concessionaire Revenue Share**” means, in any given Revenue Evaluation Period, an amount equivalent to the sum of:

- (a) ¹ percent () of the sum of the Net Base Carbon Revenue and the Non-Carbon Revenues, each in such Revenue Evaluation Period; and
- (b) twenty percent (20%) of the Net Windfall Carbon Revenue in such Revenue Evaluation Period;

“**Conditions Precedent**” means the Combined Conditions Precedent, the Concessionaire Conditions Precedent and the FWD Conditions Precedent;

“**Constitutional Documents**” means the constitutional documents, including articles of association and memorandum of association, certificate of incorporation, certificate of commencement of business, business license and charter (as the case may be) and other corporate authorizations;

“**Contractor**” means the Development Contractor and the O&M Contractor, and any of the subcontracts thereof;

“**Control**” means:

- (a) ownership or control (whether directly or otherwise) of more than fifty percent (50%) of the equity share capital, voting capital, or the like, of the controlled entity; or
- (b) ownership of equity share capital, voting capital, or the like, by contract or otherwise, conferring control of or power to: (i) control the composition of, or power to appoint more than fifty percent (50%) of the members of the board of directors,

¹ The difference between hundred percent (100%) and the ‘Total FWD Revenue Share (%)’, as quoted in Bidding Form F2 (*Financial Proposal Standard Form*) of the Proposal, shall be inserted.

board of management, or other equivalent or analogous body of the controlled entity;
or (ii) appoint the key managers of such entity,

and “**Controls**” “**Controlling**” or “**Controlled**” shall be construed accordingly;

“**Corresponding Adjustment**” means an accounting adjustment made by the Competent Authority in Pakistan in accordance with the Paris Agreement and the Carbon Policies, in connection with any GHG Reduction or Removal achieved within Pakistan;

“**Cost Overruns**” means an increase in the Project Cost (from the Pre-Estimated Project Cost) for any reason as determined by the Concessionaire or the Independent Appointees (other than an Increased Cost);

“**Cumulative Price**” means, in respect of a Revenue Evaluation Period, the arithmetic mean of the Unit Price(s) (in USD, or USD equivalent, calculated at the rate of exchange prevailing at the date of the relevant transaction) at which Carbon Credits are sold under each sale transaction and for which the Carbon Revenues are received during such Revenue Evaluation Period (irrespective of the date of occurrence of the relevant sale transaction(s));

“**Cure Period**” means the FWD Cure Period and/or the Concessionaire Cure Period, as the case maybe;

“**Customer**” means any person purchasing Carbon Credits from the Concessionaire in accordance with a Carbon Credit Sales Agreement;

“**DBFOMT**” means design, build, finance, operate, maintain, and transfer;

“**Defects & Deficiencies**” means in respect of the Project and any Project Works (or any part thereof) that fail to conform to the Applicable Standards in any manner (including (without limitation) in services, performance, materials, design, execution, development, engineering, Operation and Maintenance and/or workmanship);

“**Deductible Termination Amounts**” means, to the extent it is a positive amount, the aggregate, up to the date immediately preceding the Termination Date:

- (a) of: (i) all credit balances on any bank accounts (other than amounts in the Revenue Account to be paid to FWD in accordance with Section 22.65.3), held by or on behalf of the Concessionaire on the Termination Date; (ii) the value of any right of the Concessionaire to receive Insurance proceeds and of any such proceeds actually received (save where such credit balances or proceeds are paid to FWD and/or to be applied in reinstatement); (iii) sums due and payable from the Contractors and any third parties; and (iv) proceeds from the liquidation of any authorized investment, letters of credit issued in lieu of maintaining credit balance in any account; and
- (b) of amounts FWD is entitled to off-set due to deductions/adjustments in terms of this Agreement;

“**Default Delay Period**” shall have the meaning ascribed thereto in Section 10.6.2;

“**Defaulting Party**” means FWD in the case of FWD Event of Default and the Concessionaire in the case of the Concessionaire Event of Default;

“**Development Completion**” shall have the meaning ascribed thereto in Section 10.3.1;

“**Development Completion Certificate**” means the certificate issued by the Independent Expert upon Development Completion;

“**Development Completion Checklist**” shall have the meaning ascribed thereto in Section 10.2.2;

“**Development Completion Date**” means the date certified as the ‘*Development Completion Date*’ in the Development Completion Certificate;

“**Development Contract**” means the agreement or agreements entered or to be entered into between the Concessionaire and the Development Contractor for, *inter alia*, the design, engineering, procurement, implementation, development, plantation, construction, completion and inspection of the Project, as such agreement may be amended by the parties thereto from time to time in accordance with Section 7.8 (*Material Agreements*);

“**Development Contractor**” means the contractor or contractors hired by the Concessionaire under a Development Contract (in consultation with the Independent Expert) pursuant to Section 7.8 (*Material Agreements*);

“**Development Damages Cap**” shall have the meaning ascribed thereto in Section 10.6.2;

“**Development Inspections**” shall have the meaning ascribed thereto in Section 9.8.1;

“**Development Monthly Progress Report**” shall have the meaning ascribed thereto in Section 9.2.1;

“**Development Performance Security**” means an irrevocable, unconditional, and on-demand bank guarantee (and any replacement thereof), issued in favour of FWD by an Acceptable Bank in the form of the instrument attached herewith as **SCHEDULE G (*Form of Development Performance Security*)** in accordance with this Agreement;

“**Development Performance Security Amount**” mean the higher of: (a) five percent (5%) of the Pre-Estimated Project Cost; or (b) PKR 50,000,000/- (Pakistani Rupees Fifty Million only);

“**Development Performance Security Expiry Date**” shall have the meaning ascribed thereto in Section 7.4.5;

“**Development Period**” means the period commencing on the Commencement Date and ending on the Development Completion Date;

“**Development Period Damages**” shall have the meaning ascribed thereto in Section 10.6.2;

“**Development Period Insurances**” means the Insurances procured and/or obtained by the Concessionaire pursuant to the provisions of and/or in accordance with Article 15 (*Insurances*);

“**Development Works**” means all obligations, works, services, activities, and duties undertaken and/or performed and/or to be undertaken and/or performed by the Concessionaire (including through the Development Contractor) during the Development Period as more fully described in the Project Scope;

“**Dispute(s)**” means a dispute, controversy, difference or Claim between the Parties arising out of or in relation to this Agreement or the Parties’ performance or non-performance of this Agreement;

“**Dispute Resolution Procedure**” means the procedure for resolution of Dispute(s) as set out in Article 28 (*Dispute Resolution*);

“**Effective Date**” means the date on which this Agreement is duly signed by each of the Parties;

“**Encumbrance**” means any encumbrance on an asset, including mortgage, charge, pledge, lien, hypothecation and/or any security interest, assignment, privilege, or priority of any kind, having the effect of security or other such obligations and shall include any designation of loss payees or beneficiaries or any similar arrangement under any insurance policy pertaining to the Project and/or any part or portion thereof and physical encumbrances and encroachments thereon;

“Environmental Legal Requirements” means any Legal Requirements relating to the protection of, or harm to, the environment, humans, animals, plants, air or to any water body or system (including any Legal Requirements relating to obligations for monitoring, investigation and abatement in respect of the foregoing);

“Equity Return” means an amount equal to the aggregate of Base Case Equity IRR for the three (3) accounting years of the Concessionaire falling after the Termination Date;

“Estimated Remedial Costs” shall have the meaning ascribed thereto in Section 23.1.2(b);

“Event of Default” means, as the context may require:

- (a) the Concessionaire Event of Default; and/or
- (b) the FWD Event of Default;

“Event of Loss” means any event or occurrence that causes all or a portion of the Project, including its infrastructure, land, forests, or biomass, to be damaged, destroyed, or otherwise materially impaired, preventing the generation of Carbon Credits in accordance with this Agreement and the requirements of the Project Carbon Standard;

“Excess Amounts” means, at the Final Expiry Date, an amount equivalent to the funds standing to the credit of the Revenue Account *less* any outstanding amounts due to any third party for Project Costs incurred by the Concessionaire before such date;

“Final Expiry Date” means earlier of: (a) the Term Expiry Date; and (b) the Termination Date;

“Financial Model” means the Base Case Financial Model, as may be adjusted by the Independent Auditor to the extent expressly permitted or required under this Agreement;

“Financing Documents” means (other than any documents relating to Sponsor Loans, indebtedness constituting Sponsor Equity or any other indebtedness to Shareholders), any and all loan agreements, notes, bonds, indentures, security agreements, direct agreements, grant agreements, carbon or climate financing agreements, assignments and acknowledgements, registration or disclosure statements, subordination agreements, mortgages, deeds of trust, credit agreements, intercreditor agreements, note or bond purchase agreements, hedging agreements, participation agreements, Islamic financing documents and any other documents entered into by the Concessionaire relating to the financing or refinancing of the Project, including any modifications, supplements, extensions, renewals and replacements of any such financing or refinancing;

“Financing Party” or **“Financing Parties”** means any person providing debt, Islamic finance, carbon or climate financing, green or climate grants, bond or capital market financing or refinancing (including any export credit loans) to the Concessionaire for the Project, and their permitted successors and assigns, including any agent or trustee for such person;

“First IA List” shall have the meaning ascribed thereto in Section 17.1.1;

“First IE List” shall have the meaning ascribed thereto in Section 16.1.1;

“Force Majeure Event” shall have the meaning ascribed thereto in Section 19.1 (*Force Majeure Event*);

“Foreign Bank” means a scheduled bank or financial institution incorporated or organized outside Pakistan having a credit rating of at least AA or higher by VIS, or A3 or higher by Moody’s or equivalent rating by Fitch or Standard and Poor;

“FWD” shall have the meaning ascribed thereto in the Preamble;

“FWD Appointed IA” shall have the meaning ascribed thereto in Section 17.5.1;

“**FWD Appointed IE**” shall have the meaning ascribed thereto in Section 16.5.1;

“**FWD Conditions Precedent**” shall have the meaning ascribed thereto in Section 3.1.4;

“**FWD Cure Period**” shall have the meaning ascribed thereto in Section 22.3.1;

“**FWD Designated Account**” means the Pakistani Rupee denominated account of FWD wherein the FWD Revenue Share shall be credited in accordance with this Agreement, details of which shall be notified in writing by FWD upon establishment, and from time to time thereafter, to the Project Account Bank, the Concessionaire and the Independent Appointees;

“**FWD Event of Default**” shall have the meaning ascribed thereto in Section 21.2 (*FWD Event of Default*);

“**FWD Indemnified Parties**” shall have the meaning ascribed thereto in Section 14.1 (*Indemnification by the Concessionaire*);

“**FWD Notice of Intent to Terminate**” shall have the meaning ascribed thereto in Section 22.3.2;

“**FWD’s Representative**” means any person or persons appointed from time to time by FWD to act on behalf of FWD as FWD’s representatives under this Agreement;

“**FWD Revenue Share**” means, in any given Revenue Evaluation Period, an amount equivalent to the sum of:

- (a) **2** percent (**2**%) of the sum of the Net Base Carbon Revenue and the Non-Carbon Revenues, each with respect to such Revenue Evaluation Period; and
- (b) eighty percent (80%) of the Net Windfall Carbon Revenue with respect to such Revenue Evaluation Period,

subject to any adjustments in accordance with Article 20 (*Increased Costs*);

“**GHG**” means any greenhouse gas, including but not limited to carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆), nitrogen trifluoride (NF₃), or any other greenhouse gas recognized by the Intergovernmental Panel on Climate Change (IPCC);

“**GHG Reduction or Removal**” means, with respect to the Project, the measurable, reportable, and verifiable net reductions, removals, avoidance, sequestration or mitigation (as applicable) of GHG within the Site, relative to the Baseline, in compliance with the Project Carbon Standard;

“**Good Industry Practice**” means those practices, methods, techniques, standards, skills, diligence and prudence which are generally and reasonably expected from a reasonably skilled and experienced developer engaged in the same type of undertaking as envisaged in respect of the Concessionaire under this Agreement and acting generally in accordance with the provisions of the Applicable Laws, and would mean good forestry and environmental practices in the design, planning, development, implementation, monitoring, and management of ARR carbon sequestration projects and which would be expected to result in the performance of its obligations by the Concessionaire in accordance with this Agreement and Applicable Standards. “**Good Industry Practices**” are not limited to optimum practices, methods, techniques, standards, skills, diligence, prudence or acts to the exclusion of all others, but rather are a spectrum of possible practices, methods, techniques, standards, skills, diligence, prudence or acts which could have been expected to accomplish the desired result at reasonable cost consistent with reliability and safety;

² The ‘Total FWD Revenue Share’ quoted in Bidding Form F2 (*Financial Proposal Standard Form*) of the Proposal shall be inserted.

“Gross Base Carbon Revenue” means, in any given Revenue Evaluation Period, an amount (in PKR, converted using the Applicable Exchange Rate) equivalent to the product of:

- (a) the Carbon Credits sold during such Revenue Evaluation Period; and
- (b) the lower of: (i) USD 25/- (United States Dollars Twenty-Five only); and (ii) the Cumulative Price for such Revenue Evaluation Period;

“Gross Windfall Carbon Revenue” means, in any given Revenue Evaluation Period, an amount (in PKR, converted using the Applicable Exchange Rate) equivalent to the product of:

- (a) the Carbon Credits sold during such Revenue Evaluation Period; and
- (b) the Windfall Unit Price with respect to such Revenue Evaluation Period;

“Handover Certificate” means the certificate to be issued by the Independent Appointees certifying the satisfaction of the Handover Conditions in terms of Section 23.1.2, substantially in the form attached in **SCHEDULE K** (*Form of Handover Certificate*);

“Handover Conditions” means, as at the Final Expiry Date:

- (a) the Project is in a condition that is consistent with the Applicable Standards (including the Project Scope);
- (b) the requirements for handover set out in **SCHEDULE J** (*Handover Conditions*) have been met;
- (c) the Concessionaire has trained FWD nominated personnel for ensuring smooth taking over operations of the Project to a standard satisfactory to the Independent Expert and FWD; and
- (d) the Site shall be:
 - (i) free and clear from obstructions, impediments placed by the Concessionaire, used consumables and waste, and Hazardous Substances; and
 - (ii) made safe and secure in accordance with Good Industry Practices;

“Hazardous Substances” means any solid, liquid or gaseous material, substance, constituent, chemical, mixture, raw material, intermediate product, or by-product which are: (a) defined as **“Hazardous Wastes”**, **“Hazardous Materials”**, **“Toxic Substances”** or **“Toxic Pollutants”** under the Applicable Laws; or (b) are otherwise regulated by the Environmental Legal Requirements;

“Implementation Milestone(s)” means the progressive milestones relating to the performance of Project Works and other obligations to be performed by the Concessionaire until the Term Expiry Date, as set out in the Project Implementation Plan and the Project Implementation Schedule;

“Implementation Milestone Date” means the dates for achievement of each Implementation Milestone, as set out in the Project Implementation Plan and the Project Implementation Schedule, each as may be revised from time to time pursuant to this Agreement;

“Income Substitution Proceeds” means the proceeds of any delay-in-start up, advance loss of profits or business interruption (or equivalent) insurance policy (but only to the extent that such proceeds are paid or payable specifically in respect of loss of revenue);

“Increased Costs” means any increase in the Project Cost (from the Pre-Estimated Project Cost) between the Commencement Date and the Scheduled Substantial Completion Date,

that are incurred or suffered by the Concessionaire resulting from any circumstance described in Section 20.1.1, and not otherwise covered by the receipt of Insurance proceeds;

“Independent Appointees” means the Independent Auditor and the Independent Expert;

“Independent Auditor” means the auditor appointed for the Project in accordance with Article 17 (*Independent Auditor*) and in terms of the Independent Auditor Contract, and includes any replacement Independent Auditor appointed in terms of this Agreement;

“Independent Auditor Appointment Term” shall have the meaning ascribed thereto in Section 17.2.1;

“Independent Auditor Authorized Representative” shall have the meaning ascribed thereto in Section 17.3 (*Independent Auditor Authorized Signatories*);

“Independent Auditor Contract” means the contract to be entered into between the Parties, the Sponsors and the Independent Auditor in accordance with Article 17 (*Independent Auditor*), and includes any contract subsequently executed with any replacement Independent Auditor in terms of this Agreement;

“Independent Auditor Payments” shall have the meaning ascribed thereto in Section 17.5.1;

“Independent Auditor Payment Account” means the account established and maintained by the Concessionaire, in which amounts payable to the Independent Auditor in terms of this Agreement and the Independent Auditor Contract, are paid;

“Independent Auditor Payment Account Bank” means the bank or financial institution in Pakistan selected by the Concessionaire and FWD where the Independent Auditor Payment Account is held;

“Independent Auditor Payment Account Standing Instructions” shall have the meaning ascribed thereto in Section 17.6.2;

“Independent Expert” means the ~~engineer-expert~~ appointed for the Project in accordance with Article 16 (*Independent Expert*) and in terms of the Independent Expert Contract, and includes any replacement Independent Expert appointed in terms of this Agreement;

“Independent Expert Appointment Term” shall have the meaning ascribed thereto in Section 16.2.1;

“Independent Expert Authorized Representative” shall have the meaning ascribed thereto in Section 16.3 (*Independent Expert Authorized Signatories*);

“Independent Expert Contract” means the contract to be entered into between the Parties, the Sponsors and the Independent Auditor in accordance with Article 16 (*Independent Expert*), and includes any contract subsequently executed with any replacement Independent Expert in terms of this Agreement;

“Independent Expert Payment Account” means the account established and maintained by the Concessionaire, in which amounts payable to the Independent Expert in terms of this Agreement and the Independent Expert Contract, are paid;

“Independent Expert Payment Account Bank” means the bank or financial institution in Pakistan selected by the Concessionaire and FWD where the Independent Expert Payment Account is held;

“Independent Expert Payment Account Standing Instructions” shall have the meaning ascribed thereto in Section 16.6.2;

“Independent Expert Payments” shall have the meaning ascribed thereto in Section 16.5.1;

“**Insurance(s)**” means all insurances, reinsurance, and/or arrangement for insurance and/or reinsurance in relation to the Project, the Project Works and/or any part or portion thereof, procured by the Concessionaire, including the Development Period Insurances and Operating Period Insurances;

“**Intellectual Property Rights**” means all patents, rights to inventions, utility models, copyright and related rights, trademarks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software (including manuals, user guides and other materials or information relating to such software in whatever form), database rights, topography rights, moral rights, rights in confidential information (including know-how and trade secrets), and any other intellectual property rights, in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world;

“**International Accounting Standards Board**” means the independent accounting standard-setting body of the International Financial Reporting Standards Foundation;

“**International Financial Reporting Standards**” means any International Financial Reporting Standards promulgated by the International Accounting Standards Board (which includes standards and interpretations approved by the International Accounting Standards Board and International Accounting Principles issued under previous constitutions), together with its pronouncements thereon from time to time;

“**Invested Equity**” means the aggregate of funds invested as Sponsor Equity by the Sponsors for funding the Project Cost (excluding any amounts invested for Cost Overruns);

“**Issuance**” means the issuance of Carbon Credits into the Project Carbon Standard Registry in respect of GHG Reduction or Removal achieved by the Project, and “**Issue**”, “**Issuing**” and “**Issued**” shall be construed accordingly;

“**ITMO**” means internationally transferred mitigation outcomes, as defined in the Paris Agreement;

“**Key Personnel**” means the key personnel deployed, or to be deployed, by the Concessionaire to carry out various assigned tasks in respect of the Project, as specified in **SCHEDULE E (Key Personnel)**;

“**Late Payment Rate**” means the six (6) months Karachi Inter Bank Offer Rate (KIBOR) plus two percent (2%), compounded semi-annually, calculated for the actual number of days which the relevant amount remains unpaid on the basis of three hundred and sixty-five (365) days year;

“**Lead Sponsor**” shall mean [●];

“**Lease Agreement**” means the agreement to be entered into between FWD and the Concessionaire pursuant to which FWD shall lease the Site to the Concessionaire, in the form attached hereto as **SCHEDULE F (Form of Lease Agreement)**;³

“**Lease Payments**” has the meaning ascribed to the term under the Lease Agreement.

“**Legal Requirements**” means the Applicable Laws and the Concessionaire Permits;

“**Letter of Approval**” means a letter issued by the Competent Authority in Pakistan which: (a) identifies the Project; (b) authorizes GHG Reductions or Removals achieved by the Project for use as ITMOs under the Paris Agreement; and (c) declares that Pakistan will not use the Project’s GHG Reductions or Removals as ITMOs under the Paris Agreement by applying relevant Corresponding Adjustments;

“**Managed Areas**” mean the areas around the Site, as recognized by the Project Carbon

³ Please refer to footnote 5 herein.

Standard, which may be impacted by the Project Works;

“Marketing Plan” shall have the meaning ascribed thereto in Section 8.5.1;

“Material Adverse Effect” means there has occurred or could reasonably be expected to occur an effect, event, matter or circumstance or a change in the circumstances which materially and adversely impairs:

- (a) the business, operations, property, assets, present or future condition (financial or otherwise) or prospects of the Concessionaire in respect of the Project;
- (b) the ability or probability (financial or otherwise) of the Concessionaire to perform and observe its obligations under the Project Agreements;
- (c) the legality, validity or enforceability of, or the rights or remedies of, FWD under this Agreement; and/or
- (d) the Concessionaire’s ability to implement, design, finance, develop, construct, operate, maintain and market the Project in accordance with the terms of the Project Agreements;

“Material Agreements” means:

- (a) the Development Contract;
- (b) the O&M Contract;
- (c) all contracts and documents entered or to be entered into by the Concessionaire, and/or the Sponsors with a relevant counterparty, and designated as a ‘Material Agreement’ with written consent of FWD;

“Material Breach of O&M Requirements” shall have the meaning ascribed thereto in Section 11.2.1;

“Monitoring” means activities undertaken pursuant to the Monitoring Plan, of collecting and recording data in accordance with the Project Design Document, the Project Carbon Standard, and the O&M Requirements, to assess, *inter alia*, the GHG Reductions or Removals and Co-benefits resulting from the Project, and **“Monitor”** and **“Monitored”** are to be construed accordingly;

“Monitoring and Verification Cycle” means the process of preparing and submitting a Monitoring Report to the Project Verification Body for the preparation of a Verification Report, in respect of a Monitoring and Verification Period, in accordance with Section 11.6 (*Monitoring, Verification and Issuance*);

“Monitoring and Verification Period” means each period in respect of which:

- (a) the Concessionaire shall undertake Monitoring; and
- (b) the Project Verification Body shall conduct Verification;

“Monitoring Plan” shall have the meaning ascribed thereto in Section 9.3.2(a);

“Monitoring Report” means a report prepared by or on behalf of the Concessionaire setting out the quantity of GHG Reductions or Removals and Co-benefits resulting from the Project during the relevant Monitoring and Verification Period, as Monitored in accordance with the Monitoring Plan;

“Natural Force Majeure Event(s)” shall have the meaning ascribed thereto in Section 19.2 (*Natural Force Majeure Event*);

“NDC” shall mean the contributions that each member country of the Paris Agreement is

required to make under Article 4 of the Paris Agreement;

“Net Base Carbon Revenue” means, in any given Revenue Evaluation Period, an amount equivalent to the Gross Base Carbon Revenue in such Revenue Evaluation Period *less*: (a) any applicable deductions under the Carbon Policies; and (b) the Applicable Export Sales Tax;

“Net Equity” means, as of the Termination Date, the aggregate of the Invested Equity reduced on a straight-line basis from the Development Completion Date to the Term Expiry Date to twenty percent (20%) of the Invested Equity;

“Net Windfall Carbon Revenue” means, in respect of a Revenue Evaluation Period, an amount equivalent to the Gross Windfall Carbon Revenue (for such Revenue Evaluation Period) *less*: (a) any applicable deductions under the Carbon Policies; and (b) the Applicable Export Sales Tax;

“Notice” means a notice in writing, and **“Notify”**, **“Notification”** and its grammatical variations shall be construed accordingly;

“Non-Carbon Revenues” means, other than Carbon Revenues, all revenues received by the Concessionaire (in PKR, converted using the Applicable Exchange Rate) during the Concession Period, including:

- (a) revenues from Ancillary Activities;
- (b) payments received under Ancillary Activities Agreements and the Carbon Credit Sale Agreements (other than the Carbon Revenues); and
- (c) any interest or profit earned on the relevant Project Accounts;

“O&M Contract” means the contract or contracts entered into, or to be entered into, by the Concessionaire with the O&M Contractor for the Operation and Maintenance of the Project in accordance with O&M Requirements;

“O&M Contractor” means the contractor or contractors hired by the Concessionaire under an O&M Contract (in consultation with the Independent Expert) pursuant to Section 7.8.1;

“O&M Performance Security” means an irrevocable, unconditional and on demand, automatically replenishing bank guarantee (and any replacement thereof), issued in favour of FWD, in an amount equal to the O&M Performance Security Amount, issued by an Acceptable Bank, in the form of the instrument attached herewith as **SCHEDULE H (Form of O&M Performance Security)**;

“O&M Performance Security Amount” means the higher of: (a) ten percent (10%) of the costs for Operation and Maintenance expected for each Operating Year, as set out in the Base Case Financial Model; or (b) PKR 5,000,000/- (Pakistani Rupees Five Million only);

“O&M Performance Security Expiry Date” shall have the meaning ascribed thereto in Section 7.5.7;

“O&M Requirements” means:

- (a) the requirements for Operation and Maintenance of the Project as set out in the Applicable Standards (including the Project Scope) and the Project Implementation Schedule; and
- (b) compliance with the Performance Guarantees;

“O&M Inspections” shall have the meaning ascribed thereto in Section 11.5.1;

“Operating Period” means the period commencing on the Substantial Completion Date and ending on the Final Expiry Date;

“**Operating Period Insurances**” means the insurances procured and/or obtained by the Concessionaire pursuant to the provisions of and/or in accordance with Article 15 (*Insurances*);

“**Operating Year**” means a period of one (1) year commencing on each consecutive anniversary of the Substantial Completion Date and ending as of the end of the day preceding the next anniversary of the Substantial Completion Date, except for the first (1st) Operating Year which shall start on the day immediately following the Substantial Completion Date;

“**Operation and Maintenance**” means all obligations, works, services, activities and duties undertaken and/or performed and/or to be undertaken and/or performed by the Concessionaire during the Operating Period in accordance with the O&M Requirements;

“**Outstanding Completion Works**” means such part of the Development Works, which, in the opinion of the Independent Expert, are not of a material nature and will not adversely impact or delay the Operation and Maintenance and Issuance of Carbon Credits;

“**Pakistan**” means the Islamic Republic of Pakistan;

“**Paris Agreement**” means the agreement under the United Nations Framework Convention on Climate Change which entered into force on November 4, 2016;

“**Parties**” means FWD and the Concessionaire, and “**Party**” means any of them;

“**Performance Damages**” means the liquidated damages payable by the Concessionaire to FWD for failing to meet the Performance Guarantees;

“**Performance Damages Cap**” means for each Performance Guarantee, the maximum limit on the Performance Damages payable by the Concessionaire, as specified in **Schedule M** (*Key Performance Indicators*).

“**Performance Guarantee**” means the key performance indicators to be satisfied by the Concessionaire during the Operating Period as set out in **Schedule M** (*Key Performance Indicators*);

“**Performance Securities**” means the Development Performance Security and the O&M Performance Security and “**Performance Security**” means any of them;

“**PFME Period**” means the duration of a Political Force Majeure Event as determined by the Independent Expert, provided that if more than one Political Force Majeure Event is ongoing at the same time, for the purposes of determining the PFME Period, such Political Force Majeure Events shall be considered as running concurrently in the same PFME Period;

“**PKR**” or “**Pakistani Rupees**” means the lawful currency of the Islamic Republic of Pakistan;

“**Political Force Majeure Event(s)**” shall have the meaning ascribed thereto in Section 19.3 (*Political Force Majeure Event*);

“**Pre-Estimated Project Cost**” shall have the meaning ascribed thereto in Section 7.7.1(a);

“**Preamble**” means the preamble to this Agreement;

“**Preliminary Approach and Methodology**” means the approach and methodology submitted as ‘*Bidding Form 12 (Approach and Methodology)*’ as part of the Proposal;

“**Preliminary Work Plan**” means the work plan submitted as ‘*Bidding Form 14 (Development of Work Plan)*’ as part of the Proposal;

“**Project**” means the project titled “*Carbon Removal through Forestation Project – Package 2*” including the:

- (a) Project Works to be undertaken on the Site and all associated facilities and infrastructure to be developed, maintained, monitored, and transferred by the Concessionaire, as more fully described in the Project Scope;
- (b) financing and detailed planning of the Project Works;
- (c) marketing of the Carbon Credits;
- (d) Validation and Registration;
- (e) Monitoring and Verification;
- (f) Issuance and sale of Carbon Credits;
- (g) Operation and Maintenance;
- (h) generation and sharing of Project Revenues between the Parties in terms of this Agreement;
- (i) meeting the Performance Guarantees;
- (j) handover of the Site to FWD in terms of this Agreement; and
- (k) all activities/items incidental or related to any of the above;

“Project Account Bank” means a banking company incorporated under the laws of Pakistan and/or such other scheduled bank in Pakistan having a long-term credit rating of at least ‘A+’ as rated by JCR VIS or PACRA in Pakistan, where the Revenue Account shall be established, as shall be appointed with the written consent of the Parties prior to the Scheduled Commencement Date;

“Project Agreements” means:

- (a) this Agreement;
- (b) the Lease Agreement;
- (c) the Sponsor Support Agreement;
- (d) the Independent Auditor Contract;
- (e) the Independent Expert Contract; and
- (f) all contracts and documents entered or to be entered into between FWD, the Concessionaire, and/or the Sponsors and designated as a ‘Project Agreement’ with written consent of FWD and the Concessionaire;

“Project Carbon Standard” shall have the meaning ascribed thereto in Section 8.1.2(a)(ii);

“Project Carbon Standard Body” shall have the meaning ascribed thereto in Section 8.1.2(a)(i);

“Project Carbon Standard Registry” means the Carbon Standard Registry operated by the Project Carbon Standard Body;

“Project Costs” means (without double-counting), any costs or expenses relating to the Project (including as set out in the Financial Model), which costs and expenses may include one or more of the following:

- (a) capital costs namely, costs and expenses in respect of the design, development, procurement, implementation, inspection and completion of the Project;
- (b) any financing costs (if applicable);

- (c) costs of Taxes imposed on or payable by the Concessionaire; and
- (d) all other costs and expenses incurred in connection with the Project during the Development Period;

“**Project Design Document**” shall have the meaning ascribed thereto in Section 9.4.2(a);

“**Project Implementation Plan**” shall have the meaning ascribed thereto in Section 8.4.2(a);

“**Project Implementation Unit**” means the project implementation unit established by FWD for the purpose of overseeing the day-to-day implementation of the Project;

“**Project Implementation Schedule**” means the schedule attached herewith as **SCHEDULE B (Project Implementation Schedule)**, as may be revised from time to time pursuant to this Agreement, setting out, *inter alia*:

- (a) the Scheduled Commencement Date;
- (b) the Scheduled Substantial Completion Date; and
- (c) the Scheduled Development Completion Date;

“**Project IPR**” means all Intellectual Property Rights developed by or for the Concessionaire in connection with and for the Project after the Effective Date and prior to the Final Expiry Date, but excluding any Concessionaire IPR;

“**Project Revenue**” means the Carbon Revenues and the Non-Carbon Revenues;

“**Project Scope**” means the description of the scope, specification, standards, implementation mechanisms and implementation criteria of the Project Works as set out in **SCHEDULE A (Project Scope)**;

“**Project Works**” means all obligations, works, services and duties undertaken and/or performed and/or to be undertaken and/or performed by the Concessionaire pursuant to the Applicable Standards (including the Project Scope) and shall include:

- (a) the Development Works; and
- (b) the Operation and Maintenance;

“**Project Validating Body**” shall have the meaning ascribed thereto in Section 9.5.2;

“**Project Verification Body**” means, with respect to each Monitoring and Verification Cycle, the VVB selected in accordance with Section 11.6.3(b)(i);

“**Project VVBs**” means the Project Validation Body and the Project Verification Body, and “**Project VVB**” means any of them;

“**Project Zone**” means: (a) the Site; and (b) the Managed Areas;

“**Proposal**” means the proposal dated ● delivered by the Sponsor(s) to FWD on or before the Bid Submission Date in response to the RFP and any agreed amendments, variations or supplements thereto;

“**Proposed Baseline Assessment Report**” shall have the meaning ascribed thereto in Section 8.3.1;

“**Proposed Carbon Standards**” shall have the meaning ascribed thereto in Section 8.1.1;

“**Proposed Carbon Standard Bodies**” shall have the meaning ascribed thereto in Section 8.1.1;

“**Proposed Completion Inspections Date**” shall have the meaning ascribed thereto in Section 10.1.1;

“**Proposed Monitoring Plan**” shall have the meaning ascribed thereto in Section 9.3.1;

“**Proposed Project Implementation Plan**” shall have the meaning ascribed thereto in Section 8.4.1;

“**Proposed Project Design Document**” shall have the meaning ascribed thereto in Section 9.4.1;

“**Proposed Validating Bodies**” shall have the meaning ascribed thereto in Section 9.5.1;

“**Protected Assets**” shall have the meaning ascribed thereto in Section 6.4.1(b);

“**Public Private Partnership Policy Board**” means the Public Private Partnership Policy Board constituted pursuant to the Sindh Public-Private Partnership Act, 2010;

“**RE Period**” means the duration of a Relief Event as determined by the Independent Expert, provided that if more than one Relief Event is ongoing at the same time, for the purposes of determining the RE Period, such Relief Events shall be considered as running concurrently in the same RE Period;

“**Recitals**” means the recitals to this Agreement;

“**Registration**” means formal acceptance by the Project Carbon Standard Body of the Project, and “**Register**”, “**Registering**” and “**Registered**” shall be construed accordingly;

“**Relief Events**” means, from the Commencement Date until the Final Expiry Date, the following events or circumstances:

- (a) an act of impediment or prevention by FWD or a material breach by FWD of any of its obligations under this Agreement or any other Project Agreement to which it is a party;
- (b) prior to the Development Completion Date, an Archaeological Delay Event; ~~and~~
- ~~(c)~~ the discovery in, on or under the Site of any Hazardous Substances introduced by FWD in, on or under the Site after the Commencement Date; ~~and~~
- ~~(e)~~(d) a Specific Nature Event,

but only if and to the extent that in any such case: (i) in the opinion of the Independent Appointees, it materially and adversely impairs the ability of the Concessionaire or the Sponsors to perform their respective obligations under the Project Agreements; (ii) the Concessionaire has made all reasonable efforts to reduce to a minimum and mitigate the effect of such event; and (iii) such event or circumstance is not the direct or indirect result of a breach by Sponsors or Concessionaire of any of its obligations under this Agreement or any other Project Agreements or negligent act or omission by the Sponsor or Concessionaire;

“**Remedial Plan**” shall have the meaning ascribed thereto in Section 23.1.2(b);

“**Remedial Report**” shall have the meaning ascribed thereto in Section 23.1.2(b);

“**Remedial Works**” shall have the meaning ascribed thereto in Section 23.1.2(b);

“**Restoration Account**” shall have the meaning ascribed thereto in Section 19.8.2;

“**Retirement**” means the permanent removal or cancellation of a Carbon Credit from circulation, rendering it ineligible for resale, transfer, or further use, in accordance with the

requirements of the Project Carbon Standard Body, and “**Retire**” shall be construed accordingly;

“**Revenue Account**” means the Pakistani Rupee denominated account of the Concessionaire to be established with the Project Account Bank in which the Project Revenues shall be deposited, details of which shall be notified in writing by the Concessionaire (and confirmed by the Project Account Bank) upon establishment to FWD and the Independent Appointees;

“**Revenue Account Standing Instructions**” means the irrevocable (subject to Section 13.6 (*Revenue Account*)) standing instructions issued by Concessionaire to the Project Account Bank in respect of the Revenue Account in accordance with this Agreement and substantially in the form and content attached hereto at **SCHEDULE I (*Form of Revenue Account Standing Instructions*)**;

“**Revenue Evaluation Period**” means the twelve (12) month period commencing at 00:00 hours on the Commencement Date and ending at 23:59 hours on the day immediately preceding the twelve (12) month anniversary of the Commencement Date, and each subsequent twelve (12) month period during the Concession Period ending at 23:59 hours on the day immediately preceding each subsequent twelve (12) month anniversary of the Commencement Date, provided that the last Revenue Evaluation Period shall end at 23:59 hours on the Final Expiry Date;

“**Revenue Sharing Certificate**” shall have the meaning ascribed thereto in Section 13.4.1;

“**RFP**” shall have the meaning given to it in the preamble;

“**Site**” means location of the Project, as more fully described in the Project Scope, which is the land parcel to be leased to the Concessionaire pursuant to the Lease Agreement for undertaking the Project Works;

“**Site Information**” shall have the meaning ascribed thereto in Section 4.6.1;

“**Scheduled Commencement Date**” means the date falling one hundred eighty (180) days after the Effective Date, as may be extended from time to time in accordance with this Agreement;

“**Scheduled Development Completion Date**” means the date falling ninety (90) days after the Substantial Completion Date;

“**Scheduled Substantial Completion Date**” means the date falling twenty-four (24) months after the Commencement Date, as may be extended from time to time in accordance with this Agreement;

“**Shareholder**” means a person who is from time to time registered in the Concessionaire’s share register as a holder of a Share;

“**Shares**” means the ordinary shares and any other class of shares that may be issued to the Shareholders (including the Sponsor(s)) from time to time, and the term “**Share**” shall be construed accordingly;

“**Share Transfer Criteria**” means:

- (a) the transferee:
 - (i) is not an Adverse Person;
 - (ii) is not a defaulter of any bank or financial institution; and
 - (iii) complies with the relevant qualification and evaluation criteria for such outgoing Sponsor as set out at the prequalification and bidding stage of the Project as determined by the Independent Appointees; and

- (b) the transfer of shareholding is in compliance with the applicable Legal Requirements;

“Share Transferring Sponsor” shall have the meaning ascribed thereto in Section 12.3.1(b);

“Specific Nature Events” means, from the Commencement Date until the Final Expiry Date, the following events or circumstances,

(a) droughts resulting in non-availability of water: (i) for broadcasting of seeds; (ii) for plantation area which needed to be inundated for growth / survival; and/or (iii) resulting in groundwater depletion required for high-lying areas;

(b) excessive flooding of the river resulting in damage to the plantations or seedlings; and/or

(c) disease and pest epidemics;

“Sponsor(s)” means [●];

“Sponsor Equity” means the Shares subscribed to by the Sponsor(s) for funding: (a) the equity component of the Project Cost; and/or (b) any Cost Overruns, in accordance with Project Agreements to which they are a party;

“Sponsor Loans” means the sponsor loan that may be provided to the Concessionaire by the Sponsor(s) for funding the Project Cost and/or the Cost Overruns, in accordance with Project Agreements to which they are a party;

“Sponsor Support Agreement” means the sponsor support agreement executed between the Parties and the Sponsors to provide for the Sponsors’ obligations in respect to the Project, including as provided for under this Agreement;⁴

“Substantial Completion” shall have the meaning ascribed thereto in Section 10.2.1;

“Substantial Completion Certificate” means the certificate issued by the Independent Expert at the request of the Concessionaire in accordance with Section 10.2 (*Substantial Completion Certificate*);

“Substantial Completion Date” means the date referred to as ‘Substantial Completion Date’ in the Substantial Completion Certificate;

“Tax(es)” means any tax, charge, impost, tariff, duty or fee of any kind charged, imposed or levied, directly or indirectly, by a Competent Authority including any zakat, value added tax, sales tax, notarisation fees, stamp duty, import duty, withholding tax (whether on income, dividends, commission payments, fees, equipment, rentals or otherwise), tax on foreign currency loans or foreign exchange transactions, excise tax, property tax, registration fee or licence, water tax or environmental, energy or fuel tax, including any commission, penalties or additions thereon;

⁴ The Sponsor Support Agreement shall be executed to reflect customary Sponsor obligations including with respect to, *inter alia*, the Sponsors’ commitments towards funding the Project Costs and Cost Overruns) (on a joint and several basis with the Concessionaire), funding mechanism, share transfer restrictions and mechanism, subscription of Shares, and such other obligations set out in this Agreement.

Subject to FWD approval of the proposed structure, if the Successful Bidder incorporates an off-shore special purpose vehicle such company, and its ultimate shareholders shall be a party to the Sponsor Support Agreement, and appropriate control mechanisms (including obligations and restrictions) shall be included therein with respect to, *inter alia*, corporate structure adopted, transparency with respect to governance, information covenants, change in control restrictions, flow of funds, exit controls, and collection and retention of offshore revenues (that is, retention to the extent of the Concessionaire Revenue Share) arising from the sale of Carbon Credits.

“**Term Expiry Date**” means the date falling after forty-four (44) years from the Commencement Date unless extended in accordance with Section 2.3 (*Extension of Concession Period*);

“**Termination Assets**” means all the assets and properties of the Concessionaire, including all its right, title and interest in the Project and the Site, excluding any form of liability, which shall be transferred to FWD free from any lien and Encumbrance in accordance with Article 23 (*Handover of Rights and Interest*);

“**Termination Date**” means the date of issuance of the Termination Notice, such date being the date on which the actual termination occurs following expiry of any Cure Period (if applicable);

“**Termination Notice**” means a Notice to be issued in writing by a Party Notifying the other Party of the termination of this Agreement in accordance with the applicable provisions of this Agreement;

“**Termination Payments**” means the termination payments payable by FWD upon termination by the Termination Payment Date in each case as specified in Article 22 (*Termination*);

“**Termination Payment Date**” means the date on which FWD has made payment of the relevant Termination Payment to the Concessionaire, such date being no later than ninety (90) days following the Termination Date;

“**Third Party Contractors**” means any contractor or supplier, other than the Contractors, the Project Validation Body, and the Project Verification Body, with whom the Concessionaire has entered or may enter into a contract in respect of the Project Works;

“**Time for Completion**” means (as applicable) in respect of Project Works, and the Implementation Milestones, the respective Implementation Milestone Date;

“**Transfer**” means the transfer of Carbon Credits from one account with the Project Carbon Standard Registry to another, subject to and in accordance with the relevant rules of the Carbon Standard Body, and “**Transferred**” and “**Transferring**” are to be construed accordingly;

“**Unit Price**” means price at which a Carbon Credit is sold, or may be sold, under a respective Carbon Credit Sale Agreement denominated in USD (or the equivalent USD amount, calculated at the rate of exchange prevailing at the date of the relevant transaction);

“**Utility**” or “**Utilities**” means electricity, gas, water, internet connections, telephone line, and any other utilities or connections necessary to undertake the Project Works;

“**Validation**” means the process of independent evaluation and validation of the Project Design Document by the Project Validating Body in accordance with the rules and requirements of the Project Carbon Standard, and “**Validate**” shall be construed accordingly;

“**Validation Report**” means the written report prepared and issued by the Project Validating Body confirming the Validation of the Project Design Document;

“**Value**” means, as the context requires, Value A, Value B or Value C;

“**Value A**” means an amount equivalent to:

- (a) the Equity Return; *less*
- (b) the Deductible Termination Amounts;

“**Value B**” means PKR 100/- (Pakistani Rupees One Hundred only);

“**Value C**” means an amount equivalent to:

- (a) the Net Equity; *less*
- (b) the Deductible Termination Amounts;

“**Verification**” means, in respect of any Monitoring and Verification Period, the ex-post verification of, *inter alia*, the amount of GHG Reductions or Removals and Co-benefits achieved by the Project during such Monitoring and Verification Period in accordance with the rules of the Project Carbon Standard Body, and the requirements of the Project Carbon Standard, and “**Verify**” and “**Verified**” are to be construed accordingly;

“**Verification Report**” means a written report prepared and issued by the Project Verification Body in relation to the Verification, assessing the Monitoring Report for the relevant Monitoring and Verification Period;

“**VVB**” means an independent third party accredited or recognised by the Project Carbon Standard entitled to carry out validation and/or verification, as the case may be, in accordance with the Project Carbon Standard;

“**Windfall Unit Price**” means, in any given Revenue Evaluation Period, an amount equivalent to the difference between:

- (a) Cumulative Price for such Revenue Evaluation Period; and
- (b) USD 25/- (United States Dollars Twenty-Five only),

provided that, in the event the difference between (a) and (b) is zero/nil or less than zero/nil, the Windfall Unit Price shall be nil/zero.

Section 1.2 Construction and Interpretation

In this Agreement, unless the context otherwise requires:

- (a) references to any legislation or any provision thereof shall include amendment or re-enactment or consolidation of such legislation or any provision thereof so far as such amendment or re-enactment or consolidation applies or is capable of applying to any transaction entered into hereunder;
- (b) references to “laws of Pakistan” or “Pakistan law” shall include the laws, acts, ordinances, rules, regulations, by-laws or notifications, executive orders, statutory regulatory orders, decrees, judicial decisions (and other similar directives issued) which have the force of law in the territory of Pakistan, including the Carbon Policies, and as from time to time may be amended, modified, supplemented, extended or re-enacted;
- (c) references to a “person” and words denoting a natural person shall be construed as a reference to any individual, firm, company, corporation, society, trust, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the above and shall include successors and assigns;
- (d) the table of contents, headings or sub-headings in this Agreement are for convenience of reference only and shall not be used in, and shall not affect, the construction or interpretation of this Agreement;
- (e) the words “include” and “including” are to be construed without limitation and shall be deemed to be followed by “without limitation” or “but not limited to” whether or not they are followed by such phrases;
- (f) references to “implementation” or “development” include, unless the context otherwise requires, investigation, design, planning, species selection, plantation, maintenance, monitoring, verification, engineering, construction, renovation,

upgradation, refurbishment, and other activities incidental to the “implementation” or “development”, and “implement” or “develop” shall be construed accordingly;

- (g) any reference to any period of time shall mean a reference to that according to Pakistan Standard Time;
- (h) any reference to “day” shall mean a reference to a calendar day;
- (i) references to a “business day” shall be construed as a reference to a day (other than a Sunday) on which banks in Pakistan are generally open for business;
- (j) any reference to month shall mean a reference to a calendar month as per the Gregorian calendar;
- (k) any reference to a date, period, or Time for Completion shall be deemed to include any extension granted under this Agreement. Additionally, any reference to a period commencing “from” a specified day or date and continuing “to”, “till” or “until” a specified day or date shall be inclusive of both the start and end dates;
- (l) where an obligation of a Party to make payment under this Agreement, as a result of the calculation of time, falls on a day other than a business day, such time for performance shall be extended to the next business day;
- (m) the words importing singular shall include plural and vice versa;
- (n) references to any gender shall include the other and the neutral gender;
- (o) references to the “winding-up”, “dissolution”, “insolvency”, or “reorganization” of a company or corporation, shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation, carries on business including the seeking of liquidation, winding-up, reorganization, dissolution, arrangement, protection or relief of debtors;
- (p) save and except as otherwise provided in this Agreement, any reference, at any time, to any agreement, deed, instrument, license or document, of any description shall be construed as reference to that agreement, deed, instrument, license or other document as amended, varied, supplemented, modified or suspended, at the time of such reference; provided that this sub-section shall not operate so as to increase liabilities or obligations of FWD hereunder or pursuant hereto in any manner whatsoever;
- (q) any agreement, consent, approval, authorization, notice, communication, information or report required under or pursuant to this Agreement from, or by, any Party, shall be valid and effective only if it is in writing under the hand of a duly authorized representative of such Party, as the case may be, in this behalf and not otherwise;
- (r) the Schedules and Recitals to this Agreement form an integral part of this Agreement and will be in full force and effect as though they were expressly set out in the body of this Agreement;
- (s) references to Recitals, Articles, Sections, or Schedules in this Agreement shall, except where the context otherwise requires, mean references to Recitals, Articles, Sections, and Schedules of or to this Agreement, and references to a Paragraph shall, subject to any contrary indication, be construed as a reference to a Paragraph of this Agreement or of the schedule in which such reference appears;
- (t) the damages payable by a Party, as set forth in this Agreement, whether on *per diem* basis or otherwise, are mutually agreed as the actual loss and damage that will be suffered and incurred by the Party entitled to receive the same and are not by way of penalty;

- (u) time shall be of the essence in the performance of the Parties' respective obligations. If any time period specified herein is extended, such extended time shall also be of the essence;
- (v) the rule of construction, if any, that a contract should be interpreted against the parties responsible for the drafting and preparation thereof, shall not apply;
- (w) any word or expression used in this Agreement shall, unless otherwise defined or construed in this Agreement, bear its ordinary English meaning and, for these purposes, the General Clauses Act, 1897, shall not apply;
- (x) unless otherwise specified herein, for the purposes of calculating a currency equivalent under this Agreement, the applicable exchange rate shall be the TT selling rate for the relevant currency expressed in Pakistani Rupees as published by the National Bank of Pakistan prevailing of the relevant day; and
- (y) the "face amount" of a guarantee, shall be construed as a reference to the remaining amount available for drawing under that guarantee.

Section 1.3 Costs for Documents

Unless expressly provided otherwise in this Agreement, any documentation required to be provided or furnished by the Concessionaire to FWD, or any other relevant person so appointed or nominated by FWD or any other person legally so require, shall be provided free of cost and in three (3) copies, and if FWD, is required to return any such documentation with its comments and/or approval, it shall be entitled to retain two (2) copies thereof.

Section 1.4 Measurements and Arithmetic Conventions

All measurements and calculations shall be in the metric system and calculations done to two (2) decimal places, with the third digit of five (5) or above being rounded up, and below five (5) being rounded down.

Section 1.5 Priority of Agreements, Articles, Sections and Schedules

- 1.5.1 The Project Agreements are to be taken as mutually explanatory unless otherwise expressly provided elsewhere in this Agreement.
- 1.5.2 Notwithstanding Section 1.5.1, in the event of any conflict or overlap between the provisions of this Agreement and the requirements of the Project Carbon Standard, the more stringent requirements shall prevail.
- 1.5.3 Subject to the provisions of Section 1.5.1, in the event of any ambiguity or discrepancies with regard to this Agreement, the following shall apply:
 - (a) between two or more Articles and/or Sections of this Agreement, the provisions of a specific Article relevant to the issue under consideration shall prevail over those other Articles and/or Sections;
 - (b) between the Article and/or Section of this Agreement and the Schedules, the Article and/or Section shall prevail unless the issue in question/matter is specifically provided for in the Schedule and only referred to in the Article and/or Section, as the case may be;
 - (c) between any two Schedules, the Schedule relevant to the issue shall prevail; and
 - (d) between any value written in numerals and that in words, the latter shall prevail.

ARTICLE 2 CONCESSION

Section 2.1 Grant of Concession

- 2.1.1 In consideration of the Concessionaire's obligations contained in this Agreement and relying on the Concessionaire's representations, warranties and covenants, contained herein, FWD,

subject to the terms of this Agreement, from the Commencement Date, grants to the Concessionaire the right and authorizes it to:

- (a) carry out the Development Works during the Development Period and the Operation and Maintenance during the Operating Period on a DBFOMT basis;
- (b) undertake the Project Works over the Site;
- (c) exercise and enjoy the rights, powers, benefits, privileges, revenue collection rights, authorizations, and entitlements as set forth in this Agreement,

(collectively referred to as the “**Concession**”).

2.1.2 The Concessionaire agrees and undertakes to implement the Project in accordance with the terms of this Agreement and the other Project Agreements.

Section 2.2 Concession Period

Unless otherwise stated, this Agreement shall become effective on the Effective Date. The Concession is granted for the Concession Period and shall be effective in accordance with the terms of this Agreement.

Section 2.3 Extension of Concession Period

The Concession Period may be extended if:

- (a) not less than eighteen (18) months prior to the Term Expiry Date, FWD provides a notice to the Concessionaire, or the Concessionaire provides a notice to FWD, requesting that the Parties enter into good faith negotiations to extend the Concession Period;
- (b) subject to the Parties having agreed to enter into good faith negotiations pursuant to Section 2.3.1(a), not later than twelve (12) months prior to the Term Expiry Date, the Parties agree to the terms of such extension;
- (c) not later than six (6) months prior to the Term Expiry Date, the Parties enter into a binding agreement in writing, confirming the agreed terms of the extension (including any adjustments to the payment terms); and
- (d) any requisite approval for the extension of the Concession Period (including any adjustments to the payment terms) is obtained from the relevant Competent Authority in Pakistan, in accordance with the laws of Pakistan and Concessionaire Permits.

ARTICLE 3 CONDITIONS

Section 3.1 Conditions Precedent

3.1.1 Save and except as expressly provided herein, the respective obligations of the Parties shall be subject to satisfaction of the Conditions Precedent on or prior to the Scheduled Commencement Date.

3.1.2 The Concessionaire shall satisfy the following Conditions Precedent to the satisfaction of the Independent Appointees (following review and approval in accordance with Section 3.3 (*Satisfaction of Conditions Precedent*)) prior to the Scheduled Commencement Date (the “**Concessionaire Conditions Precedent**”):

- (a) provided copies of its Constitutional Documents duly certified as true copies by the company secretary of the Concessionaire duly evidencing incorporation of share transfer restrictions for Sponsors, as specified in Section 12.3 (*Transfer Restrictions*);
- (b) provided copies of Board Resolutions that duly authorize:

- (i) the Concessionaire, the Sponsors, and the Contractors (as the case may be) to enter into the relevant Project Agreements and Material Agreements (to which they are a party) and to undertake the obligations, liabilities, as set out in the relevant Project Agreements and Material Agreements, and the transactions as contemplated by the Project Agreements and Material Agreements (to which they are a party);
- (ii) in each case under Section 3.1.2(b)(i) above, a specified person or persons to:
 - (A) execute the relevant Project Agreements and Material Agreements on behalf of the Concessionaire, the Sponsors, and the Contractors, to which they are a party; and
 - (B) undertake all other acts, specifically relating to the Project Agreements and Material Agreements (to which they are a party), as contemplated therein;
- (iii) provided evidence of establishment of the:
 - (A) Independent Expert Payment Account and issuance of the Independent Expert Payment Account Standing Instructions; and
 - (B) Independent Auditor Payment Account and issuance of the Independent Auditor Payment Account Standing Instructions;
- (iv) provided copies of its executed Development Contracts and the O&M Contracts for the Project Works;
- (v) procured the approval of the Base Case Financial Model and the Pre-Estimated Project Cost in accordance with Section 7.7 (*Base Case Financial Model*);
- (vi) procured the approval of the Marketing Plan in accordance with Section 8.5 (*Marketing of the Project*);
- (vii) procured the approval of the Baseline Assessment Report in accordance with Section 8.3 (*Baseline Assessment Report*);
- (viii) procured the approval of the Project Implementation Plan in accordance with Section 8.4 (*Project Implementation Plan*);
- (ix) arranged for the Utilities (including obtaining all relevant Concessionaire Permits in relation thereto) and entered into the relevant utility agreements;
- (x) provided the following legal opinions:
 - (A) a legal opinion from the legal counsel of the Concessionaire confirming that the Concessionaire has been duly organized and is validly existing under the laws of Pakistan, and has the requisite power and authority to enter into the Project Agreements and Material Agreements, and to undertake the transactions as contemplated by the Project Agreements and Material Agreements, and to assume the obligations as contained therein and the enforceability of the same against the Concessionaire; and
 - (B) a legal opinion from the legal counsel of the Sponsor(s) qualified to opine on the laws of the country where the Sponsor is incorporated, confirming that such Sponsor is validly existing under the applicable laws and that such Sponsor has the requisite authority and power to enter into the Project Agreements to which such

Sponsor is a party and to assume the obligations as contained therein and the enforceability of the same against the Sponsor;

- (xi) provided evidence of immediately available financing to meet the Pre-Estimated Project Cost, which may include, *inter alia*:
 - (A) latest audited financial statements;
 - (B) last filed tax returns; and/or
 - (C) letter(s) from the relevant bank(s) confirming available credit lines and their validity;
- (xii) submitted the ‘*Project Idea Note*’ for the Project to the Ministry of Climate Change and Environmental Coordination, Government of Pakistan;
- (xiii) procured the ‘*Letter of Intent*’ in respect of the Project from the Ministry of Climate Change and Environmental Coordination, Government of Pakistan;
- (xiv) provided evidence of establishment of the Revenue Account and issuance of the Revenue Account Standing Instructions;
- (xv) increased the face amount of the Development Performance Security in accordance with Section 7.4 (*Development Performance Security*); and
- (xvi) provided evidence of application of stamp duty, and registration of the Lease Agreement and payment of all Taxes or other impositions whatsoever arising out of and as a result of the Lease Agreement in accordance with Section 4.2 (*Lease Agreement*).

3.1.3 Except for Section 3.1.3(a) which will be completed with mutual consent and to the satisfaction of each of the Parties, the Parties shall satisfy the following Conditions Precedent to the satisfaction of the Independent Appointees prior to the Scheduled Commencement Date (the “**Combined Conditions Precedent**”):

- (a) within forty-five (45) days from the Effective Date, signed and entered into the valid and effective:
 - (i) Independent Expert Contract for the appointment of the Independent Expert with the counterparties to such contract; and
 - (ii) Independent Auditor Contract for the appointment of the Independent Auditor with the counterparties to such contract;
- (b) the Parties have entered into the Sponsor Support Agreement;
- (c) the Parties have entered into the Lease Agreement for lease of the Site to the Concessionaire in accordance with Article 4 (*Site and Utilities*); and
- (d) the Parties have selected the Project Carbon Standard Body and the Project Carbon Standard for undertaking the Project, in accordance with Section 8.1 (*Selection of Project Carbon Standard*).

3.1.4 FWD shall satisfy the following Conditions Precedent to the satisfaction of the Independent Appointees prior to the Scheduled Commencement Date (the “**FWD Conditions Precedent**”):

- (a) evidence of FWD having obtained approval for execution of the Lease Agreement to the Concessionaire in accordance with the terms of this Agreement, including the approval of the Supreme Court of Pakistan and the Government of Sindh (as required); ~~and~~

(b) provided an ‘*Endorsement Letter*’ (to be attached to the ‘*Project Idea Note*’) for the Project to the Concessionaire; ~~and-~~

~~(b)(c)~~ handover physical possession of the Site to the Concessionaire free from any Encumbrances.

Section 3.2 Waiver and/or Deferral of Conditions

3.2.1 Notwithstanding anything contained herein:

- (a) FWD may (at its sole discretion) waive and/or defer any of the Concessionaire Conditions Precedent and grant any waiver and/or deferral hereunder with such conditions as it may deem fit;
- (b) the Concessionaire may (at its sole discretion) waive and/or defer any of the FWD Conditions Precedent and grant any waiver and/or deferral hereunder with such conditions as it may deem fit; and/or
- (c) the Parties may, with mutual consent, waive and/or defer any of the Combined Conditions Precedent, as may be mutually agreed between both the Parties.

3.2.2 Any deferral and/or waiver of a Condition Precedent in terms of this Section 3.2 (*Waiver and/or Deferral of Conditions*) shall be notified in writing to the other Party and the Independent Appointees by the Party granting such deferral and/or waiver of such condition in accordance with this Agreement.

Section 3.3 Satisfaction of Conditions Precedent

3.3.1 Save for the: (a) Conditions Precedent which have been waived or deferred in terms of Section 3.2 (*Waiver and/or Deferral of Conditions*); and (b) signing of the Independent Expert Contract and Independent Auditor Contract with mutual consent of the Parties, each Party shall upon satisfaction of any Conditions Precedent (as the case may be) promptly submit a written notification (together with copies delivered to the Independent Appointees) with evidence of satisfaction to the other Party. Provided, however, that all the Conditions Precedent shall be satisfied, waived and/or deferred no later than the Scheduled Commencement Date.

3.3.2 Within thirty (30) days of receipt of the notification and evidence of each Concessionaire Conditions Precedent (other than as waived or deferred) submitted in accordance with Section 3.3.1, the Independent Appointees shall either:

- (a) approve the Concessionaire Conditions Precedent as being satisfied; or
- (b) reject the Concessionaire Conditions Precedent and convey its objections to the Concessionaire.

In the event the Independent Appointees raise any objections under Section 3.3.2(b), the Concessionaire shall address such objection and re-submit to the Independent Appointees (with a copy to FWD) evidence of satisfaction of such Concessionaire Conditions Precedent.

3.3.3 The process in Section 3.3.2 shall be repeated until such time that the Independent Appointees have not objected to the satisfaction of such Concessionaire Conditions Precedent.

3.3.4 Within thirty (30) days of receipt of the notification and evidence of each FWD Conditions Precedent (other than as waived or deferred) submitted in accordance with Section 3.3.1, the Independent Appointees shall either:

- (a) approve the FWD Conditions Precedent as being satisfied; or
- (b) reject the FWD Conditions Precedent and convey its objections to FWD.

In the event the Independent Appointees raise any objections under Section 3.3.4(b), FWD shall address and re-submit to the Independent Appointees (with a copy to the Concessionaire) evidence of satisfaction of such FWD Conditions Precedent.

- 3.3.5 The process in Section 3.3.4 shall be repeated until such time that the Independent Appointees have not objected to the satisfaction of such FWD Conditions Precedent.
- 3.3.6 Within thirty (30) days of receipt of the notification and evidence of each Combined Conditions Precedent (other than as waived or deferred) submitted in accordance with Section 3.3.1, the Independent Appointees shall either:
- (a) approve the Combined Conditions Precedent as being satisfied; or
 - (b) reject the Combined Conditions Precedent and convey its objections to the relevant Party (responsible for the non-fulfilment of the relevant Combined Conditions Precedent as determined by the Independent Appointees).

In the event, the Independent Appointees raise any objections under Section 3.3.6(b), the relevant Party(ies) shall address and re-submit to the Independent Appointees evidence of satisfaction of such Combined Conditions Precedent.

- 3.3.7 The process in Section 3.3.6 shall be repeated until such time that the Independent Appointees have not objected to the satisfaction of such Combined Conditions Precedent.

Section 3.4 Commencement Certificate & Commencement Date

- 3.4.1 The Parties jointly undertake to procure that the Independent Appointees collectively issue the Commencement Certificate within three (3) days of the date on which the Independent Appointees are satisfied that each of the:
- (a) Concessionaire Conditions Precedent stand satisfied (and/or waived or deferred by FWD in accordance with Section 3.2.1(a));
 - (b) FWD Conditions Precedent stand satisfied (and/or waived or deferred by the Concessionaire in accordance with Section 3.2.1(b)); and
 - (c) Combined Conditions Precedent stand satisfied (and/or waived or deferred by the Parties in accordance with Section 3.2.1(c)).
- 3.4.2 The Commencement Certificate shall set out the date on which the Commencement Date is achieved.

Section 3.5 Delay in Achieving the Commencement Date

- 3.5.1 If the achievement of the Commencement Date has been delayed due to any failure on the part of FWD to satisfy the FWD Conditions Precedent (and has not otherwise been waived or deferred by the Concessionaire), which is not otherwise attributable to the Concessionaire or any of its Contractors, the Independent Appointees shall confer with the Parties with a view to equitably adjust the Scheduled Commencement Date, taking into account:
- (a) the effect which the Concessionaire demonstrates is solely attributable to FWD's delay or failure and which would not have occurred but for such delay or failure;
 - (b) the ability of the Parties to reschedule their obligations to avoid or minimise the overall resulting delays and ensure that any such adjustment to the Scheduled Commencement Date is limited to that which is necessary and as a consequence of the delay or failure.
- 3.5.2 The remedies set out in this Section 3.5 (*Delay in Achieving the Commencement Date*) shall be the Concessionaire's sole and exclusive remedies with respect to any delay in achieving the Commencement Date by the Scheduled Commencement Date due to any matter referred to in Section 3.5.1, provided that if the Concessionaire fails to achieve the Commencement

Date by the Scheduled Commencement Date (as adjusted under Section 3.5.1), then, unless the Scheduled Commencement Date is extended in accordance with Section 3.5.1, either Party may exercise its right to terminate this Agreement pursuant to Section 22.2 (*Termination due to Non-occurrence of the Commencement Date*).

- 3.5.3 If, for reasons other than those specified under Section 3.5.1, the Concessionaire is unable to achieve the Commencement Date by the Scheduled Commencement Date, it shall provide written notice to the Independent Appointees, no later than twenty (20) days prior to the Scheduled Commencement Date, of its expected inability to achieve the Commencement Date by the Scheduled Commencement Date (the “**Commencement Date Delay Notice**”). Based on the Commencement Date Delay Notice, the Independent Appointees may extend the Scheduled Commencement Date for a period not exceeding one hundred twenty (120) days, as they determine appropriate.
- 3.5.4 The Concessionaire acknowledges that any adjustment to the Scheduled Commencement Date, pursuant to Section 3.5.3, shall not entitle the Concessionaire to any adjustment to the Scheduled Substantial Completion Date, the Scheduled Development Completion Date, the Project Implementation Schedule and the Time for Completion.

ARTICLE 4 SITE AND UTILITIES

Section 4.1 Access

If the Concessionaire (or its Contractors) requires access to the Site prior to execution of the Lease Agreement, for the purposes of conducting preliminary activities such as investigations of the geotechnical or hydrological conditions of the Site, FWD will support the Concessionaire in granting such access. If agreed, such access will be granted to the Concessionaire (or its Contractors) on terms and conditions to be agreed and recorded in writing between the Concessionaire and FWD. If and when such access is granted, the indemnities set out in Article 14 (*Indemnities*) shall become fully effective in respect of the access to and activity on the Site.

Section 4.2 Lease Agreement⁵

- 4.2.1 With effect from the Commencement Date, FWD shall procure that the Site is made available to the Concessionaire upon and subject to the terms of the Lease Agreement for execution of Project Works.
- 4.2.2 The Concessionaire shall be responsible for registration and compliance of other Legal Requirements for execution of the Lease Agreement. All stamp duty, registration fees and other Taxes applicable to and resulting from the Lease Agreement shall be paid by the Sponsor. All present and future federal, provincial, municipal, city district government, taxes, duties, levies or other impositions whatsoever arising out of, and as a result of, the Lease Agreement shall be paid by the Concessionaire and/or the Sponsors. Any payments made by FWD on behalf of the Concessionaire shall be reimbursed by the Concessionaire to FWD within ten (10) days of such payment being made.
- 4.2.3 The Concessionaire agrees to indemnify FWD from all liabilities, Claims, damages, costs, penalties, fines, expenses, fees (including attorney’s fees) and charges of any nature associated with any non-compliance by the Concessionaire of its obligations contained in this Section 4.2 (*Lease Agreement*).

Section 4.3 Access for FWD and their Designees

The Concessionaire shall permit, and shall procure that its Contractors permit FWD, the Independent Appointees, and FWD’s representatives and designees to enter the Site at any time:

⁵ The grant of a lease to the Concessionaire and the execution of the Lease Agreement shall be subject to approval of the Competent Authority. In absence of such approval, a licence agreement shall be executed with the Concessionaire.

- (a) to permit FWD and the Independent Appointees, as may be required, to exercise their rights and comply with their obligations under this Agreement and the other Project Agreements;
- (b) to permit FWD to comply with any laws of Pakistan; and
- (c) in connection with an Archaeological Delay Event for the purposes of liaising with any Competent Authority in Pakistan in connection with the removal of Archaeological Items from the Site.

Section 4.4 Exercise of Access Rights

In exercising the right of access under Section 4.3 (*Access for FWD and their Designees*), each FWD and the Independent Appointees shall cause its representatives and designees to comply with all Pakistan laws and the reasonable directions of the Concessionaire. FWD and the Independent Appointees shall exercise their access rights for the purposes specified in Section 4.3 (*Access for FWD and their Designees*) in a manner that does not interfere with, or increase the cost of, the Concessionaire's activities on the Site and shall adhere to the reasonable safety rules and procedures of the Concessionaire that are consistent with Applicable Standards.

Section 4.5 Access Routes and Transportation

- 4.5.1 The Concessionaire shall be responsible for selection and usage of all transportation means, transportation routes, roads, bridges, highways, and routes to and from the Site in respect of performance of its obligations under this Agreement and FWD shall not be responsible for any Claims attributable to Concessionaire in respect of the same.
- 4.5.2 The Concessionaire shall be responsible for obtaining and maintaining all necessary Concessionaire Permits required for usage of routes and transportation means as contemplated in Section 4.5.1.
- 4.5.3 ~~FWD~~ The Concessionaire (through the relevant Competent Authority) shall at all times ensure that external access roads are adequate and suitable for the Project Works and should be maintained, either directly by FWD or in consultation with the Concessionaire ~~Competent Authority~~, each at the cost of the ~~Concessionaire~~ FWD.

Section 4.6 Site Risks

- 4.6.1 FWD has made available to the Concessionaire the information in FWD's possession in connection with the Site as set out in the Project Scope (the "**Site Information**").
- 4.6.2 The Concessionaire shall be deemed to have obtained all necessary information as to risks, contingencies and other circumstances which may influence or affect the implementation of the Project at the Site.
- 4.6.3 The Concessionaire shall also be deemed to have inspected and examined the Site and its surroundings, analysed, and verified the accuracy and reliability of the Site Information and deemed to have satisfied itself of all the relevant matters including:
 - (a) the nature of the Site, including the subsurface, hydrological, climatic, and general physical conditions of the Site;
 - (b) the suitability of the Site for undertaking the Project Works;
 - (c) the extent, nature and availability of labour, material, transport, accommodation, storage facilities, and other facilities and resources necessary to undertake the Project;
 - (d) the nature of design, Development Works and Operation and Maintenance necessary for the performance of its obligations under this Agreement;

- (e) Applicable Standards for undertaking the Project;
 - (f) the risk of injury or damage to the Adjoining Property and to the occupiers thereof or any other risk;
 - (g) the suitability and adequacy of any access roads to the Site and other Utilities and facilities to be provided by the relevant Competent Authority; and
 - (h) all other matters that may affect the performance of its obligations under this Agreement.
- 4.6.4 The Concessionaire acknowledges that, except as otherwise provided in this Agreement, if any error or discrepancy is subsequently discovered in the data, including the Site Information, made available by FWD or any other person on its behalf, then, such error or discrepancy shall not entitle the Concessionaire to any change in the Time for Completion, and/or compensation for any costs it may incur. Further, any misinterpretation of the data, studies and reports provided by FWD or any other person on its behalf shall not relieve the Concessionaire from the performance of its obligations under this Agreement.

Section 4.7 Disclaimer

- 4.7.1 The Concessionaire acknowledges that it has, after a complete and careful examination, made an independent evaluation of the Project Scope, this Agreement, the Site, the Site Information, existing structures, local conditions and all information provided by FWD (or any other person on its behalf) or obtained, procured or gathered otherwise and has determined to its satisfaction the accuracy or otherwise thereof and the nature and extent of difficulties, risks and hazards as are likely to arise or may be faced by it in the course of performance of its obligations hereunder. FWD makes no representations whatsoever, express, implicit or otherwise, regarding the accuracy, adequacy, correctness, reliability and/or completeness of any assessment, assumptions, statement or information provided by FWD and the Concessionaire confirms that it shall have no Claim whatsoever against FWD in this regard.
- 4.7.2 The Concessionaire acknowledges and accepts the risk of inadequacy, mistakes or errors in or relating to any of the matters specified in Section 4.7.1 and acknowledges and agrees that FWD shall not be liable for the same in any manner whatsoever to the Concessionaire or any person claiming through or under any of them.
- 4.7.3 Any mistake or error in or relating to any of the matters specified in Section 4.7.1 shall not vitiate this Agreement or render it voidable.
- 4.7.4 In the event that either Party becomes aware of any mistake or error relating to any of the matters specified in Section 4.7.1, that Party shall immediately Notify the other Party, specifying the mistake or error; provided, however, that a failure on part of FWD to give any notice pursuant to this Section 4.7.4 shall not prejudice the disclaimer contained in Section 4.7.1 and shall not in any manner reallocate to FWD any risks, obligations or liabilities assumed by the Concessionaire pursuant to this Agreement.
- 4.7.5 Except as otherwise provided in this Agreement, all risks relating to the Project shall be borne by the Concessionaire and FWD shall not be liable in any manner for such risks or the consequences thereof.

Section 4.8 Site Security

From the Commencement Date, the Concessionaire shall be responsible for making all necessary arrangements to secure the Site, and all persons, moveable, and immoveable properties present at or forming part of the Site, in accordance with the Applicable Standards (including the Project Scope).

Section 4.9 Existing Utilities

- 4.9.1 Notwithstanding anything to the contrary contained herein, the Concessionaire shall:

- (a) ensure that the respective entities owning the existing Utilities on, under, or above the Site are enabled by the Concessionaire to keep such Utilities in continuous satisfactory use, if necessary, by providing suitable temporary or permanent diversions in cooperation with the Competent Authority of that utility;
- (b) be responsible for, at its own cost and risk:
 - ~~(i) —~~ identifying the existing Utilities;
 - ~~(ii)(i) supervision during the relocation of existing Utilities in relation to the agreed alignment (for excavation, laying, backfilling, erection of Utility, poles and etc.); and~~
 - ~~(iii)(ii)~~ rectification of any breach by the Concessionaire of its obligations under Section 4.9.1.

4.9.2 FWD ~~will use its best endeavours to assist the Concessionaire in (through the relevant Competent Authority) shall be responsible for the~~ relocation of any existing Utilities (if required) in relation to the agreed alignment (for excavation, laying, backfilling, erection of Utility, poles and etc.) for the Project, at the risk and cost of ~~the Concessionaire~~FWD, including initiating legal proceedings for acquisition of any right of way necessary for such diversion.

Section 4.10 Utilities

4.10.1 The Concessionaire shall be responsible for:

- (a) procuring, at its own cost, risk, and expense, all Utilities required for:
 - (i) the Project Works; and
 - (ii) the reinstatement of the Site in accordance with the Handover Conditions;
- (b) securing all supplies of telecommunications and all waste disposal services required for the Project either from its own resources or from the applicable authorities, at published tariffs, and in accordance with the standard terms and conditions of supply, and to pay for such supplies in accordance with applicable terms and conditions; and
- (c) coordinating with the relevant Utility provider to relocate any infrastructure under or over the Site, and the cost of such relocation shall be borne by the Concessionaire.

Section 4.11 Water and Irrigation

- 4.11.1 The Concessionaire shall use water available within, and historically allocated to, the Site for the purposes of the Project Works, including use of, *inter alia*, sub-surface water, water collected or otherwise retained, or available on the Site. The Concessionaire will be responsible for monitoring rainfall data and updating water availability forecast to prepare in advance.
- 4.11.2 The Concessionaire may, at its own cost and expense, procure additional allocation of water for the purposes of the Project, in accordance with the Legal Requirements.

ARTICLE 5 GENERAL UNDERTAKINGS

Section 5.1 Concessionaire’s Undertakings

5.1.1 The Concessionaire shall, at its own cost and expense:

- (a) comply with and perform all duties, obligations, acts, deeds and obligations under this Agreement in accordance with the Applicable Standards;

- (b) continuously and diligently undertake, perform and complete all Project Works and the Project:
 - (i) in accordance with the Applicable Standards within the timelines provided in this Agreement;
 - (ii) in a manner that maximizes the GHG Reductions or Removals, Co-benefits, Issuance of Carbon Credits and the Project Revenues; and
 - (iii) in a manner that ensures all Carbon Credits generated from the Project are timely sold pursuant to the terms of this Agreement;
- (c) ensure that any amendments to the Project Carbon Standard are complied with in respect of the Project Works, to the extent required by such Project Carbon Standard Body;
- (d) procure the Letter of Approval, in accordance with the Applicable Laws and requirements of the Project Carbon Standard, to ensure that Corresponding Adjustments are applied to Pakistan's NDC for each Carbon Credit Issued to the Project;
- (e) investigate, study, finance, design, implement, develop, operate and maintain the Project in accordance with the Applicable Standards;
- (f) ensure and achieve each Implementation Milestone on or prior to its Implementation Milestone Date in accordance with the Applicable Standards;
- (g) ensure and achieve the following, each in accordance with the Applicable Standards:
 - (i) Substantial Completion on or prior to the Scheduled Substantial Completion Date; and
 - (ii) Development Completion on or prior to the Scheduled Development Completion Date;
- (h) following the Effective Date and, thereafter, at all times during the Concession Period:
 - (i) obtain all Concessionaire Permits and maintain in full force and effect, as necessary (including any renewals of the same), for implementation of the Project in conformity with the Applicable Laws and comply thereof and deliver copies of the same to FWD and the Independent Appointees;
 - (ii) comply with and perform all duties, obligations, acts, and deeds set out in this Agreement, the Project Agreements, the Material Agreements, the Carbon Credit Sale Agreements, the Ancillary Activities Agreement, and any other contract to which it is a party, or otherwise required in accordance with the Legal Requirements; and
 - (iii) comply with the Applicable Standards,

without limiting the generality of the foregoing, the Concessionaire specifically acknowledges that the applicable laws of Pakistan and Concessionaire Permits issued by a Competent Authority in Pakistan may from time to time prohibit the import of goods or services manufactured, supplied or performed from or by any Adverse Person and undertakes not to import any such goods or services;
- (i) fund the Project Cost including any Cost Overruns for the Project;
- (j) appoint, supervise, monitor and control as necessary, the activities of the Contractors under the relevant Material Agreements, Project VVBs, under the relevant contracts;
- (k) make all efforts to maintain harmony and good industrial relations among the personnel employed by the Concessionaire in connection with the performance of its obligations under this Agreement;

- (l) make its own arrangements for any equipment, goods or materials required for the Project Works and observe and fulfil the Environmental Legal Requirements and other requirements under the Applicable Standards;
- (m) be responsible for strict compliance with the relevant Applicable Standards (including the Project Scope) notwithstanding the appointment by it of the Contractors for performance of the Project Works (or any part thereof);
- (n) ensure that, following the handover of the possession of the Site to the Concessionaire, the Site remains free from all encroachments and takes all steps necessary to remove encroachments, if any;
- (o) afford access of the Site to the authorized representatives of FWD (including FWD's Representative), the Independent Appointees and any Competent Authority having jurisdiction over the Project, including those concerned with safety, security or environmental protection to inspect the Project Works and the Project and to investigate any matter within their authority and upon reasonable notice, provided that in each case, FWD shall facilitate the Concessionaire at the Concessionaire's request;
- (p) not engage in any business or activity other than the business or activity related to, and conducted for, the purpose of the Project and/or other than as provided in this Agreement;
- (q) make all payments to FWD of the amounts due and payable by the Concessionaire in accordance with the terms of this Agreement and the Project Agreements;
- (r) provide to FWD (including FWD's Representatives) and the Independent Appointees all such information relating to the Project, the execution, and completion of the same, as is reasonably requested by FWD (including FWD's Representatives) and the Independent Appointees from time to time;
- (s) Notify FWD and the Independent Appointees (as applicable) without undue delay upon becoming aware of any changes in the information provided and/or to be provided by the Concessionaire pursuant to the Applicable Standards;
- (t) provide all necessary assistance to FWD and FWD's Representative as may be reasonably required;
- (u) provide all necessary assistance to the Independent Appointees as the same may reasonably require for the performance of their duties and services in accordance with the Independent Expert Contract and the Independent Auditor Contract (as applicable), respectively, and for the performance of their roles and obligations contemplated under the Project Agreements;
- (v) market the Carbon Credits in accordance with the Marketing Plan;
- (w) remedy any Defects & Deficiencies in the Project Works (including in the performance of the same) and/or the Project at its own cost and risk in accordance with Section 7.6 (*Remedying Defects & Deficiencies*);
- (x) ensure that the Project Agreements, Material Agreements, Carbon Credit Sale Agreements, Ancillary Activities Agreements, and any other contracts entered into by the Concessionaire, shall not be inconsistent with the terms and conditions of this Agreement;
- (y) submit from time to time to FWD and the Independent Expert its detailed design, implementation methodology and quality assurance procedures for implementation and completion of the Project in accordance with the Applicable Standards (including the Project Scope) and the same shall be subject to the review and approval of the Independent Expert;

- (z) undertake, do and perform from time to time, all such acts, deeds and things as may be necessary or required before commencement of Project Works (or any part thereof) for the performance of the Project Works under and in accordance with the Applicable Standards (including the Project Scope);
- (aa) ensure the safety of the Project;
- (bb) maintain the Site and the Project in good condition in accordance with the requirements under the Applicable Standards (including the Project Scope);
- (cc) take all necessary measures to confine the Project Works, its personnel and equipment to the Site and not encroach on any Adjoining Property;
- (dd) make good any damage to any roads, footpaths, conduits, and other works on any Adjoining Property, which is caused by the Concessionaire, its Contractors, Project VVBs, Third Party Contractors, or employees;
- (ee) use all reasonable endeavours not to do or permit to be done anything which might:
 - (i) cause destruction, scarring or defacing of natural surroundings in the vicinity of the Site;
 - (ii) be or become a danger or nuisance or give rise to liability in tort to any owners or occupiers of the Adjoining Property or to members of the public; or
 - (iii) cause any contamination or damage to any Adjoining Property;
- (ff) obtain at its cost such other facilities, as may be required by the Concessionaire for the purposes of the Project and the performance of its obligations under this Agreement;
- (gg) maintain its corporate existence and its rights to carry on operations of its business;
- (hh) conduct its affairs in a manner so as to not give the Project Carbon Standard Body cause to block, suspend, refuse, reject or cancel:
 - (i) the Registration of the Project; or
 - (ii) the Issuance or Transfer (whether in whole or in part) of any Carbon Credits;
- (ii) provide reliable and replicable data and reports to the Project Carbon Standard Body to ensure that each GHG Reduction or Removal giving rise to any Carbon Credits is calculated in accordance with the methodology of the Project Carbon Standard;
- (jj) ensure that each Carbon Credit, which is Transferred in accordance with this Agreement, has not been cancelled, Retired, revoked or otherwise removed by the Project Carbon Standard Body as of the date of the relevant Transfer;
- (kk) ensure that all Carbon Credits are uniquely serial-numbered and comply with international requirements to prevent double counting, including provisions under Article 6 of the Paris Agreement;
- (ll) ensure that planting densities, species selection, and site preparation align with methodologies recognized under leading Carbon Standards, including biodiversity and ecosystem compatibility;
- (mm) ensure that the Buffer Credits deposited into the buffer pool are not traded or sold, or otherwise, used or Retired, except in accordance with the rules of the Carbon Standard Body;
- (nn) ensure that the Project Works do not result in excessive deterioration (including soil erosion) and/or disturbances in or around the Site;

- (oo) ensure that the Project Works do not introduce or facilitate the introduction or spread of any invasive species on the Site;
- (pp) ensure that any waste products arising from the Site or as a consequence of the Project Works:
 - (i) are treated and disposed of in accordance with the Legal Requirements; and
 - (ii) do not cause pollution or contamination within or beyond the Project Zone;
- (qq) ensure that any artificial ponds developed for the purposes of the Project Works utilize the existing topographical conditions of the Site; and
- (rr) provide the FWD, contemporaneously, with a carbon copy of all written communications, notices, submissions, filings, and responses sent to the Project Carbon Standard Body in respect of the Project and promptly furnish to the FWD a true and complete copy of any communication, notice, or correspondence received from the Project Carbon Standard Body relating to the Project.

5.1.2 The Concessionaire shall not undertake:

- (a) any agricultural farming activities on the Site;
- (b) any activities that negatively impact the Issuance or quality of the Carbon Credits;
- (c) any activities that negatively impact the local community or biodiversity in the Project Zone;
- (d) any use of water which results in environmental damage, pollution, shortage of water for the local community or infringes any existing rights over water available in the Project Zone;
- (e) any use of genetically modified organism (GMO) seeds for the purposes of Project Works;
- (f) any digging or excavation activities that result in excessive GHG emissions from the Site;
- (g) any activities that directly negatively impact the suitability of the Complementary Land Parcels for any of the Complementary Projects;
- (h) any activities that create activity shifting, market effects and ecological leakages, as defined under the Project Carbon Standard; and
- (i) any activities that may be detrimental to the Project or in contravention of the Project Carbon Standard.

5.1.3 The Concessionaire shall not create or permit to subsist any Encumbrances on the Project, the Site or the Shares in favour of any person, including the Financing Parties, provided that such restriction shall not apply to Encumbrances arising by operation of the Applicable Laws in the ordinary course of business of the Project.

5.1.4 The Concessionaire acknowledges that the obligations, works, duties and/or requirements set out under the Project Scope shall constitute the minimum obligations of the Concessionaire in relation to the Project Works. Accordingly, the Concessionaire shall, in undertaking the Project Works, perform any activities (at its own costs, risk and expense) that may be mandated under the Applicable Standards, beyond the Project Scope, to achieve the GHG Reductions or Removals, and ensure Issuance and sale of Carbon Credits, in an optimal manner.

Section 5.2 Undertakings of FWD

5.2.1 FWD undertakes to the Concessionaire that FWD shall:

- (a) upon the written request from the Concessionaire, subject to the compliance by the Concessionaire with Applicable Standards and at the risk and cost of the Concessionaire:
 - (i) provide reasonable support and assistance to the Concessionaire in procuring Concessionaire Permits under the laws of Pakistan required from any Competent Authority in Pakistan for development of the Project;
 - (ii) provide assistance to the Concessionaire in obtaining access to all necessary infrastructure facilities and Utilities required for the Project; and
 - (iii) provide reasonable support and assistance to the Concessionaire in securing the Registration and Validation, and thereafter, Verifications and Issuances, provided, however, the provision of any assistance by FWD (including delay or omission to provide such assistance) shall not relieve or absolve the Concessionaire of its obligations under this Agreement;
- (b) upon request from the Concessionaire provide reasonable assistance to the Concessionaire in procuring police assistance for removal of trespassers and/or encroachments on the Site, provided however, the provision of any assistance by FWD (including delay or omission to provide such assistance) shall not relieve or absolve the Concessionaire of its obligations under this Agreement; and
- (c) not undertake any of the following activities in the Managed Areas in a manner that directly increases the GHG emissions from the Site, diminishes the capacity of the Site to achieve GHG Reductions or Removals, or adversely impacts the integrity of the Carbon Credits generated from the Project:
 - (i) release or use agrochemicals, fertilizers and pesticides; or
 - (ii) introduce, store or utilize combustible materials, or carry out of any activity that may create a fire hazard.

Section 5.3 Concessionaire's Representative

- 5.3.1 Within thirty (30) days following the Effective Date, the Concessionaire shall appoint and Notify to FWD and the Independent Appointees an individual to act on behalf of the Concessionaire as Concessionaire's Representative under this Agreement. The Concessionaire gives the Concessionaire's Representative all authority necessary to act on the Concessionaire's behalf under this Agreement.
- 5.3.2 The Concessionaire shall not, without the prior approval of FWD, revoke the appointment of the Concessionaire's Representative or appoint a replacement. The approval by FWD shall not be unreasonably withheld, conditioned or delayed; provided, however, in the event FWD fails to grant its approval or disapproval to the Concessionaire for the appointment and/or substitution of the Concessionaire's Representative within fifteen (15) days following the receipt of such request by FWD from the Concessionaire, the approval of FWD for the appointment and/or substitution of the Concessionaire's Representative shall be deemed accorded. The Concessionaire unconditionally and irrevocably confirms, acknowledges and agrees that the liability of the Concessionaire for the performance of its obligation pursuant to this Agreement shall neither be rescinded, waived, reduced, cancelled, terminated and / or in any manner adversely impacted as a direct and/or indirect consequence of the approval or otherwise of FWD pursuant to this Section 5.3.2.
- 5.3.3 The Concessionaire's Representative may delegate any powers, functions and authority to any competent person, and may at any time revoke the delegation. Any delegation or revocation shall not take effect until FWD has received prior notice signed by the

Concessionaire’s Representative, naming the person and specifying the powers, functions and authority being delegated or revoked.

- 5.3.4 The Concessionaire’s Representative and all these persons shall be fluent in the language for communications defined in Section 30.8 (*Language*).

Section 5.4 FWD’s Representative

- 5.4.1 Unless already appointed, FWD shall within seven (7) days following the Effective Date, designate one or more persons as FWD’s Representative to act on its behalf under this Agreement. The duties and authority of FWD’s Representative are to administer this Agreement, to monitor progress of the Concessionaire in completion of the Project Works and to monitor the Concessionaire’s performance with respect to the Project and other such duties as may be required to confirm the Concessionaire’s fulfilment of its obligations under this Agreement and to exercise the duties and rights of FWD under this Agreement.
- 5.4.2 FWD’s Representative shall carry out the duties assigned to it, and shall exercise the authority delegated to it, by FWD. Notwithstanding the appointment of FWD’s Representative with power to monitor and supervise the progress of the Concessionaire, the Concessionaire shall remain fully responsible for its obligations under this Agreement and knowledge of FWD’s Representative of any activities of the Concessionaire will not have the effect of absolving the Concessionaire of its obligations or liabilities under this Agreement.
- 5.4.3 If FWD wishes to replace any person appointed as FWD’s Representative, FWD shall give the Concessionaire not less than fourteen (14) days’ notice.

Section 5.5 Key Personnel

- 5.5.1 Within thirty (30) days of the Commencement Date, the Concessionaire shall: (a) ensure that all the Key Personnel are employed by the Concessionaire; and (b) notify FWD and the Independent Appointees of the names of the Key Personnel, along with their respective qualifications and supporting documents, including the individuals nominated in the Proposal.
- 5.5.2 The Key Personnel are considered essential to undertaking the Project Works in accordance with the Applicable Standards, and the Concessionaire shall ensure that the Key Personnel are engaged by the Concessionaire throughout the Concession Period.
- 5.5.3 Prior to replacing any of the Key Personnel, the Concessionaire shall notify both the Independent Expert and FWD reasonably in advance and shall submit written justification (including proposed substitutions) for such change.
- 5.5.4 No replacement of the Key Personnel shall be made by the Concessionaire without the prior written approval of the Independent Expert and FWD, which shall not be unreasonably withheld.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

Section 6.1 Representations and Warranties of the Concessionaire

The Concessionaire represents and warrants to FWD that:

- (a) it is duly organized and validly existing under the laws of Pakistan, and has full power and authority to execute and perform its obligations under this Agreement and to carry out the transactions contemplated hereby;
- (b) it has taken all necessary corporate and other actions under Applicable Laws to authorize the execution and delivery of this Agreement and to validly exercise its rights and perform its obligations under this Agreement;
- (c) it has the financial standing and capacity to undertake the Project in accordance with the terms of this Agreement;

- (d) this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms hereof, and its obligations under this Agreement will be legally valid, binding and enforceable obligations against it in accordance with the terms hereof;
- (e) it is subject to the laws of Pakistan, and expressly and irrevocably waives any immunity (including sovereign immunity) in any jurisdiction in respect of this Agreement or matters arising thereunder including any obligation, liability or responsibility hereunder;
- (f) the execution, delivery and performance of this Agreement will not conflict with, result in the breach of, constitute a default under, or accelerate performance required by any of the terms of its Constitutional Documents or any Applicable Standards or any covenant, contract, including the Lease Agreement, arrangement, understanding, decree or order to which it is a party or by which it or any of its properties or assets is bound or affected;
- (g) there are no actions, suits, proceedings, or investigations pending or, to its knowledge, threatened against it under the Applicable Laws before any court or before any other judicial, quasi-judicial or other authority, the outcome of which may result in the breach of this Agreement or which individually, or in the aggregate, may result in any material impairment of its ability to perform any of its obligations under this Agreement;
- (h) it has no knowledge of any violation or default with respect to any order, writ, injunction or decree of any court or any legally binding order of any Competent Authority which may result in any Material Adverse Effect on its ability to perform its obligations under this Agreement and no fact or circumstance exists which may give rise to such proceedings that would adversely affect the performance of its material obligations under this Agreement;
- (i) it has complied with Applicable Standards in all material respects and has not been subject to any fines, penalties, injunctive relief or any other civil or criminal liabilities which in the aggregate have, or may have, a Material Adverse Effect on its ability to perform its obligations under this Agreement;
- (j) it acknowledges that FWD may commence/ develop or procure the commencement/ development of any other projects from any person in the areas surrounding the Site and the Concessionaire may not Claim any exclusivity in relation to development rights in the vicinity of the Site or otherwise;
- (k) no representation or warranty made by the Concessionaire and contained herein or in any other document furnished by it to FWD or to any Competent Authority in relation to Concessionaire Permits contains any untrue or misleading statement of material fact or omits or will omit to state a material fact necessary to make such representation or warranty not misleading;
- (l) it has undertaken all acts and deeds necessary and complied with all Legal Requirements and the RFP for the award of the Concession and the performance of its obligations under this Agreement;
- (m) no sums, in cash or kind, have been paid or will be paid, by it or on its behalf, to any person by way of fees, commission or otherwise for securing its engagement for the implementation of the Project or entering into this Agreement or for influencing or attempting to influence any officer or employee of FWD in connection therewith and neither the Concessionaire nor the Sponsor (together with their Contractors) have engaged in any corrupt act in respect of the foregoing;
- (n) it, its Sponsors, and any of their related bodies corporate will exercise good faith and honesty in all of their transactions and dealings with the Concessionaire in respect of the Project;

- (o) neither the Concessionaire nor the Sponsors have committed a breach in respect of their payment obligations in relation to any financial indebtedness; and
- (p) the Sponsor(s) own one hundred percent (100%) of the Shares as of the Effective Date and no Encumbrances exist on such Shares.

Section 6.2 Representations and Warranties of FWD

FWD represents and warrants to the Concessionaire that:

- (a) it has the power and authority to enter into and perform its obligations under this Agreement;
- (b) this Agreement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation;
- (c) there is no pending or threatened litigation or Claim which would materially impair its ability to perform its obligations under this Agreement; and
- (d) the performance of its obligations under this Agreement will not result in the breach of any term or provision of, or constitute a default under, any judgment, decree, indenture, mortgage or other agreement or instrument to which it is a party or by which it is bound, nor will such performance conflict with any decree, charter, by-law or similar provision applicable to FWD. There are no conflicts or violations of Applicable Laws that would materially affect its right or ability to comply with the terms of this Agreement.

Section 6.3 Disclosure

- 6.3.1 In the event that any occurrence or circumstance comes to the attention of either Party that renders any of its aforesaid representations or warranties untrue or incorrect, such Party shall immediately Notify the other Party of the same. Such notification shall not have the effect of remedying any breach of the representation or warranty that has been found to be untrue or incorrect nor shall it adversely affect or waive any right, remedy or obligation of either Party under this Agreement or any Project Agreements.
- 6.3.2 In the event any statement, representation or warranty made by the Concessionaire in this Agreement is rendered incorrect, in any material respect, due to any occurrence or circumstance, when made or reaffirmed and such incorrect statement, representation or warranty has materially impaired the Concessionaire's ability to perform its obligations under this Agreement then such incorrect statement, representation or warranty shall constitute a Concessionaire Event of Default, and FWD may, at its sole discretion and without prejudice to its other rights and remedies available under the Project Agreements, terminate this Agreement in accordance with Article 22 (*Termination*).

Section 6.4 Sovereign Immunity

- 6.4.1 FWD unconditionally and irrevocably:
 - (a) agrees that the execution, delivery and performance by it of this Agreements and all other agreements, documents and writings relating to the same constitute private and commercial acts and not public or governmental acts;
 - (b) agrees that should any proceedings be brought against it or its assets (other than any of its assets which are significant in respect of national security of Pakistan (the "**Protected Assets**") as determined in its sole discretion) in any jurisdiction in relation to this Agreement, no immunity, sovereign or otherwise, from such proceedings, execution, attachment or other legal process shall be claimed by or on behalf of itself or with respect to any of its assets (other than the Protected Assets); and

- (c) waives any such right of immunity, sovereign or otherwise, which FWD or its assets now has or may acquire in the future (other than the Protected Assets), in respect of proceedings under this Agreement.

6.4.2 The Concessionaire expressly and irrevocably waives any immunity in any jurisdiction in respect of this Agreement and/or any matters arising hereunder including any obligation, liability, or responsibility hereunder.

Section 6.5 Project Implementation Unit

The Project Implementation Unit shall oversee day-to-day implementation of the Project on behalf of FWD, in accordance with its functions outlined in the applicable laws of Pakistan. The Concessionaire shall provide all necessary cooperation to the Project Implementation Unit to allow it to carry out its functions.

ARTICLE 7 OBLIGATIONS OF THE CONCESSIONAIRE

Section 7.1 Obligations relating to Project Agreements

Unless stated otherwise in this Agreement, it is expressly agreed that the Concessionaire shall, at all times, be responsible and liable for all of its obligations under this Agreement, notwithstanding anything contained in the Project Agreements, and no default under any Project Agreements shall excuse the Concessionaire from their obligations or liability hereunder.

Section 7.2 Personnel

The Concessionaire shall:

- (a) ensure that an adequate number of suitably skilled and experienced contractors, architects, workmen and other personnel are engaged to undertake the Project;
- (b) be solely responsible for the work performed by any Contractors, staff and labour engaged by it to execute the Project Works and for payment of all applicable labour charges, fees, cess payable in accordance with the Applicable Laws (including labour welfare legislations);
- (c) ensure that its Contractors provide all necessary amenities and welfare facilities for the staff and labour engaged by them at the Site and comply with all applicable labour laws;
- (d) indemnify and hold harmless FWD from and against all Claims, liabilities, expenses, costs and losses suffered or incurred by FWD due to the Concessionaire's, any Contractor's, or any Project VVBs' failure to comply with any Applicable Laws (including labour welfare legislations); and
- (e) be responsible for the acts or defaults of any Contractors, staff and labour engaged by it, as fully as if they were the acts or defaults of the Concessionaire. Any subcontracting by the Concessionaire of any portion of the Project Works shall not release or discharge the Concessionaire of any of its responsibilities or obligations under the Agreement.

Section 7.3 Concessionaire Permits

7.3.1 The Concessionaire shall make or cause to be made, in a timely fashion, all applications (whether initial or renewal applications) for the Concessionaire Permits in the prescribed form and with the prescribed fee (in each case, in accordance with the Applicable Laws) to the appropriate Competent Authority and shall diligently pursue all such applications. The information supplied in the applications shall be complete and accurate and shall satisfy the substantive and procedural requirements of the Applicable Laws.

- 7.3.2 The Concessionaire shall make or cause to be made, at least monthly, prior to the Development Completion Date, reports listing its schedule for submitting Concessionaire Permits application forms or renewal application forms, the status of any Concessionaire Permit applications then outstanding, notifications of the granting or denial of any Concessionaire Permit or Concessionaire Permit renewal, and notifications of any violations of any Concessionaire Permit. Each report shall be submitted to FWD and the Independent Appointees and shall include copies of all applications and notifications discussed in the report which have not been provided with a previous report. The first section of each report shall also summarize any problems regarding any Concessionaire Permit or Concessionaire Permit application that may materially affect the Concessionaire's performance under any Project Agreements.

Section 7.4 Development Performance Security

- 7.4.1 Prior to the Effective Date, the Concessionaire has delivered to FWD the Development Performance Security. The Concessionaire shall, within ten (10) days of approval of the financial model in accordance with Section 7.7 (*Base Case Financial Model*), but in any case, fifteen (15) days prior to the Scheduled Commencement Date, increase the face amount of the Development Performance Security to ensure that it is equal to the Development Performance Security Amount. The Concessionaire shall additionally ensure that the Development Performance Security is maintained in full force and effect in accordance with this Section 7.4 (*Development Performance Security*). The Development Performance Security shall:

- (a) be issued and maintained without any recourse on the Concessionaire, its assets or properties; and
- (b) not be secured through any assets forming part of the Project, the Site or the Shares and no Encumbrance of any nature shall be created on the assets and properties of the Concessionaire in respect of the same.

All costs, expenses, fees and other charges of any nature, in each case, associated with the issuance, maintenance and encashment of the Development Performance Security shall solely be on account of the Sponsor(s). Within fifteen (15) days of receipt of the Development Performance Security, FWD shall return the Bid Security (as submitted pursuant to the RFP) to the Sponsors.

- 7.4.2 The Development Performance Security shall secure:

- (a) all of the Sponsor's obligations, liabilities, payments, indemnities, representations, guarantees, warranties and responsibilities under the Project Agreements to which the Sponsor(s) is a party; and
- (b) all of the Concessionaire's obligations, liabilities, payments, liquidated damages, indemnities, representations, guarantees, warranties and responsibilities under the Project Agreements including the integrity and quality of the Concessionaire's and its Contractors' workmanship, the timely and continuous performance of the Project Works by the Concessionaire and compliance of the same with the Applicable Standards.

- 7.4.3 The Development Performance Security shall come into force and become automatically effective upon issuance and delivery of the same to FWD.

- 7.4.4 The Development Performance Security shall be encashable in accordance with the terms thereof and shall be payable on FWD's first written demand without any prior notice, reference or recourse to the Concessionaire, the Sponsor(s) or any other entity.

- 7.4.5 The Concessionaire shall be obligated to maintain and keep valid the Development Performance Security until the date falling one hundred and eighty (180) days following the Substantial Completion Date (the "**Development Performance Security Expiry Date**"). If the Development Performance Security is to expire prior to the Development Performance Security Expiry Date, the Concessionaire shall extend the validity of the Development

Performance Security, at least twenty-eight (28) business days prior to its expiry, so as to keep it valid and enforceable until the Development Performance Security Expiry Date. In the event of failure by the Concessionaire to keep valid or extend the validity of the Development Performance Security in accordance with this Section 7.4.5, FWD shall have the right to encash the Development Performance Security at any time to its full outstanding value.

- 7.4.6 If, subsequent to the issuance of the Development Performance Security, the issuing bank of the Development Performance Security is no longer an Acceptable Bank, then, upon the instructions of FWD, the Concessionaire shall procure from an Acceptable Bank, a substitute Development Performance Security satisfactory to FWD. Upon receipt of such substitute Development Performance Security in the form and substance satisfactory to FWD, FWD shall return the earlier issued Development Performance Security to the Concessionaire.
- 7.4.7 In the event the Development Performance Security is encashed in accordance with this Agreement, the Concessionaire shall, within fifteen (15) business days, restore the Development Performance Security to ensure that the face amount is (at all times) equal to the Development Performance Security Amount.
- 7.4.8 Upon the Independent Appointees jointly issuing a certificate confirming: (a) the occurrence of Development Performance Security Expiry Date; and (b) no claim for payment is outstanding on such date, in which case it will be returned on satisfaction or resolution (as applicable) of such claim. The Development Performance Security shall be returned to the Concessionaire by FWD within ten (10) business days of receipt by FWD of the afore-stated certificate.

Section 7.5 O&M Performance Security

- 7.5.1 The Concessionaire undertakes to procure issuance and delivery to FWD of the O&M Performance Security from time to time in accordance with Section 7.5 (*O&M Performance Security*).
- 7.5.2 The Concessionaire shall deliver the O&M Performance Security to FWD no later than twenty (20) days prior to the Scheduled Substantial Completion Date.
- 7.5.3 The O&M Performance Security:
 - (a) shall be issued and maintained without any recourse on the Concessionaire, its assets or properties; and
 - (b) shall not be secured through any assets forming part of the Project and no Encumbrance of any nature shall be created on the assets and properties of the Concessionaire in respect of the same.

All costs, expenses, fees and other charges of any nature, in each case, associated with the issuance, maintenance and encashment of the O&M Performance Security shall solely be on account of the Concessionaire.

- 7.5.4 The O&M Performance Security shall secure:
 - (a) all of the Sponsor's obligations, liabilities, payments, indemnities, representations, guarantees, warranties and responsibilities under the Project Agreements to which the Sponsor(s) is a party; and
 - (b) all of the Concessionaire's obligations, liabilities, payments, liquidated damages, indemnities, representations, guarantees, warranties and responsibilities under the Project Agreements including the integrity and quality of the Concessionaire's and its Contractors' workmanship, the timely and continuous performance of the Project Works by the Concessionaire and compliance of the same with the Applicable Standards.

- 7.5.5 The O&M Performance Security shall come into force and become automatically effective on the Scheduled Substantial Completion Date.
- 7.5.6 The O&M Performance Security shall be encashable in accordance with the terms thereof and shall be payable on FWD’s first written demand without any prior notice, reference or recourse to the Concessionaire, the Sponsor(s) or any other entity.
- 7.5.7 The O&M Performance Security provided by the Concessionaire shall remain in force and effect until the later of: (a) expiry of a period of one hundred and eighty (180) days from the Final Expiry Date; and (b) the date determined in accordance with Section 23.1.3 (the “**O&M Performance Security Expiry Date**”). In the event an O&M Performance Security is to expire prior to the O&M Performance Security Expiry Date, the Concessionaire shall extend the validity of the O&M Performance Security, at least twenty-eight (28) business days prior to its expiry, so as to keep it valid and enforceable until the O&M Performance Security Expiry Date. In the event of failure by the Concessionaire to keep valid or extend the validity of any O&M Performance Security in accordance with this Section 7.5.7, FWD shall have the right to encash such O&M Performance Security at any time prior to its expiry to its full outstanding value.
- 7.5.8 The Concessionaire shall ensure that the face amount of the O&M Performance Security shall, prior to the start of each Operating Year, be equal to the applicable O&M Performance Security Amount for such Operating Year. Failure of the Concessionaire to comply with this Section 7.5.8 shall entitle FWD to encash the full amount of the O&M Performance Security and any such encashment shall not relieve the Concessionaire from its obligation to provide and maintain a valid and effective O&M Performance Security in terms of this Agreement.
- 7.5.9 In the event that subsequent to the issuance of the O&M Performance Security, the issuing bank of the O&M Performance Security is no longer an Acceptable Bank, then, upon the instructions of FWD, the Concessionaire shall procure from an Acceptable Bank, a substitute O&M Performance Security satisfactory to FWD. Upon receipt of such substitute O&M Performance Security in the form and substance satisfactory to FWD, FWD shall return the earlier issued O&M Performance Security to the Concessionaire.
- 7.5.10 In the event of any encashment of the O&M Performance Security in accordance with this Agreement, the Concessionaire shall, within fifteen (15) business days, restore the available amount under the O&M Performance Security to ensure that at all times until the Final Expiry Date, an amount equivalent to the O&M Performance Security Amount remains available for encashment under the O&M Performance Security.
- 7.5.11 The O&M Performance Security shall be returned to the Concessionaire on the O&M Performance Security Expiry Date, provided that no claim for payment is outstanding on such date, in which case it will be returned on satisfaction or resolution (as applicable) of such claim.

Section 7.6 Remedying Defects & Deficiencies

- 7.6.1 The Concessionaire warrants that:
 - (a) the Project Works shall be performed in good workmen like manner and shall be free from all Defects & Deficiencies; and
 - (b) the Project shall comply with the Applicable Standards.
- 7.6.2 In order that the Project Works and the Project comply with the foregoing warranties and that the same are in the condition required by this Agreement, the Concessionaire shall execute all works and services relating to amendment, reimplementation, and remedying of Defects & Deficiencies (including the removal, replacement, replantation and reinstallation, and reinspection of repaired or replaced portions of the Project Works (if appropriate following Applicable Standards)) at its own cost, risk, and expense (except for any Increased Costs payable under Article 20 (*Increased Costs*)).

Section 7.7 Base Case Financial Model

- 7.7.1 Within one hundred twenty (120) days of the Effective Date, the Concessionaire shall submit to the Independent Appointees (with a copy to FWD) a proposed financial model with respect to the Project in compliance with the Applicable Standards. Within fifteen (15) days of receipt of such financial model the Independent Auditor shall either:
- (a) approve the financial model (the “**Base Case Financial Model**”), and certify the estimated Project Cost (the “**Pre-Estimated Project Cost**”);
 - (b) reject the financial model and convey their comments/observations (if any) to the Concessionaire.
- 7.7.2 The Concessionaire shall (at its own cost and expense) re-submit the revised financial model no later than fifteen (15) days from receipt of the rejection and/or comments/observations under Section 7.7.1(b) (if applicable), and the approval process under this Section 7.7 (*Base Case Financial Model*) shall be repeated.

Section 7.8 Material Agreements

- 7.8.1 If the Concessionaire intends to enter into any Material Agreements in respect of the Project, the draft of any such Material Agreements to be entered into by the Concessionaire shall be provided to the Independent Expert for review at least thirty (30) days prior to the Scheduled Commencement Date. Prior to execution of any Material Agreements, the Concessionaire shall address any comments made by the Independent Expert. Promptly following the execution of any Material Agreement, the Concessionaire shall deliver copies to the Independent Expert and FWD.
- 7.8.2 The Concessionaire may not enter into:
- (a) any material amendments, modifications or supplements to, or waivers under any of the Project Agreements and Material Agreements;
 - (b) any new material contracts after the Commencement Date, including any new contracts for the development activities on the Site,

without first giving the Independent Appointees ~~and FWD~~ thirty (30) days’ notice (or sixty (60) days’ notice where Section 7.8.4 applies) of such matter and obtaining the prior written approval of the Independent Appointees ~~and FWD~~, which approvals shall not be unreasonably withheld or delayed and which shall be deemed to have been granted if the Independent Appointees ~~and FWD~~ do not object to such matter within such thirty (30) days of receiving notice thereof, provided that no approval shall be deemed to have been granted by the Independent Appointees ~~or FWD~~ if:
 - (i) the Concessionaire shall have failed to provide such information as the Independent Appointees ~~or FWD~~ may reasonably request to evaluate the matter proposed; or
 - (ii) ~~FWD or~~ the Independent Appointees consider that the substitute Development Contractor or the O&M Contractor does not meet (at minimum) the relevant criteria as per the Applicable Standards relating to the relevant Contractor.
- 7.8.3 Promptly following the execution and delivery of any items referred to in Section 7.8.2(a) to (b) (inclusive), the Concessionaire shall deliver a copy of all relevant documents to the Independent Appointees and FWD.
- 7.8.4 Not later than sixty (60) days prior to the execution by the Concessionaire of any amendments, modifications or supplements to, or consent to any change of any provision of, or waiver under a Development Contract or an O&M Contract that would result in:
- (a) a change of a Development Contractor or an O&M Contractor;

- (b) a material change to the scope of work of a Development Contractor or the O&M Contractor;
- (c) a material change to the Applicable Standards to which a Development Contractor or an O&M Contractor is subject; or
- (d) a change, in the case of a Development Contract only, to the critical path schedule under the Development Contract, to the extent such change could affect the ability of the Concessionaire to meet the Time for Completion,

the Concessionaire shall deliver to the Independent Appointees ~~and FWD~~ a notice executed by a duly authorised officer, setting out the terms of any of the foregoing in reasonable detail.

7.8.5 The Concessionaire acknowledges and agrees that no review or approval (actual or deemed) by the Independent Appointees or FWD of any amendments, modifications, supplements, waivers or new contracts pursuant to this Section 7.8 (*Material Agreements*) shall in any way relieve the Concessionaire from any liability it would otherwise have under this Agreement, and that neither the Independent Appointees, FWD nor any of their representatives shall be liable to the Concessionaire or the relevant Contractor by reason of their review or approval of the amendments, modifications, supplements, waivers or new contracts.

~~7.8.6 The Concessionaire shall pay, on behalf of FWD, all reasonable costs and fees of external advisers appointed by FWD for the purpose of considering any approval or review of any documents (including amendments, modifications or supplements to, or waivers pursuant to, any Project Agreement) as contemplated in this Section 7.8 (*Material Agreements*).~~

ARTICLE 8 COMMENCEMENT WORKS

Section 8.1 Selection of Project Carbon Standard

- 8.1.1 Within fifteen (15) days following the Effective Date, the Concessionaire shall submit to FWD, a list of three (3) proposed Carbon Standard Bodies (“**Proposed Carbon Standard Bodies**”) and the proposed Carbon Standards thereunder (“**Proposed Carbon Standards**”), to be selected for the Project, along with detailed recommendations and reasons indicating the technical and financial appropriateness for the Project.
- 8.1.2 Within fifteen (15) days of receipt, FWD shall either:
 - (a) select:
 - (i) a Carbon Standard Body from the Proposed Carbon Standard Bodies as the approved Carbon Standard for the Project (the “**Project Carbon Standard Body**”); and
 - (ii) the Carbon Standard from the Proposed Carbon Standards, as the approved Carbon Standard for the Project (the “**Project Carbon Standard**”); or
 - (b) reject the Proposed Carbon Standard Bodies and/or the Proposed Carbon Standards, and convey their comments/observations (if any) to the Concessionaire.
- 8.1.3 The Concessionaire shall (at its own cost and expense) re-submit a revised list of Proposed Carbon Standard Bodies and the Proposed Carbon Standards (as applicable) no later than fifteen (15) days from receipt of the rejection and/or comments/observations under Section 8.1.2(b), and the approval process under this Section 8.1 (*Selection of Project Carbon Standard*) shall be repeated.
- 8.1.4 The Project Carbon Standard selected in accordance with this Section 8.1 (*Selection of Project Carbon Standard*) shall be binding on the Concessionaire for the performance of the Project Works.
- 8.1.5 If, following the Development Completion Date, the Concessionaire seeks to transition the Project to a different Carbon Standard Body and/or Carbon Standard, the Concessionaire

shall submit a written request to FWD proposing the new Carbon Standard Body and/or the Carbon Standards (as applicable) along with technical and financial justifications demonstrating the benefits of the proposed transition.

- 8.1.6 Upon submission of the written request in accordance with Section 8.1.5, the approval process under Sections 8.1.1 and 8.1.2 shall be repeated *mutatis mutandis*.
- 8.1.7 Upon FWD’s approval of the transition in accordance with Section 8.1.6, the Concessionaire shall ensure that any Carbon Credits previously Issued to the Project are, as applicable:
 - (a) transferred to the new Carbon Standard Registry; or
 - (b) cancelled on the previous Project Carbon Standard Registry and reissued on the new Carbon Standard Registry.
- 8.1.8 All activities required to be undertaken to effectuate the transition contemplated in Sections 8.1.5, 8.1.6 and 8.1.7 shall be at the cost, risk, and expense of the Concessionaire.

Section 8.2 Carbon Standard Documents

- 8.2.1 Within ~~five~~fifteen (15) days following the selection of the Project Carbon Standard in accordance with Section 8.1 (*Selection of Project Carbon Standard*), the Concessionaire shall submit to FWD and the Independent Expert a list of all documents, plans, and methodologies to be prepared by the Concessionaire over the Concession Period as required under the Project Carbon Standard (the “**Carbon Standard Documents**”) including a schedule of their submission timelines as mandated by the Project Carbon Standard.
- 8.2.2 In the event of an inconsistency between a timeline stipulated by the Project Carbon Standard and this Agreement in respect of the Project Works, the more stringent timeline shall prevail for the purposes of this Agreement.
- 8.2.3 In the event that the Project Carbon Standard Body amends the Project Carbon Standard, which results in a change in the Carbon Standard Documents (including in form or in the timelines for submission), the Concessionaire shall provide a revised list to FWD and the Independent Expert within ten (10) days of such changes. The Concessionaire shall (at its own cost, risk, and expense) be responsible for implementing any such changes.

Section 8.3 Baseline Assessment Report

- 8.3.1 Within seventy-five (75) days following the Effective Date, the Concessionaire shall undertake the Baseline Assessments and prepare and submit to the Independent Expert (with a copy to FWD) a proposed baseline assessment report for the Project prepared in compliance with the Project Carbon Standard (the “**Proposed Baseline Assessment Report**”).
- 8.3.2 Within fifteen (15) days of receipt, the Independent Expert shall either:
 - (a) approve the Proposed Baseline Assessment Report (the “**Baseline Assessment Report**”); or
 - (b) reject the Proposed Baseline Assessment Report and convey their comments/observations (if any) to the Concessionaire.
- 8.3.3 The Concessionaire shall (at its own cost, risk, and expense) re-submit the revised Proposed Baseline Assessment Report no later than fifteen (15) days from receipt of the rejection and/or comments/observations under Section 8.3.2(b), and the approval process under this Section 8.3 (*Baseline Assessment Report*) shall be repeated.

Section 8.4 Project Implementation Plan

- 8.4.1 Within thirty (30) days following the selection of the Carbon Standard Body and Carbon Standard in accordance with Section 8.1 (*Selection of Project Carbon Standard*), the Concessionaire shall submit to the Independent Expert (with a copy to FWD), a proposed

plan prepared in accordance with the Preliminary Approach and Methodology and Preliminary Work Plan, and in compliance with the Applicable Standards (including the Project Scope) for performance of the Project Works (the “**Proposed Project Implementation Plan**”), which shall include the following:

- (a) the progressive milestones relating to the performance of Project Works (including relevant sub-milestones) and the dates for achievement of such milestones/sub-milestones, in addition to those specified in the Project Implementation Schedule;
- (b) the detailed order in which the Project Works (including the plantation activities and the silvicultural activities) shall be performed, together with timelines for performance of the same;
- (c) arrangements and procedures (including the governance structures and project management frameworks) for carrying out the Project Works;
- (d) the timelines, intervals and procedures for conducting the inspection of all elements of the Project Works;
- (e) relevant stakeholder engagement activities to be undertaken for community benefit-sharing, capacity building and conflict resolution; and
- (f) arrangements and procedures for conducting safety-related measures and mitigating key risks identified in relation to the Project Works.

8.4.2 Within fifteen (15) days of receipt, the Independent Expert shall either:

- (a) approve the Proposed Project Implementation Plan (the “**Project Implementation Plan**”); or
- (b) reject the Proposed Project Implementation Plan and convey their comments/observations (if any) to the Concessionaire.

8.4.3 The Concessionaire shall (at its own cost, risk, and expense) re-submit the revised Proposed Project Implementation Plan no later than fifteen (15) days from receipt of the rejection and/or comments/observations under Section 8.4.2(b) above, and the approval process under this Section 8.4 (*Project Implementation Plan*) shall be repeated.

8.4.4 The Project Implementation Plan, as may be amended from time to time in accordance with this Agreement, shall be binding on the Concessionaire, including in respect of performance of the Development Works.

8.4.5 If required, the timelines set out under the Project Implementation Plan may be revised and updated with the mutual consent of the Parties and the Independent Expert:

- (a) at the Development Completion Date; and
- (b) following the first main felling in accordance with the Project Scope and the Project Implementation Schedule.

Section 8.5 Marketing of the Project

8.5.1 Within ~~five-fifteen~~ (15) days of the Effective Date, the Concessionaire shall submit to the Independent Expert and FWD a detailed plan for marketing of the Carbon Credits (the “**Marketing Plan**”), prepared in accordance with the Project Scope.

8.5.2 The Independent Expert (in consultation with FWD) shall Notify the Concessionaire, within ten (10) days of its receipt of the proposed Marketing Plan, whether any marketing item does not comply with requirements of Section 8.5.1.

8.5.3 The Concessionaire shall re-submit the Marketing Plan for review of the Independent Expert (in consultation with FWD) after addressing any observations raised under Section 8.5.1.

ARTICLE 9 DEVELOPMENT WORKS

Section 9.1 Commencement of Development Works

- 9.1.1 The Concessionaire shall commence Development Works no later than the Commencement Date and immediately provide evidence to the Independent Appointees and FWD of the same.
- 9.1.2 The Concessionaire shall perform the Development Works in accordance with the Applicable Standards (including the Project Scope) and the Project Implementation Plan, in a manner to ensure the Project: (a) is capable of copying with the Performance Guarantees; and (b) is free from all Defects & Deficiencies.
- 9.1.3 The Concessionaire may undertake Development Works by itself or through Contractors possessing requisite technical, financial and managerial expertise/capability; provided however, the Concessionaire shall remain solely liable for the Development Works and compliance with the Applicable Standards (including the Project Scope) and the Project Implementation Plan irrespective of whether the Development Works are undertaken by its Contractor or by the Concessionaire.
- 9.1.4 The Concessionaire undertakes that the Concessionaire shall be solely responsible and liable for achieving completion of each Implementation Milestones on or prior to its respective Implementation Milestone Date, including:
- (a) achieving Substantial Completion Date on or prior to the Scheduled Substantial Completion Date; and
 - (b) achieving Development Completion on or prior to the Scheduled Development Completion Date,

and, in each case above, the said obligation and liability of the Concessionaire shall not be reduced, negated, rescinded and/or waived by any delay and/or failure of FWD and the Independent Expert to fulfil its obligations as set out in Section 8.4 (*Project Implementation Plan*).

Section 9.2 Monthly Progress Reports

- 9.2.1 During the Development Period, the Concessionaire shall, no later than twenty-one (21) days after the close of each month, furnish to the Independent Expert and FWD monthly reports on the progress of the Development Works (the “**Development Monthly Progress Report**”) and shall promptly give such other relevant information as may be reasonably required by the Independent Expert and/or FWD.
- 9.2.2 Each Development Monthly Progress Report shall be updated by the Concessionaire based on any observations and comments made by the Independent Expert and/or FWD and shall be provided again to both FWD and the Independent Expert until such time that it is approved by the Independent Expert; provided, that the Independent Expert shall not accord its approval of the Development Monthly Progress Report until it is satisfied that all reasonable comments and observations of FWD on the Development Monthly Progress Report are addressed.
- 9.2.3 The Development Monthly Progress Report shall be in the form approved by the Independent Expert from time to time.

Section 9.3 Monitoring Plan

- 9.3.1 Within one hundred and twenty (120) days following the Commencement Date, the Concessionaire shall prepare and submit to the Independent Expert (with a copy to FWD) a proposed monitoring plan for the Project prepared in accordance with the Project Scope, and in compliance with the Project Carbon Standard (the “**Proposed Monitoring Plan**”).

- 9.3.2 Within fifteen (15) days of receipt, the Independent Expert shall either:
- (a) approve the Proposed Monitoring Plan (the “**Monitoring Plan**”); or
 - (b) reject the Proposed Monitoring Plan and convey their comments/observations (if any) to the Concessionaire.
- 9.3.3 The Concessionaire shall (at its own cost, risk, and expense) re-submit the revised Proposed Monitoring Plan no later than fifteen (15) days from receipt of the rejection and/or comments/observations under Section 9.3.2(b), and the approval process under this Section 9.3 (*Monitoring Plan*) shall be repeated.
- 9.3.4 The Monitoring Plan shall be binding on the Concessionaire, including in respect of performance of the Project Works.
- 9.3.5 The Concessionaire shall, following the Substantial Completion Date, undertake all monitoring, reporting, and adaptive management activities set out in the Monitoring Plan, including but not limited to carbon stock monitoring, tree growth and forest health monitoring, biodiversity and ecosystem management, protection and risk management, and adaptive management, each in accordance with the Applicable Standards.
- 9.3.6 Upon completion of the relevant activities in accordance with Section 9.3.5, but no later than at the end of each Operating Year, the Concessionaire shall submit to the Independent Expert and FWD a report summarizing the monitoring activities undertaken, key findings, compliance status, and any corrective or adaptive measures implemented to ensure ongoing alignment with the Monitoring Plan, Project Carbon Standard, and Applicable Standards.

Section 9.4 Project Design Document

- 9.4.1 Within one hundred and eighty (180) days following the Commencement Date, the Concessionaire shall prepare and submit to the Independent Expert (with a copy to FWD) a proposed project design document for the Project prepared in compliance with the Project Carbon Standard (the “**Proposed Project Design Document**”).
- 9.4.2 Within fifteen (15) days of receipt, the Independent Expert shall either:
- (a) approve the Proposed Project Design Document (the “**Project Design Document**”); or
 - (b) reject the Proposed Project Design Document and convey their comments/observations (if any) to the Concessionaire.
- 9.4.3 The Concessionaire shall (at its own cost, risk, and expense) re-submit the revised Proposed Project Design Document no later than fifteen (15) days from receipt of the rejection and/or comments/observations under Section 9.4.2(b), and the approval process under this Section 9.4 (*Project Design Document*) shall be repeated.
- 9.4.4 Within ~~two-seven~~ (27) business days of the Independent Expert's approval of the Project Design Document pursuant to Section 9.4.2(a), the Concessionaire shall submit the Project Design Document to the Project Carbon Standard Body.
- 9.4.5 The Project Design Document shall be binding on the Concessionaire, including in respect of performance of the Project Works.
- 9.4.6 Defects & Deficiencies, errors, omissions, ambiguities, inconsistencies, inadequacies and other defects in the Project Design Document or arising therefrom shall be rectified by the Concessionaire at its sole cost, risk, and expense.
- 9.4.7 FWD and the Independent Appointees (as applicable) may use the Project Design Document for such purposes it may require for the purposes of the Project.

Section 9.5 Validation of Project Design Document

- 9.5.1 Within five (5) days of submission of the Project Design Document to the Project Carbon Standard Body, the Concessionaire shall provide FWD with a list of three (3) reputable VVBs for Validation of the Project Design Document (the “**Proposed Validating Bodies**”).
- 9.5.2 Within ten (10) days of receipt, FWD shall select one (1) VVB for the Validation of the Project Design Document (the “**Project Validating Body**”).
- 9.5.3 Within ~~fifteen-thirty~~ ~~(1530)~~ days of selection of the Project Validating Body by FWD, the Concessionaire shall, at its own cost, risk, and expense, formally engage the Project Validating Body, in accordance with the Applicable Law.
- 9.5.4 The Concessionaire shall undertake all activities necessary for Validation of the Project Design Document and preparation of the Validation Report by the Project Validating Body, including, *inter alia*, the following:
- (a) submitting the Project Design Document and other relevant documents to the Project Validating Body;
 - (b) executing such documents and following any procedures as may be required under the Project Carbon Standard and/or by the Project Validating Body; and
 - (c) making any modifications to the Project Design Document as may be required by the Project Carbon Standard Body.
- 9.5.5 The Concessionaire shall promptly, and in any event no later than five (5) days following receipt submit the Validation Report to the Project Carbon Standard Body and FWD.

Section 9.6 Project Registration

- 9.6.1 The Concessionaire shall ensure that both Parties are recognized as the ‘*Project Proponents*’ by the Project Carbon Standard at the time of Registration.
- 9.6.2 The Concessionaire shall use all reasonable endeavours to Register the Project with the Project Carbon Standard Body as soon as reasonably practicable, but in any case, no later than eighteen (18) months from the Commencement Date.
- 9.6.3 In the event that the Registration of the Project is rejected by the Project Carbon Standard Body, or the Project is otherwise not Registered, the Concessionaire shall (in consultation with Independent Expert):
- (a) promptly make any revisions to the submitted documents and, with the approval of ~~FWD~~Independent Appointees, the Project (if required by the Project Carbon Standard Body) and resubmit the Project or the Project Design Document (as applicable) for Validation and/or Registration (as the case may be), within fifteen (15) days of rejection or failure to Register. Any such revisions, submission and/or resubmission shall be at the cost, risk, and expense of the Concessionaire; ~~and/or~~
 - (b) do all things reasonably necessary to Register the Project with an alternative Carbon Standard Body, in which case the Concessionaire shall be responsible for Registering the Project within one hundred eighty (180) days of the rejection or failure to Register. Such Registration shall be at the cost, risk, and expense of the Concessionaire. Following successful registration with the alternative Carbon Standard Body, references to the Project Carbon Standard Body in this Agreement shall be to such alternative Carbon Standard Body.

Section 9.7 Submission of Completion Documents

Within forty-five (45) days of the Substantial Completion Date and in any event as one of the conditions precedent to the issuance of the Development Completion Certificate, the Concessionaire shall submit to FWD ‘*Project Completion Documents*’, including, as applicable, “*as-built*” plantation surveys, carbon sequestration assessments and any other

relevant documentation illustrating the extent, location and outcomes of the Project Works, in accordance with the Applicable Standards. Such documents shall be in the form mutually agreed between the Parties.

Section 9.8 Development Inspections

- 9.8.1 For determining that the Development Works undertaken during the Development Period conform to the Applicable Standards, the Independent Expert shall carry out inspections specified in **SCHEDULE D (Inspection Requirements)** (the “**Development Inspections**”) at the time periods specified therein and shall furnish the results of such inspections forthwith to each of the Parties. Results of all Development Inspections shall be jointly recorded by the Independent Expert and the Concessionaire.
- 9.8.2 The Independent Expert shall conduct the Development Inspections in consultation with FWD and in accordance with the Applicable Standards at the own cost and expense of the Concessionaire.
- 9.8.3 The Concessionaire undertakes to carry out (at its sole cost, risk, and expense) the necessary remedial measures required to rectify the Defects & Deficiencies in the Development Works and/or the Project that are identified in the Development Inspections and to ensure that as a consequence of such remedial measures the Development Works and the Project conform to the Applicable Standards. The Concessionaire further undertakes that the remedial measures required to be undertaken by the Concessionaire pursuant to this Section 9.8.3 shall be repeated by the Concessionaire (at its sole cost, risk, and expense) till such time as the Development Works and the Project conform to the Applicable Standards to the satisfaction of the Independent Expert. In the afore-stated circumstances, the Independent Expert may conduct additional inspections to determine whether the Defects & Deficiencies are rectified and in such case the costs of such additional inspections shall be borne by the Concessionaire.
- 9.8.4 The Concessionaire shall maintain a proper record of the Development Inspections and the remedial measures taken to cure the Defects & Deficiencies, if any, indicated by the Development Inspections’ results.

ARTICLE 10 COMPLETION

Section 10.1 Completion Inspections

- 10.1.1 At least thirty (30) days prior to the expected Substantial Completion Date, the Concessionaire shall issue a notice to FWD and the Independent Expert (the “**Completion Inspections Date Notice**”) fixing a date and time (or if required, multiple days) for performance of the Completion Inspections (the “**Proposed Completion Inspections Date**”).
- 10.1.2 The Proposed Completion Inspections Date proposed by the Concessionaire shall be final for conducting of the Completion Inspections; provided however, in the event the Proposed Completion Inspections Date is unacceptable to the Independent Expert and/or FWD, the Concessionaire, Independent Expert and FWD shall meet within seven (7) days of the Independent Expert and FWD’s receipt of the Concessionaire’s Completion Inspections Date Notice with an aim to mutually agree on an alternative date and time for performance of Completion Inspections. In the event the Parties are unable to mutually agree to an alternate date for the performance of the Completion Inspections within the afore-stated seven (7) days’ period, the Concessionaire shall be entitled to schedule the performance of such Completion Inspections upon issuance of another seven (7) days’ notice to the Independent Expert and FWD and such notice shall be binding on the Independent Expert and FWD.
- 10.1.3 In the event any Completion Inspections are to be repeated due to reasons attributable to the Concessionaire, such Completion Inspections shall be repeated at the cost, risk, and expense of the Concessionaire.
- 10.1.4 The Completion Inspections shall be attended by FWD and/or such other representatives of FWD as FWD may nominate in writing, subject to notification of the same to the Concessionaire and the Independent Expert.

- 10.1.5 The Concessionaire shall provide such assistance as the Independent Expert may reasonably require for conducting the Completion Inspections.

Section 10.2 Substantial Completion Certificate

- 10.2.1 A Substantial Completion Certificate under this Section 10.2.1 shall, upon request of the Concessionaire to this effect, be issued by the Independent Expert, if the following requirements have been met, each in accordance with this Agreement and the Applicable Standards:

- (a) the Development Works (other than the Outstanding Completion Works agreed to be differed until the Scheduled Development Completion Date by the Independent Expert under Section 10.2.2) have been completed; and
- (b) the tree density of at least one thousand one hundred and eleven (1,111) trees per hectare at the minimum required growth rate (as per the volume tables, published by the Pakistan Forest Institute, of the concerned riverine species in Sindh) has been attained,

each as assessed and determined by the Independent Expert (the “**Substantial Completion**”). Upon issuance of such Substantial Completion Certificate, Substantial Completion shall be achieved.

- 10.2.2 The Independent Expert shall ~~(in consultation with FWD)~~, at the request of the Concessionaire, issue a Substantial Completion Certificate upon Substantial Completion, even if the certain Outstanding Completion Works are outstanding and not yet completed. In such an event, the Substantial Completion Certificate shall have appended thereto a list of the Outstanding Completion Works signed jointly by the Independent Expert and the Concessionaire (the “**Development Completion Checklist**”) to be completed by the Scheduled Development Completion Date.

Section 10.3 Development Completion Certificate

- 10.3.1 The Concessionaire undertakes to complete all Outstanding Completion Works on the Development Completion Checklist by the Scheduled Development Completion Date and submit the completion documents in accordance with Section 9.7 (*Submission of Completion Documents*) (“**Development Completion**”).

- 10.3.2 The Development Completion Certificate shall be issued upon Development Completion by the Independent Expert ~~(in consultation with FWD)~~.

Section 10.4 Compliance with Project Implementation Schedule

- 10.4.1 The Concessionaire shall achieve the timely completion of the Project and the Project Works in accordance with the Project Implementation Schedule and the Project Implementation Plan such that the Concessionaire complies with the Project Implementation Schedule and the Project Implementation Plan.

- 10.4.2 The Concessionaire shall promptly inform the Independent Appointees and FWD of any actual or anticipated material deviations from the dates stipulated in the Project Implementation Schedule and/or the Project Implementation Plan. Without prejudice to the Parties’ rights and obligations under Section 10.5 (*Adjustment of the Time for Completion*), Section 10.6 (*Development Period Damages for Delay*) or Section 10.7 (*Concessionaire Liquidated Damages for Abandonment*), as the case may be, the Concessionaire shall provide the Independent Appointees and FWD with a remedial programme setting out the actions to be taken by the Concessionaire to mitigate the adverse effect of any such deviations on its ability to undertake the Project and the Development Works in accordance with the Project Implementation Schedule and the Project Implementation Plan.

Section 10.5 Adjustment of the Time for Completion

- 10.5.1 If a Relief Event causes a delay that has, or is reasonably likely to have, the effect of delaying the achievement of any Implementation Milestone Date, then, subject to Section 10.5.2, the Implementation Milestone Dates, and the Project Implementation Schedule and/or the Project Implementation Plan, shall be adjusted equitably by the Independent Appointees by taking into account the ability of the Concessionaire to re-schedule its activities to minimise the delay and the effect of the Relief Event on the ability of the Concessionaire to achieve the relevant milestone by the respective scheduled date, provided that such scheduled date shall not be extended in circumstances where a delay would have nevertheless been experienced had the Relief Event not occurred.
- 10.5.2 The Concessionaire must Notify the Independent Appointees and FWD in writing promptly (and in any event within fourteen (14) days) after becoming aware of the occurrence of a Relief Event, and together with such notice or as soon as possible (and in any event within fourteen (14) days) following such notice, the Concessionaire shall provide full details of the Relief Event and its consequences including details to confirm the existence of a Relief Event and its impact on the Implementation Milestone Date, and the Project Implementation Schedule and/or the Project Implementation Plan. As soon as practicable (and in any event within fourteen (14) days after receiving the Concessionaire's detailed information and justification), the Independent Appointees shall confirm whether (and to what extent) they agree to adjust any Implementation Milestone Date, and the Project Implementation Schedule and/or the Project Implementation Plan.
- 10.5.3 If the Concessionaire does not deliver a notice as required by Section 10.5.2 in accordance with the terms thereof, the Concessionaire shall not be entitled to invoke the benefits of Section 10.5.1.
- 10.5.4 If a Force Majeure Event causes a delay that has, or is reasonably likely to have, the effect of delaying the achievement of the Substantial Completion and/or the Development Completion, then the provisions of Article 19 (*Force Majeure*) shall apply.

Section 10.6 Development Period Damages for Delay

- 10.6.1 The Concessionaire shall be liable for payment of Development Period Damages to FWD in the event the Concessionaire fails to:
- (a) achieve Substantial Completion on or prior to the Scheduled Substantial Completion Date; and/or
 - (b) achieve Development Completion on or prior to the Scheduled Development Completion Date.
- 10.6.2 The Concessionaire shall pay liquidated damages (the “**Development Period Damages**”) to FWD in a sum calculated at the rate higher of zero-point zero two percent (0.02%) of the Pre-Estimated Project Cost or the PKR equivalent of USD 2,000/- (United States Dollars Two Thousand only), for each full day of delay (the “**Default Delay Period**”) in achieving:
- (a) Substantial Completion by the Scheduled Substantial Completion Date up to a maximum of five percent (5%) of the Pre-Estimated Project Cost; and/or
 - (b) Development Completion by the Scheduled Development Completion Date up to a maximum of five percent (5%) of the Pre-Estimated Project Cost,
- (each of (a) and (b), the “**Development Damages Cap**”).

Any liquidated damages payable pursuant to this Section 10.6 (*Development Period Damages for Delay*) shall be paid by the Concessionaire within ~~fifteen-thirty~~ **(30+5)** days of the date of the Concessionaire's receipt of an invoice from FWD setting out the amount of liquidated damages which are then due and payable by the Concessionaire. If the Concessionaire fails to pay such liquidated damages when due, FWD shall be entitled to draw on the Development Performance Security for the amount invoiced plus interest at the Late Payment Rate from the date of failure of such payment until FWD is actually paid such amounts and the same shall be computed for the actual number of days on the basis of a three

hundred and sixty-five (365) day year. To the extent that the Concessionaire's liability for liquidated damages under Section 10.6.1 exceeds the then current balance of the Development Performance Security, FWD shall be entitled to take steps to recover such amounts (plus any applicable interest) as a debt due from the Concessionaire to FWD (including by way of set-off against any amounts due to the Concessionaire from FWD).

Notwithstanding anything contained herein, the recovery of Development Period Damages under this Section 10.6.2 shall be without prejudice to the rights of FWD under the Project Agreements (including the right of termination in accordance with Section 21.1(c)).

- 10.6.3 Concessionaire's liability to pay any Development Period Damages that are accrued in terms of this Agreement shall be notwithstanding any delay by FWD in the issuance of invoices for such Development Period Damages.
- 10.6.4 The Parties acknowledge and admit that the Development Period Damages payable in amounts specified under Section 10.6.2, have been calculated by the Parties as representing the actual daily loss to FWD for each Default Delay Period and are not a penalty. The Concessionaire waives any defence as to the validity and quantum of the Development Period Damages on the grounds that such Development Period Damages are void as penalties or as not being reflective of the actual loss suffered by FWD.
- 10.6.5 The Parties agree that:
 - (a) the Development Period Damages payable pursuant to this Section 10.6 (*Development Period Damages for Delay*) represent the actual losses, liabilities, damages, costs, charges or expenses that FWD will suffer as a result of the failure of the Concessionaire to achieve the: (i) Substantial Completion by the Scheduled Substantial Completion Date; and (ii) Development Completion by the Scheduled Development Completion Date;
 - (b) there is, in any event, a commercial justification and legitimate interest in imposing such liquidated damages as a payment for the failure of the Concessionaire to achieve the: (i) Substantial Completion by the Scheduled Substantial Completion Date; and (ii) Development Completion by the Scheduled Development Completion Date which would not be satisfied by a right to recover damages on an unliquidated basis for such default; and
 - (c) the payment or deduction of delay liquidated damages payable pursuant to this Section 10.6 (*Development Period Damages for Delay*) shall not relieve the Concessionaire from its obligations to complete the Development Works, or from any of its other duties, obligations or responsibilities under the Agreement. The Concessionaire shall avoid or reduce further delays in completing the Development Works.

Section 10.7 Concessionaire Liquidated Damages for Abandonment

- 10.7.1 If Abandonment occurs, in addition to any rights or remedies that FWD may have pursuant to Article 21 (*Events of Default*), the Concessionaire shall pay to FWD as liquidated damages an amount equal to five percent (five%) of the of the Pre-Estimated Project Cost.
- 10.7.2 Any liquidated damages payable pursuant to this Section 10.7 (*Concessionaire Liquidated Damages for Abandonment*) shall be paid by the Concessionaire within thirty (30) days of the date of the receipt of an invoice from FWD setting out the amount of liquidated damages which are then due and payable by the Concessionaire. If the Concessionaire fails to pay such liquidated damages when due, FWD shall be entitled to draw such amounts under the Performance Securities or to take steps to recover such amounts as a debt due from the Concessionaire to FWD, plus interest at the Late Payment Rate from the date of failure of such payment until FWD is actually paid such amounts and the same shall be computed for the actual number of days on the basis of a three hundred and sixty-five (365) day year. To the extent that the Concessionaire's liability for liquidated damages under Section 10.7.1 exceeds the face amount of the Performance Securities, at the date of issue of a demand thereunder, FWD shall be entitled to take steps to recover such amounts (plus the Late

Payment Rate) as a debt due from the Concessionaire to FWD (including by way of set-off against any amounts due to the Concessionaire from FWD under any Project Agreement). The Concessionaire waives any defence as to the validity and quantum of such damages on the grounds that such damages are void as penalties or as not being reflective of the actual loss suffered by FWD due to Abandonment.

10.7.3 The Parties agree that:

- (a) the liquidated damages payable pursuant to this Section 10.7 (*Concessionaire Liquidated Damages for Abandonment*) represent the actual losses, liabilities, damages, costs, charges or expenses that FWD will suffer as a result of Abandonment by the Concessionaire; and
- (b) there is, in any event, a commercial justification and legitimate interest in imposing such liquidated damages as payment for Abandonment by the Concessionaire which would not be satisfied by a right to recover damages on an unliquidated basis for such default.

Section 10.8 General Damages

If any of Section 10.6 (*Development Period Damages for Delay*) or Section 10.7 (*Concessionaire Liquidated Damages for Abandonment*) is found for any reason to be void, invalid or otherwise inoperative so as to disentitle FWD from claiming liquidated damages under such Section(s), FWD is entitled to Claim against the Concessionaire for general damages at law for the Concessionaire's failure to achieve Substantial Completion on or prior to the Scheduled Substantial Completion Date, the Development Completion by the Scheduled Development Completion Date or for Abandonment.

ARTICLE 11 OPERATION AND MAINTENANCE

Section 11.1 Operation and Maintenance

The Concessionaire shall undertake the Operation and Maintenance of the Project either itself, or through the O&M Contractor:

- (a) in accordance with the Applicable Standards (including the Project Scope) and the Project Implementation Plan;
- (b) in accordance with the O&M Requirements, including ensuring the Project is capable of complying with the Performance Guarantees; and
- (c) to ensure the Project is free from all Defects & Deficiencies.

Section 11.2 Material Breach of O&M Requirements

11.2.1 The Concessionaire shall be deemed to be in material breach of the O&M Requirements (the "**Material Breach of O&M Requirements**") if the Independent Expert and/or FWD (through the Independent Expert) has determined that due to breach of its obligations by the Concessionaire:

- (a) there has been a material failure or undue delay in carrying out planned Operation and Maintenance in accordance with the Project Implementation Schedule or the planned Operation and Maintenance has not been carried out in accordance with the O&M Requirements;
- (b) the quality of the Project or any part thereof has materially deteriorated to a level which is below the acceptance level prescribed by the O&M Requirements; and/or
- (c) any of the Performance Damages Caps have been reached.

11.2.2 Upon the occurrence of a Material Breach of the O&M Requirements, FWD shall without prejudice to and notwithstanding any other consequences provided therefore, shall have the right and be entitled to terminate this Agreement for Concessionaire's Event of Default.

Section 11.3 Modifications to the Project

The Concessionaire shall not carry out any material modifications to the Project, save and except where such modifications are necessary for the Operation and Maintenance of the Project in conformity with the O&M Requirements; provided, however, the Concessionaire shall Notify the Independent Expert and FWD of the proposed modifications along with particulars thereof at least thirty (30) days before commencing work on such modifications and shall only implement such modifications upon receipt of the Independent Expert's approval of the same, which approval shall be provided or declined by the Independent Expert (in consultation with FWD) within fifteen (15) days of its receiving the Concessionaire's proposal for the proposed modifications. All modifications made hereunder shall comply with the O&M Requirements.

Section 11.4 General Inspections

FWD and the Independent Expert shall be entitled to inspect the Project with reasonable prior notice to the Concessionaire and subject to following all directions and guidelines issued by the Concessionaire to prevent any damage to the Project.

Section 11.5 O&M Inspections

- 11.5.1 For determining that the Operation and Maintenance undertaken during the Operating Period conform to the O&M Requirements, the Independent Expert may require that at least once every calendar year, unless otherwise specified herein, the Concessionaire carry out, or cause to be carried out, inspections specified in **SCHEDULE D (Inspection Requirements)** (the "**O&M Inspections**"). The Concessionaire shall carry out or cause to be carried out all such O&M Inspections and shall furnish the results of such inspections forthwith to the Independent Expert and FWD. Results of all O&M Inspections shall be jointly recorded by the Independent Expert and the Concessionaire.
- 11.5.2 The Concessionaire undertakes to conduct the O&M Inspections under the supervision of the Independent Expert ~~(in consultation with FWD)~~ and in accordance with the Applicable Standards at its own cost and expense.
- 11.5.3 The Concessionaire undertakes to carry out, at its sole cost, risk, and expense, the necessary remedial measures required to rectify the Defects & Deficiencies in the Operation and Maintenance and/or the Project that are identified in the O&M Inspections and to ensure that as a consequence of such remedial measures the Operation and Maintenance and the Project conform to the O&M Requirements. The Concessionaire further undertakes that the remedial measures required to be undertaken by the Concessionaire pursuant to this Section 11.5.3 shall be repeated by the Concessionaire at its sole cost, risk, and expense till such time as the Operation and Maintenance and the Project conform to the O&M Requirements to the satisfaction of the Independent Expert. In the afore-stated circumstances, the Independent Expert may require the Concessionaire to conduct additional inspections to determine whether the Defects & Deficiencies are rectified and in such case the costs of such additional inspections shall be borne by the Concessionaire.
- 11.5.4 The Concessionaire shall maintain a proper record of the O&M Inspections and the remedial measures taken to cure the Defects & Deficiencies, if any, indicated by the O&M Inspection results.

Section 11.6 Monitoring, Verification and Issuance

- 11.6.1 Upon occurrence of the Development Completion Date, the Concessionaire shall commence Monitoring the Project.
- 11.6.2 Throughout the Concession Period, the Concessionaire shall undertake Monitoring and Verification Cycles as follows:
 - (a) the first Monitoring and Verification Cycle shall be conducted within five (5) years from the Commencement Date;

- (b) thereafter, subsequent Monitoring and Verification Cycles shall be conducted at least once every five (5) years from the completion date of the immediately preceding Monitoring and Verification Cycle, until the commencement of the first main felling in accordance with the Project Scope and Project Implementation Schedule;
- (c) following the first main felling, a Monitoring and Verification Cycle shall be conducted within five (5) years from the completion date of the first main felling; and
- (d) upon completion of the Monitoring and Verification Cycle under Section 11.6.2(c), all subsequent Monitoring and Verification Cycles shall be conducted at least once every five (5) years from the completion date of the immediately preceding Monitoring and Verification Cycle, until the Final Expiry Date.

11.6.3 During each Monitoring and Verification Cycle, the Concessionaire shall undertake the following activities, each in accordance with the requirements of the Project Carbon Standard and the O&M Requirements:

- (a) prepare a Monitoring Report, which shall, *inter alia*, quantify the GHG Reductions or Removals and Co-benefits achieved during the relevant Monitoring and Verification Period;
- (b) within ~~two-seven~~ (72) business days of completing the Monitoring Report (including expiry of the public notice period as may be required by the Project Carbon Standard Body) for the relevant Monitoring and Verification Cycle:
 - (i) engage a VVB for undertaking the Verification and preparing a Verification Report (“**Project Verification Body**”); and
 - (ii) submit the Monitoring Report to the Project Verification Body;
- (c) facilitate the preparation of a Verification Report following the completion of such Verification; and
- (d) within ~~two-five~~ (25) business days of receipt of the Verification Report, submit the Verification Report to the Project Carbon Standard Body for Issuance of Carbon Credits.

11.6.4 All costs incurred by the Concessionaire during a Monitoring and Verification Cycle shall be at the cost and risk of the Concessionaire.

Section 11.7 Performance Damages

11.7.1 If the Concessionaire does not meet any of the Performance Guarantees, the Concessionaire shall pay FWD the applicable Performance Damages up to an amount not exceeding the relevant Performance Damages Cap.

11.7.2 Any liquidated damages payable pursuant to this Section 11.7 (*Performance Damages*) shall be paid by the Concessionaire within ~~fifteen-thirty~~ (3045) days of the date of the Concessionaire’s receipt of an invoice from FWD setting out the amount of liquidated damages which are then due and payable by the Concessionaire. If the Concessionaire fails to pay such liquidated damages when due, FWD shall be entitled to draw such amounts under the O&M Performance Security, for the amount invoice plus interest at the Late Payment Rate from the date of failure of such payment until FWD is actually paid such amounts and the same shall be computed for the actual number of days on the basis of a three hundred and sixty-five (365) day year. To the extent that the Concessionaire’s liability for liquidated damages under this Section 11.7 (*Performance Damages*) exceeds the then current balance of the O&M Performance Security, FWD shall be entitled to take steps to recover such amounts (plus the Late Payment Rate) as a debt due from the Concessionaire to FWD (including by way of set-off against any amounts due to the Concessionaire from FWD under any Project Agreement).

- 11.7.3 Notwithstanding anything contained herein, the recovery of Performance Damages under this Section 11.7 (*Performance Damages*) shall be without prejudice to the rights of FWD under the Project Agreements (including the right of termination in accordance with Section 21.1 (*Concessionaire Event of Default*)).
- 11.7.4 Concessionaire's liability to pay any Performance Damages that are accrued in terms of this Agreement shall be notwithstanding any delay by FWD in the issuance of invoices for such Performance Damages.
- 11.7.5 The Parties acknowledge and admit that the Performance Damages payable in amounts specified under this Section 11.7 (*Performance Damages*) and **SCHEDULE M (Key Performance Indicators)** have been calculated by the Parties as representing the actual loss to FWD for the relevant nature and period of non-compliance, and are not a penalty. The Concessionaire hereby waives any defence as to the validity and quantum of the Performance Damages on the grounds that such Performance Damages are void as penalties or as not being reflective of the actual loss suffered by FWD.
- 11.7.6 The Parties agree that:
- (a) the Performance Damages payable pursuant to this Section 11.7 (*Performance Damages*) represent the actual losses, liabilities, damages, costs, charges or expenses that FWD will suffer as a result of the failure of the Concessionaire to achieve the Performance Guarantees;
 - (b) there is, in any event, a commercial justification and legitimate interest in imposing such liquidated damages as a payment for the failure of the Concessionaire to achieve the Performance Guarantees which would not be satisfied by a right to recover damages on an unliquidated basis for such default; and
 - (c) the payment or deduction of Performance Damages payable pursuant to this Section 11.7 (*Performance Damages*) shall not relieve the Concessionaire from its obligations to undertake the Operations and Maintenance, or from any of its other duties, obligations or responsibilities under the Agreement. The Concessionaire shall avoid or reduce further non-performance and delays in undertaking the Operations and Maintenance in accordance with the Applicable Standards (including the Performance Guarantees).
- 11.7.7 If any of Section 11.7 (*Performance Damages*) is found for any reason to be void, invalid or otherwise inoperative so as to disentitle FWD from claiming liquidated damages under such Section, FWD is entitled to Claim against the Concessionaire for general damages at law for the Concessionaire's failure to achieve the Performance Guarantees.

ARTICLE 12 FUNDING, FINANCING AND SHAREHOLDER MATTERS

Section 12.1 Funding of Project Cost

The Sponsors and the Concessionaire (from the respective Concessionaire Revenue Share) shall, on a joint and several basis, be responsible for funding the Project Cost and the Cost Overruns for the development of the Project and performance of its obligations hereunder, in accordance with the Financial Model and the Project Agreements to which the Sponsors and/or the Concessionaire (as applicable) are a party, by way of:

- (a) Sponsor Equity;
- (b) utilizing the Concessionaire Revenue Share amounts;
- (c) Sponsor Loans to the Concessionaire; and/or
- (d) such other method agreed to by FWD.

Section 12.2 Funding of Sponsor Equity and Sponsor Loans

The Concessionaire undertakes from time to time to procure funding by the Sponsor(s) of the Project Cost and/or the Cost Overruns by way of:

- (a) subscription of Shares against cash in Pakistani Rupees or consideration other than cash; and/or
- (b) the Sponsor Loans,

provided, however, any funding by the Sponsor under this Section 12.2 (*Funding of Sponsor Equity and Sponsor Loans*) shall be subject to minimum shareholding requirements under Section 12.3 (*Transfer Restrictions*).

Section 12.3 Transfer Restrictions

12.3.1 Subject to Sections 12.3.2, 12.3.3 and 12.4 (*Other Transfer Restrictions*):

- (a) until the Development Completion Date, the Concessionaire shall not undertake or permit and undertakes to procure that the Sponsor(s) do not undertake or permit any transfer of shareholding in the Concessionaire, unless such transfer is required under the laws of Pakistan and the Share Transfer Criteria is complied with; and
- (b) following the Development Completion Date and subject to compliance with the Share Transfer Criteria, any Sponsor may transfer its shareholding in the Concessionaire (the “**Share Transferring Sponsor**”) without the consent of FWD, but with prior notice to FWD, provided that such transfer does not result in the Sponsors (in aggregate) holding less than fifty-one percent (51%) of shareholding in the Concessionaire.

12.3.2 The Share Transferring Sponsor, in addition to complying with the Share Transfer Criteria, shall also, in case of transfer:

- (a) by the Lead Sponsor, confirm to FWD in writing, that the proposed transferee shall at minimum acquire thirty-four percent (34%) of the Shares; and
- (b) by any Sponsor (other than the Lead Sponsor), confirm to FWD in writing, that the proposed transferee shall at minimum acquire five percent (5%) of the Shares.

12.3.3 Prior to the Final Expiry Date:

- (a) the Lead Sponsor shall hold at least thirty-four percent (34%) of the Shares; and
- (b) each Sponsor (other than Lead Sponsor) shall hold at least ~~twenty-five~~ percent (52.9%) of the Shares.

Failure to comply with this Section 12.3.3 shall constitute a Concessionaire Event of Default.

12.3.4 For the purpose of this Section 12.3 (*Transfer Restrictions*), the term “transfer” shall mean any issuance, sale, transfer, conveyance, disposal or any event, transaction, arrangement, Encumbrance or agreement of any nature that results in or may result in: (a) the issuance of any Share to any person; (b) the transfer of direct and/or indirect legal and/or beneficial ownership of any shares, or securities convertible into shares, that causes or may cause the sale, transfer, conveyance or disposal of the Sponsor’s legal and/or beneficial ownership, direct or indirect, in the total (or any part thereof) paid up and outstanding Shares of the Concessionaire; or (c) the Sponsor(s) losing the power to direct the management, policies and decisions, in each case, of the Concessionaire.

Section 12.4 Other Transfer Restrictions

12.4.1 In addition to the restrictions set out in Section 12.3 (*Transfer Restrictions*), any proposed transfer of Shares shall be subject to the following restrictions:

- (a) the proposed transfer of Shares must be in accordance with the terms of this Agreement;
- (b) FWD (through Independent Appointees) has confirmed that it has completed its “know your customer” review to its satisfaction (acting reasonably and without unreasonable delay) and that the proposed transferee is acceptable to it (in its sole discretion) on reputational or similar grounds, taking into account without limitation, such transferee’s environmental and social track record, links to terrorism, political affiliations and conflicts of interest;
- (c) no default is continuing or will or would result from the transferee becoming a party to this Agreement; and
- (d) the Concessionaire and the Sponsor(s) have delivered certificates to the Independent Appointees certifying, as applicable, that each of the relevant foregoing conditions has been satisfied.

12.4.2 The Concessionaire shall refuse to recognize any purported transfer of Shares in violation of this Section 12.4 (*Other Transfer Restrictions*), or record or register any such transfer of Shares. Any transfer made in breach of this Section 12.4 (*Other Transfer Restrictions*) shall be null and void.

Section 12.5 Undertakings

12.5.1 No later than ninety (90) days after the Effective Date, the restrictions imposed under Sections 12.3 (*Transfer Restrictions*) and 12.4 (*Other Transfer Restrictions*) shall be recorded in the corporate documents (so as to effectively constitute restrictions thereunder) of the Concessionaire and noted on all share certificates (if any) in respect of Shares issued by the Concessionaire to the Sponsors.

12.5.2 The Concessionaire shall ensure and procure funding from the Sponsors of any amounts required or envisaged to be funded by them in accordance with this Agreement.

ARTICLE 13 REVENUE SHARING AND REVENUE ACCOUNT

Section 13.1 Carbon Revenue

13.1.1 The Concessionaire shall, for the duration of the Concession Period, have:

- (a) the exclusive legal title to the Carbon Credits; and
- (b) the rights to sell good and marketable title to the Carbon Credits in accordance with this Agreement.

13.1.2 Subject to Section 13.1.3, Section 13.1.4 and Section 13.3 (*Agreements with Affiliates*), the Concessionaire shall, following the Commencement Date, sell Carbon Credits to Customers in any Carbon Markets, provided that any such sale shall be executed pursuant to, formalized through, and duly recorded under a Carbon Credit Sale Agreement.

13.1.3 The Concessionaire shall ensure that Carbon Credits sold under any Carbon Credit Sale Agreements do not include any:

- (a) Buffer Credits; and
- (b) Carbon Credits allocated toward Pakistan’s NDC.

13.1.4 Subject to Section 13.1.8, the Concessionaire shall ensure that the Unit Prices at which Carbon Credits are sold are consistent with prevailing market prices for carbon credits of a comparable type, vintage and Carbon Standard.

13.1.5 The Concessionaire shall ensure that, following each Monitoring and Verification Cycle, all Carbon Credits Issued are sold no later than two (2) years from the respective dates of their Issuance. In the event that the Concessionaire, at least one (1) month prior to the expiry of

the initial two (2) year period, determines that it will be unable to fulfil its obligation to sell the Carbon Credits in accordance with this Section 13.1.5, the Concessionaire may submit a written notice to the Independent Appointees setting out in detail the grounds for such anticipated non-fulfilment. The Independent Appointees, having due regard to the reasons so submitted, may, in its sole discretion, grant appropriate extension of time, provided that such extensions shall not, in aggregate, exceed two (2) years for the Concessionaire to complete the sale of the Carbon Credits.

- 13.1.6 Promptly following the execution of a Carbon Credit Sale Agreement, the Concessionaire shall provide the certified (as being true and correct) copies of the executed agreement to the Independent Appointees and FWD.
- 13.1.7 The Concessionaire shall ensure that the Carbon Credit Sale Agreement executed by it in favour of the Customer is duly stamped and registered as may be required under the Applicable Laws.
- 13.1.8 All Carbon Credit Sale Agreements shall contain, the provision for assignment and novation of such Carbon Credit Sale Agreements to FWD upon the Final Expiry Date, provided, however, such assignment and novation will be at the discretion of and at no cost to FWD.

Section 13.2 Non-Carbon Revenue

- 13.2.1 The Concessionaire may, following the Commencement Date, undertake Ancillary Activities in order to generate Non-Carbon Revenues, provided that any such Ancillary Activities shall be undertaken pursuant to, formalized through, and duly recorded under an Ancillary Activities Agreement.
- 13.2.2 The Concessionaire shall ensure that each Ancillary Activities Agreement executed by it is duly stamped and registered as may be required under the Applicable Laws. Further, the Concessionaire shall provide FWD details of the Ancillary Activities Agreement (together with certified (as being true and correct) copies of the executed Ancillary Activities Agreement) within thirty (30) days of execution of each such Ancillary Activities Agreement.
- 13.2.3 The Concessionaire shall ensure that all Ancillary Activities Agreement are in conformity with the Applicable Laws and Applicable Standards.
- 13.2.4 All Ancillary Activities Agreement shall contain, at minimum, the provision for assignment and novation of such Ancillary Activities Agreement to FWD upon the Final Expiry Date, provided, however, such assignment and novation will be at the discretion of and at no cost to FWD.

Section 13.3 Agreements with Affiliates

- 13.3.1 The Concessionaire may enter into a Carbon Credit Sale Agreement and/or an Ancillary Activities Agreement with an Affiliate in accordance with Sections 13.1 (*Carbon Revenue*) and 13.2 (*Non-Carbon Revenue*), provided, however, that the Concessionaire shall ensure that any such transaction is negotiated on an arms-length basis, ensures the best available commercial outcome for the Concessionaire, and complies with Applicable Laws, including any laws of Pakistan with respect to related party transactions.
- 13.3.2 Notwithstanding the generality of the foregoing, any policy regarding related party transactions, as approved by the board of directors of the Concessionaire, shall require prior approval from the Independent Appointees. However, the approval of the Independent Appointees shall not relieve or absolve the Concessionaire of its obligations under Section 13.3.1.
- 13.3.3 The Concessionaire shall, at least twenty (20) days prior to the execution of a Carbon Credit Sale Agreement with an Affiliate, provide: (a) the draft contracts; (b) details of the Affiliate and the relationship; (c) the proposed Unit Price(s) under such Carbon Credit Sale Agreement, to the Independent Appointees for review and approval.

13.3.4 Within fifteen (15) days of receipt of the draft Carbon Credit Sale Agreement and the relevant details (as applicable) in accordance with Section 13.3.3, the Independent Appointees shall either:

- (a) approve: (i) the Carbon Credit Sale Agreement; and (ii) the Unit Price thereunder, provided that such Carbon Credit Sale Agreement and Unit Price meet the requirements and criteria set out in Section 13.1 (*Carbon Revenue*); and
- (b) reject the Carbon Credit Sale Agreement and/or Unit Prices on account of non-compliance with Section 13.1 (*Carbon Revenue*), certify a minimum Unit Price for which the relevant Carbon Credits can be sold by the Concessionaire to the Affiliate under the respective Carbon Credit Sale Agreement under review (in line with the criteria set out in Section 13.1.4), and convey any other comments/observations to the Concessionaire.

13.3.5 The Concessionaire shall (at its own cost, risk, and expense) re-submit the revised Carbon Credit Sale Agreement no later than thirty (30) days from receipt of the rejection and/or comments/observations under Section 13.3.4(b), and the approval process under Section 13.3.4 shall be repeated, provided that:

- (a) the Independent Appointees shall approve or reject such revised Carbon Credit Sale Agreement within five (5) days of receipt of such agreement; and
- (b) the Carbon Credits under the revised Carbon Credit Sale Agreement shall not be sold at a price lower than the price certified by the Independent Appointees under Section 13.3.4(b).

Section 13.4 Revenue Sharing Mechanism

13.4.1 Within ten (10) business days of expiry of each Revenue Evaluation Period, the Concessionaire shall procure issuance of a certificate (the “**Revenue Sharing Certificate**”) (with a copy to FWD and Project Account Bank) from the Independent Auditor certifying the following, each with respect to such Revenue Evaluation Period: (a) Cumulative Price; (b) Carbon Revenue; (c) Applicable Exchange Rate; (d) Gross Base Carbon Revenue; (e) Gross Windfall Carbon Revenue; (f) Non-Carbon Revenue; (g) Net Base Carbon Revenue; (h) Net Windfall Carbon Revenue; (i) FWD Revenue Share; and (j) Concessionaire Revenue Share.

13.4.2 The Concessionaire shall ensure that the Project Account Bank, within one (1) business day of receipt of Revenue Sharing Certificate, debits:

- (a) the Concessionaire Revenue Share from the Revenue Account and credits such amount to the Concessionaire Designated Account; and
- (b) the FWD Revenue Share from the Revenue Account and credits such amount to the FWD Designated Account,

in each case, in accordance with the Revenue Account Standing Instructions.

Section 13.5 Project Revenues

13.5.1 The Concessionaire shall ensure that all Project Revenues are deposited in the Revenue Account. The Concessionaire shall, in no circumstances, be permitted to deposit or retain the Project Revenues in any other account maintained by the Concessionaire or any third party.

13.5.2 Until the Final Expiry Date, the Concessionaire shall utilize the Concessionaire Revenue Share amounts in the first instances for funding the Projects Works and any excess amounts (if applicable) may be utilized by the Concessionaire in its sole and absolute discretion (including payments of any dividends).

Section 13.6 Revenue Account

- 13.6.1 The Concessionaire shall establish and maintain the Revenue Account until the Final Expiry Date in accordance with, and subject to, the terms of this Agreement.
- 13.6.2 The Revenue Account shall be operated and maintained in accordance with this Agreement through the Revenue Account Standing Instructions.
- 13.6.3 The Revenue Account Standing Instructions shall be irrevocable and shall remain effective until a certificate duly issued by the Independent Auditor to the Project Account Bank verifying occurrence of the Final Expiry Date and certifying that Concessionaire has fully complied with and has satisfied its payment obligations under this Concession Agreement.
- 13.6.4 The Revenue Account Standing Instructions may be amended at any time pursuant to a notice jointly issued by the Parties to the Project Account Bank instructing amendment of the Revenue Account Standing Instructions (or any part thereof) and the same shall be confirmed and acknowledged by the Project Account Bank.
- 13.6.5 The Concessionaire shall procure that the Project Account Bank acts on the Revenue Account Standing Instructions from time to time in accordance with the terms thereof without any requirement of any approval, consent, instruction or direction of any nature whatsoever from FWD or any other entity.
- 13.6.6 Withdrawals from the Revenue Accounts, including for: (a) payments of the Concessionaire Revenue Shares and the FWD Revenue Shares; and (b) transferring the Excess Amounts to the FWD Designated Account upon receipt of the certificate from the Independent Auditor in accordance with Section 22.65.3, shall in each case be made only in accordance with the Revenue Account Standing Instructions.

Section 13.7 Adverse Carbon Market Event

- 13.7.1 In the event of occurrence of an Adverse Carbon Market Event, the Concessionaire shall Notify the Independent Appointees and FWD in writing after occurrence of an Adverse Carbon Market Event. Together with such notice or as soon as possible (and in any event within fourteen (14) days) following such notice, the Concessionaire shall provide all details of the Adverse Carbon Market Event and its consequences, including sufficient details to confirm the existence of an Adverse Carbon Market Event and its impact (if any) on the financial viability of the Project:
- 13.7.2 As soon as practicable (and in any event within forty-five (45) days after receiving the Concessionaire's detailed information and justification) pursuant to Section 13.7.1, the Independent Appointees and FWD, shall confirm in writing to the Concessionaire whether or not (and if so to what extent) they agree that an Adverse Carbon Market Event has occurred and the extent of its impact on the financial viability of the Project, based on the Carbon Revenues and Non-Carbon Revenues that may be generated under the prevailing revenue model of the Concessionaire notwithstanding existence of an Adverse Carbon Market.
- 13.7.3 Any Dispute as to whether or not an Adverse Carbon Market Event has occurred or the extent of its impact may be referred by any Party for resolution in accordance with the Dispute Resolution Procedure.
- 13.7.4 Within ninety (90) days (unless otherwise agreed by the Parties) of the assessment and confirmation of existence of the Adverse Carbon Market Event in accordance with Section 13.7.2, the Parties shall, enter into good faith negotiations to mutually agree on:
- (a) measures to reduce to address and mitigate (as applicable) the impact of the Adverse Carbon Market Event; and
- (b) any adjustments to the financial terms provided under this Agreement, including temporary or permanent rationalization of the FWD's revenue share so as to ensure that the Concessionaire achieves a reasonable cumulative return of KIBOR plus a spread of two percent (2%).

provided that, requisite approvals (as may be necessary) are obtained from the relevant Competent Authority in accordance with the Applicable Laws.

13.7.5 Following expiration of the negotiation period under this Section 13.7.4:

- (a) in the event a solution has been agreed by the Parties and requisite approvals have been obtained, the Parties shall enter into a binding agreement in writing, confirming the agreed terms of the negotiated solution; or
- (b) in the event that the Parties are unable to agree on a solution, the Concessionaire, may, at its discretion, terminate this Agreement in accordance with Article 22 (Termination).

13.7.6 The Concessionaire hereby confirms that:

- (a) its entitlement under with this Section 13.7 (Adverse Carbon Market Event) shall be its sole and exclusive remedy with respect to any Adverse Carbon Market Event;
- (b) there shall be no obligation on the FWD under this Section 13.7 (Adverse Carbon Market Event) to fully restore the Concessionaire’s originally projected returns, but any negotiated solution shall only aim to enable the Project’s sustainable operation going forward; and
- (c) it shall have no additional Claim whatsoever against FWD in this regard.

ARTICLE 14 INDEMNITIES

Section 14.1 Indemnification by the Concessionaire

The Concessionaire shall indemnify, defend and hold harmless FWD (and their affiliates and contractors and respective officers, employees, agents or representatives (collectively the “**FWD Indemnified Parties**”)), from and against all Claims made against or suffered by any of the FWD Indemnified Parties in relation to:

- (a) any loss of or damage to property or death or injury to persons (except for workers’ compensation claims), resulting from any negligent act or omission of the Concessionaire, any of the Concessionaire Indemnified Parties, Project VVBs or Third Party Contractors, or that arises out of or is in any manner connected with the performance of this Agreement, except to the extent that such loss, damage, injury or death is attributable to the negligence or misconduct of the FWD Indemnified Parties, or breach of this Agreement by FWD Indemnified Parties, or the failure of the FWD Indemnified Parties, as applicable, to take reasonable steps in mitigation of the foregoing;
- (b) the violation of any Applicable Standards by any of the Concessionaire Indemnified Parties, Project VVBs, or Third Party Contractors occurring at the Site or in any way related to the Project, except to the extent that such Claim results from or arises out of:
 - (i) the condition of the affected Site existing prior to the effective date of the Lease Agreement; or
 - (ii) any discharge, release or leaching of any Hazardous Substance on, in, over, under or otherwise affecting the Site (including the soil, subsoil, surface water or ground water on or beneath the Site and the air above the same) caused by a FWD Indemnified Party;
- (c) any use, presence, suspected presence, disposal, discharge, storage, treatment, transportation, handling, generation, leaching, release, or threatened release of any Hazardous Substances on, in, over, under or otherwise affecting the Site and any

Adjoining Property (including the soil, subsoil, surface water or ground water on or beneath the Site and the surrounding environs and the air above the same):

- (i) caused by the Concessionaire, by any of the Concessionaire Indemnified Parties, the Project VVBs, or Third Party Contractors;
- (ii) originating from the Site after the Effective Date or, if earlier, the date of issue of the limited notice to proceed under the Development Contract (if any); or
- (iii) in any way related to the Project;
- (d) the violation of any Applicable Standards arising out of the Concessionaire’s performance of the Project Works, including the design, engineering, procurement, implementation, development, plantation, construction, completion and/or Operation and Maintenance of the Project;
- (e) the performance or non-performance by the Concessionaire or the Contractors of their obligations under any of the Project Agreements or Material Agreements (to which they are a party) or the Project VVBs under the relevant contracts;
- (f) in respect of any Carbon Credit Sale Agreement or Ancillary Activities Agreement entered into by the Concessionaire; and
- (g) any acts or omissions by any Concessionaire Indemnified Parties on the Site.

Section 14.2 Indemnification by FWD

FWD shall indemnify, defend and hold harmless the Concessionaire (and its Affiliates and Contractors and its or their respective shareholders, directors, officers, employees, agents or representatives (collectively the “**Concessionaire Indemnified Parties**”)), from and against all Claims made against or suffered by the Concessionaire or any of the Concessionaire Indemnified Parties in relation to any loss of or damage to property or death or injury to persons (except for workers’ compensation Claims), resulting from any negligent act or omission of FWD, except to the extent such loss, damage, injury or death is attributable to the negligence or misconduct of the Concessionaire or any Concessionaire Indemnified Parties, or breach of any Project Agreement by the Concessionaire, or the failure of the Concessionaire or any Concessionaire Indemnified Parties, as applicable, to take reasonable steps in mitigation of the foregoing.

Section 14.3 Liability

No Party shall be liable to the other in contract, tort, warranty, strict liability, or any other legal theory for any indirect, consequential, incidental, punitive, or exemplary damages, except as expressly provided herein.

Section 14.4 Joint Negligence

In the event any injury or damage results from the joint or concurrent negligent or intentional acts or omissions of the Parties (as determined by the Independent Appointees), each Party shall be liable under this indemnification in proportion to its relative degree of fault, as determined by the Independent Appointees.

ARTICLE 15 INSURANCES

Section 15.1 Development Period Insurances

The Concessionaire shall, at its sole cost, risk, and expense, procure and maintain during the Development Period all such Insurances that are necessary and required to be procured by the Concessionaire under the Applicable Standards, Part A (*Development Period Insurances*) of **SCHEDULE L (*Minimum Insurance Requirements*)**, and this Section 15.1 (*Development Period Insurances*) in respect of the Development Works, provided that such insurances or

coverages may be ~~deferred or changed, respectively,~~ -from time to time with the prior written consent of FWD (in consultation with the Independent Appointees), ~~which shall not be unreasonably withheld or delayed.~~ Nothing under this Section 15.1 (*Development Period Insurances*) shall prevent the Concessionaire, at its sole cost and expense, from procuring insurance coverage in addition to those required under this Section 15.1 (*Development Period Insurances*).

Section 15.2 Operating Period Insurances

The Concessionaire shall, at its sole cost, risk, and expense, procure and maintain during the Operating Period all such Insurances that are necessary and required to be procured by the Concessionaire under the Applicable Standards, Part B (*Operating Period Insurances*) of **SCHEDULE L (Minimum Insurance Requirements)**, and this Section 15.2 (*Operating Period Insurances*) in respect of the Operation and Maintenance, provided that such ~~insurances or~~ coverages may be ~~deferred or changed, respectively,~~ from time to time with the prior written consent of FWD (in consultation with the Independent Appointees), ~~which shall not be unreasonably withheld or delayed.~~ Nothing under this Section 15.2 (*Operating Period Insurances*) shall prevent the Concessionaire, at its sole cost and expense, from procuring insurance coverage in addition to those required under this Section 15.2 (*Operating Period Insurances*).

Section 15.3 Insurance Companies

- 15.3.1 The Concessionaire agrees that it shall procure the Insurances from such insurance companies that are acceptable to FWD and further agrees that the Concessionaire shall only procure Insurances through foreign insurance companies if the relevant Insurances are not being offered by local companies at comparable rates, subject always to the prior consent of FWD.
- 15.3.2 Further, the Insurances to be maintained in terms of this Agreement and in accordance with the terms set out herein will be maintained throughout until the issuance of the Handover Certificate.

Section 15.4 Policy Endorsements

- 15.4.1 The Concessionaire shall ensure that FWD, including its officers, are named as co-insured and loss payee on the Insurances. The Concessionaire shall cause the insurers to provide the following endorsement items in the Concessionaire's third-party general liability Insurance and, if applicable, umbrella or excess liability Insurances, relating to the Project:
- (a) FWD and the Independent Appointees shall each receive at least thirty (30) days prior notice of any cancellation of the Insurances except in the event of non-payment of premium, in which case the prior notice of cancellation period shall be ten (10) days and any such notice shall be delivered by e-mail and confirmed in writing delivered by first class mail or, if sent from an office outside Pakistan, by international courier;
 - (b) the Insurance shall be primary with respect to the interest of FWD and any other insurance maintained by it is excess and not contributory with such Insurances; and
 - (c) a cross-liability clause shall be made a part of the Insurances to provide that in the event of claims being made by reason of:
 - (i) personal or bodily injuries suffered by any employee of one insured thereunder for which another insured thereunder is or may be liable; or
 - (ii) damage to property belonging to any insured thereunder for which another insured thereunder is or may be liable,

then the policy shall cover such insured against whom a claim is made or may be made in the same manner as if separate policies had been issued to each insured thereunder, except with respect to the limits of insurance.

15.4.2 The Concessionaire shall cause its insurers to waive all rights of subrogation against FWD (and its employees and contractors) and the Concessionaire (and its employees and Contractors) in respect of a claim arising under its Insurances.

15.4.3 The Concessionaire shall be responsible for all deductibles under the Insurances.

Section 15.5 Evidence of Insurances

15.5.1 Not later than thirty (30) days after the date any of the Insurances and coverage required to be in effect in accordance with this Article 15 (*Insurances*) are issued, or renewed in accordance with their terms, the Concessionaire shall cause its insurers or agents to provide FWD and the Independent Appointees with such Insurances, and where the Insurances are being renewed, provide Insurances evidencing the same terms and conditions as the expiring policies and coverage.

15.5.2 The Concessionaire shall provide FWD and the Independent Appointees with copies of receipts or statements from the Concessionaire's insurers evidencing payment by the Concessionaire of the premiums in respect of such Insurances, reinsurance policies and cover.

Section 15.6 Application of Insurance Proceeds

15.6.1 Except as otherwise provided in Section 15.6.3, or otherwise under this Agreement, or as agreed between the Parties, all money received under the Insurances shall be promptly applied by the Concessionaire towards replantation, replacement, repair, renovation, restoration and/or substitution of the Project or any part thereof which may have been damaged or destroyed.

15.6.2 The Concessionaire shall carry out the replantation, replacement, repair, renovation, restoration and/or substitution to the extent possible in such manner that the Project or any part thereof, shall, after such replantation, replacement, repair, renovation, restoration and/or substitution be as far as possible in the same condition as they were before such damage or destruction, normal wear and tear excepted.

15.6.3 With effect from the Substantial Completion Date, all Income Substitution Payments received shall, upon certification by the Independent Auditor, be distributed among the Parties in accordance with their respective FWD Revenue Share and Concessionaire Revenue Share. The Concessionaire shall, within fifteen (15) days of receipt of any such Income Substitution Payments, submit the same to the Independent Auditor for certification. Upon certification, the Concessionaire shall, within thirty (30) days, distribute the certified amounts to the Parties in accordance with their respective shares.

Section 15.7 Validity of Insurances

15.7.1 The Concessionaire and/or the Sponsors shall promptly pay the Insurance premium in respect of the Insurances. The Concessionaire shall keep the policies in force and valid during the entire Concession Period. The Concessionaire shall provide to FWD, copies of the renewed policies and other documentary evidence of the payment of the Insurance premium in respect of the Insurances.

15.7.2 The Concessionaire shall ensure, subject to market availability, that each instrument, contract and/or policy issued in respect of the Insurances shall provide that the Insurance may not be cancelled and/or terminated without at least ten (10) days prior written notice to FWD of such cancellation and/or termination.

15.7.3 Notwithstanding anything contained herein, in the event the Concessionaire fails to comply with its obligations to procure the Insurances in accordance with Section 15.1 (*Development Period Insurances*) and/or Section 15.2 (*Operating Period Insurances*) then FWD may, without prejudice to its other rights and remedies for breach, at its option, obtain and maintain such Insurance at the Concessionaire's expense, provided that FWD shall provide a twenty (20) days prior notice to the Concessionaire of their intention to exercise such right, unless such intention arises from the Concessionaire's non-payment of premiums for existing

Insurance, in which case FWD shall provide at least five (5) days' prior notice of such intention.

- 15.7.4 If the Concessionaire fails to reimburse FWD for such premiums within seven (7) days of being notified to so do, FWD shall be entitled to payment of such amount(s) under the Performance Securities or by deducting such amount(s) from any payments due to FWD by the Concessionaire.
- 15.7.5 The Concessionaire shall Notify FWD in advance, prior to any material variation of the Insurances.

ARTICLE 16 INDEPENDENT EXPERT

Section 16.1 Selection of Independent Expert

- 16.1.1 Within ten (10) days from the Effective Date, the Concessionaire shall provide FWD with a list of three (3) reputable firms of experts, having relevant experience and recognized accreditations in GHG accounting for Agriculture, Forestry and Other Land Use (AFOLU) projects, for appointment of the Independent Expert (the “**First IE List**”). In the event the proposed Independent Expert is a consortium of experts then: (a) a lead consortium member shall serve as the lead Independent Expert and shall be fully responsible for the overall management, coordination and implementation of the services under the Independent Expert Contract; and (b) the consortium members shall be jointly and severally liable for the services under the Independent Expert Contract.
- 16.1.2 Within seven (7) days of receipt by FWD of the First IE List, FWD shall (subject to one (1) of the firms in the First IE List being acceptable to FWD) select a firm of ~~engineers-experts~~ from the First IE List, and the Parties and the Sponsors shall finalise and execute the Independent Expert Contract.
- 16.1.3 If the firms of experts identified in the First IE List are not acceptable to FWD, the Parties shall select as the Independent Expert a firm acceptable to them, and the Parties and the Sponsors shall finalise and execute the Independent Expert Contract.
- 16.1.4 The Independent Expert Contract shall be executed within thirty (30) days of the Effective Date.
- 16.1.5 The Independent Expert shall provide the services set out in the Independent Expert Contract, which shall be inclusive of all roles and responsibilities of the Independent Expert under this Agreement, provided, however, upon execution of the Independent Expert Contract, the terms and conditions, including scope of work, under the Independent Expert Contract shall supersede.

Section 16.2 Term of Appointment of Independent Expert

- 16.2.1 The appointment of the Independent Expert shall initially be for a term of three (3) years from the date of effectiveness of Independent Expert Contract (the “**Independent Expert Appointment Term**”).
- 16.2.2 The Concessionaire shall ensure that until the Final Expiry Date, an Independent Expert is retained for the purposes of carrying out the functions of the Independent Expert under this Agreement.
- 16.2.3 Prior to the expiry of the Independent Expert Appointment Term, the Concessionaire, the Sponsors and FWD shall have the option to extend the Independent Expert Contract (on terms and conditions agreeable to the Concessionaire, the Sponsors, FWD and the Independent Expert) or appoint a new Independent Expert (such appointment to be effective upon expiry of the current Independent Expert Appointment Term). In the event a new Independent Expert is to be appointed, the Parties shall follow the process set out in Section 16.1 (*Selection of Independent Expert*), *mutatis mutandis*, for appointment of a new Independent Expert so as to ensure that at all times until the Final Expiry Date an Independent Expert is retained.

- 16.2.4 The Parties and the Sponsor shall have the right to terminate the Independent Expert Contract in accordance with its terms, provided, however, that prior to such termination and subject to Section 16.5 (*Independent Expert Remuneration*), the Parties and the Sponsor shall endeavour to select and appoint a replacement Independent Expert and execute the Independent Expert Contract.
- 16.2.5 The Concessionaire shall ensure that all provisions of this Agreement pertaining to the Independent Expert and its responsibilities in respect of the matters set out herein are duly incorporated in the Independent Expert Contract.

Section 16.3 Independent Expert Authorized Signatories

The Parties shall require the Independent Expert to designate and Notify representatives authorized to represent the Independent Expert in all matters relating to this Agreement and sign for and on behalf of the Independent Expert any communication or document required to be signed by the Independent Expert (the “**Independent Expert Authorized Representatives**”). Any document shall be valid and effective only if it is signed by such Independent Expert Authorized Representative. The Independent Expert, may by prior notice in writing to the Parties, substitute the Independent Expert Authorized Representative.

Section 16.4 Decision of Independent Expert Authorized Signatories

- 16.4.1 Subject to Section 16.4.2, any advice or instruction of the Independent Expert shall be binding on the Parties.
- 16.4.2 In the event FWD or the Concessionaire disagree with any decision of the Independent Expert, then it will be deemed as a Dispute under this Agreement and shall be resolved in accordance with the Dispute Resolution Procedure.
- 16.4.3 The Concessionaire shall be responsible for procuring from the Independent Expert any approval, consent, determination, certificate or other document or decision required or contemplated under this Agreement within the necessary timelines stated herein and delay in the procurement of the same shall not give rise to any Claim for extension in the Time for Completion or any additional payments.

Section 16.5 Independent Expert Remuneration

- 16.5.1 The Concessionaire (and, until the Commencement Date, the Sponsors) shall be solely responsible for the payment of fees and expenses due to the Independent Expert under the Independent Expert Contract (the “**Independent Expert Payments**”). In the event the Independent Expert terminates the Independent Expert Contract due to the Independent Expert Payments not being paid, FWD shall for the purposes of this Agreement (without prejudice to its rights under Article 22 (*Termination*)), act as the Independent Expert, and all references to Independent Expert herein shall be considered as a reference to FWD, provided that, FWD shall be entitled to appoint a third party to carry out the functions of the Independent Expert (the “**FWD Appointed IE**”) and all fees and expenses of the same shall be payable on demand of FWD by the Concessionaire and/or the Sponsor. FWD shall be entitled to encash the Performance Securities, (to the extent demanded) in case the Concessionaire and/or Sponsors fail to provide the necessary funds demanded by FWD to pay FWD Appointed IE. Where an FWD Appointed IE is appointed by FWD, all references to Independent Expert herein shall be considered as a reference to the FWD Appointed IE.
- 16.5.2 The Independent Expert Payments shall be considered as a Project Cost and shall be credited to the Independent Expert Payment Account by: (a) the Sponsors; or (b) by the Concessionaire from the Concessionaire Revenue Share, in accordance with this Project Agreements to which the Sponsors and/or the Concessionaire (as applicable) are a party.

Section 16.6 Independent Expert Payment Account

- 16.6.1 The Concessionaire shall establish and maintain the Independent Expert Payment Account from the date of signing of the Independent Expert Contract until the Final Expiry Date.

- 16.6.2 The Concessionaire shall issue standing instructions (that may be suspended, amended and/or revoked only with the consent of the Parties) to the Independent Expert Payment Account Bank (the “**Independent Expert Payment Account Standing Instructions**”) for making payments to the Independent Expert in accordance with the Independent Expert Contract and this Agreement.

ARTICLE 17 INDEPENDENT AUDITOR

Section 17.1 Selection of Independent Auditor

- 17.1.1 Within ten (10) days from the Effective Date, the Concessionaire shall provide FWD with a list of three (3) reputable firms of auditors for appointment of the Independent Auditor (the “**First IA List**”). In the event the proposed Independent Auditor is a consortium of auditors then: (a) a lead consortium member shall serve as the lead Independent Auditor and shall be fully responsible for the overall management, coordination and implementation of the services under the Independent Auditor Contract; and (b) the consortium members shall be jointly and severally liable for the services under the Independent Auditor Contract.
- 17.1.2 Within seven (7) days of receipt by FWD of the First IA List, FWD shall (subject to one (1) of the firms in the First IA List being acceptable to FWD) select a firm of auditors from the First IA List, and the Parties and the Sponsors shall finalise and execute the Independent Auditor Contract.
- 17.1.3 If the firms of auditors identified in the First IA List are not acceptable to FWD, the Parties shall select as the Independent Auditor a firm acceptable to them, and the Parties and the Sponsors shall finalise and execute the Independent Auditor Contract.
- 17.1.4 The Independent Auditor Contract shall be executed within thirty (30) days from the Effective Date.
- 17.1.5 The Independent Auditor shall provide the services set out in the Independent Auditor Contract which shall be inclusive of all roles and responsibilities of the Independent Auditor under this Agreement, provided, however, upon execution of the Independent Auditor Contract, the terms and conditions including scope of work under the Independent Auditor Contract shall supersede.

Section 17.2 Term of Appointment of Independent Auditor

- 17.2.1 The appointment of the Independent Auditor shall initially be for a term of three (3) years from the date of effectiveness of the Independent Auditor Contract (the “**Independent Auditor Appointment Term**”).
- 17.2.2 The Concessionaire shall ensure that until the Final Expiry Date, an Independent Auditor is retained, for the purposes of carrying out the functions of the Independent Auditor under this Agreement.
- 17.2.3 Prior to the expiry of the Independent Auditor Appointment Term, the Concessionaire, the Sponsors and FWD shall have the option to extend the Independent Auditor Contract (on terms and conditions agreeable to the Concessionaire, the Sponsors, FWD and the Independent Auditor) or appoint a new independent auditor (such appointment to be effective upon expiry of the Independent Auditor Appointment Term). In the event a new Independent Auditor is to be appointed, the Parties shall follow process set out in Section 17.1 (*Selection of Independent Auditor*), *mutatis mutandis*, for appointment of a new independent auditor so as to ensure that at all times until the Final Expiry Date, an Independent Auditor is retained.
- 17.2.4 The Parties and the Sponsor shall have the right to terminate the Independent Auditor Contract in accordance with its terms provided, however, that prior to such termination and subject to Section 17.5 (*Independent Auditor Remuneration*), the Parties and the Sponsor shall endeavour to select and appoint a replacement Independent Auditor and execute the Independent Auditor Contract.

- 17.2.5 The Concessionaire shall ensure that all provisions of this Agreement pertaining to the Independent Auditor and its responsibilities in respect of the matters set out herein are duly incorporated in the Independent Auditor Contract.

Section 17.3 Independent Auditor Authorized Signatories

The Parties shall require the Independent Auditor to designate and Notify representatives authorized to represent the Independent Auditor in all matters relating to this Agreement and sign for and on behalf of the Independent Auditor any communication or document required to be signed by the Independent Auditor (the “**Independent Auditor Authorized Representatives**”). Any document shall be valid and effective only if it is signed by such Independent Auditor Authorized Representative. The Independent Auditor, may by prior notice in writing to the Parties, substitute the Independent Auditor Authorized Representative.

Section 17.4 Decision of Independent Auditor Authorized Signatories

- 17.4.1 Subject to Section 17.4.2, any advice or instruction of the Independent Auditor shall be binding on the Parties.
- 17.4.2 In the event FWD or the Concessionaire disagrees with any decision of the Independent Auditor, then it will be deemed as a Dispute under this Agreement and shall be resolved in accordance with Dispute Resolution Procedure.
- 17.4.3 The Concessionaire shall be responsible for procuring from the Independent Auditor any approval, consent, determination, certificate or other document or decision required or contemplated under this Agreement within the necessary timelines stated herein and delay in the procurement of the same shall not give rise to any Claim for extension in the Time for Completion or any additional payments.

Section 17.5 Independent Auditor Remuneration

- 17.5.1 The Concessionaire (and, until the Commencement Date, the Sponsor(s)) shall be solely responsible for the payment of fees and expenses due to the Independent Auditor under the Independent Auditor Contract (the “**Independent Auditor Payments**”). In the event the Independent Auditor terminates the Independent Auditor Contract due to the Independent Auditor Payments not being paid, FWD shall for the purposes of this Agreement (without prejudice to its rights under Article 22 (*Termination*)), act as the Independent Auditor, and all references to Independent Auditor herein shall be considered as a reference to FWD, provided that, FWD shall be entitled to appoint a third party to carry out the functions of the Independent Auditor (the “**FWD Appointed IA**”) and all fees and expenses of the same shall be payable on demand of FWD by the Concessionaire. FWD shall be entitled to encash the Performance Securities, (to the extent demanded) in case the Concessionaire fails to provide the necessary funds demanded by FWD to pay FWD Appointed IA. Where a FWD Appointed IA is appointed by FWD, all references to Independent Auditor herein shall be considered as a reference to the FWD Appointed IA.
- 17.5.2 The Independent Auditor Payments shall be considered as a Project Cost and shall be credited to the Independent Auditor Payment Account by: (a) the Sponsors; or (b) by the Concessionaire from the Concessionaire Revenue Share, in accordance with this Project Agreements to which the Sponsors and/or the Concessionaire (as applicable) are a party.

Section 17.6 Independent Auditor Payment Account

- 17.6.1 The Concessionaire shall establish and maintain the Independent Auditor Payment Account from the date of signing of the Independent Auditor Contract until the Final Expiry Date.
- 17.6.2 The Concessionaire shall issue standing instructions (that may be suspended, amended and/or revoked only with the consent of the Parties) to the Independent Auditor Payment Account Bank (the “**Independent Auditor Payment Account Standing Instructions**”) for making payments to the Independent Auditor in accordance with the Independent Auditor Contract and this Agreement.

ARTICLE 18 RELIEF EVENT

Section 18.1 Notice of Relief Event

- 18.1.1 If a Relief Event occurs after the Commencement Date, the Concessionaire must Notify the Independent Appointees and FWD (and in any event within fourteen (14) days) after becoming aware of the occurrence of a Relief Event. Together with such notice or as soon as possible (and in any event within fourteen (14) days) following such notice, the Concessionaire shall provide all details of the Relief Event and its consequences, including sufficient details to confirm the existence of a Relief Event and its impact (if any) on the ability of the Concessionaire to undertake the Project in accordance with the Applicable Standards and develop Carbon Credits from the Project.
- 18.1.2 As soon as practicable (and in any event within fourteen (14) days after receiving the Concessionaire’s detailed information and justification) pursuant to Section 18.1.1, the Independent Appointees shall confirm whether or not (and if so to what extent) they agree that a Relief Event has occurred and the extent of its impact on the ability of the Concessionaire to undertake the Project in accordance with the Applicable Standards and develop Carbon Credits from the Project.
- 18.1.3 Any Dispute as to whether or not a Relief Event has occurred, or the extent of its impact may be referred by any Party for resolution in accordance with the Dispute Resolution Procedure.
- 18.1.4 If the Concessionaire does not deliver a notice as required by Section 18.1.1 in accordance with the terms thereof, the Concessionaire shall not be entitled to invoke the benefits of Section 18.2 (*Effect of Relief Event*) in respect of the relevant Relief Event.

Section 18.2 Effect of Relief Event

Subject to Section 18.1 (*Notice of Relief Event*), if a Relief Event occurs:

- (a) between the Commencement Date and the ~~Scheduled Substantial Completion Date~~Final Expiry Date, the provisions of Article 20 (*Increased Costs*) shall apply if the Concessionaire has incurred or suffered any Increased Costs as a result of such a Relief; and
- (b) the provisions of Section 10.5 (*Adjustment of the Time for Completion*) shall apply.

ARTICLE 19 FORCE MAJEURE

Section 19.1 Force Majeure Event

A “**Force Majeure Event**” means any circumstance, event or condition (or combination thereof) beyond the reasonable control, directly or indirectly, of the Affected Party but only to the extent that:

- (a) such circumstance, event or condition, despite the exercise of diligence, cannot be prevented, avoided or overcome by the Affected Party;
- (b) such circumstance, event or condition prevents the performance by the Affected Party of its obligations under or pursuant to this Agreement (save for payment obligations) including compliance with Legal Requirements;
- (c) such circumstance, event or condition was not foreseeable, or if foreseeable, could not have been prevented or avoided or overcome by the Affected Party having taken all reasonable precautions and due care;
- (d) the Affected Party has taken all reasonable precautions, due care and measures to prevent, avoid or overcome the effect of such circumstance, event or condition on its ability to perform its obligations under this Agreement and to mitigate its consequences;

- (e) such circumstance, event or condition is not the direct or indirect result of a breach or failure by the Affected Party to: (i) perform any of its material obligations under this Agreement or any other Project Agreement (as the case maybe); or (ii) comply with Legal Requirements;
- (f) such circumstance, event or condition is without fault or negligence of the Affected Party; and
- (g) the Affected Party has given the other Party notice in accordance with Section 19.5.1, and shall consist of “Natural Force Majeure Events” and “Political Force Majeure Events”.

Section 19.2 Natural Force Majeure Event

A “**Natural Force Majeure Event**” means a Force Majeure Event which is not a Political Force Majeure Event, including:

- (a) lightning, fire, earthquake, unusual flood, storm, cyclone, tornado, tsunami, typhoon or other natural disaster or act of God;
- (b) pandemic, epidemic or plague;
- (c) accident, explosion or chemical contamination;
- (d) strikes, works to rule or go-slow (other than solely by employees of the Affected Party or its affiliates);
- (e) the discovery of hydrocarbons on, under or within the Site; and
- (f) the discovery of unexploded bombs or munitions on or within the Site.

Section 19.3 Political Force Majeure Event

A “**Political Force Majeure Event**” means:

- (a) acts of war (whether declared or not), invasion, armed conflict, act of foreign enemy or blockade in each case occurring within Pakistan or involving Pakistan;
- (b) acts of rebellion, riot, civil commotion, strikes of a political nature, act or campaign of terrorism, or sabotage of a political nature, in each case, occurring within Pakistan;
- (c) if applicable, any boycott, sanction, embargo penalty or other restriction imposed directly on Pakistan by any government from where equipment and materials for the Project are being imported during the period up to and including the latest of the Development Completion Date, or the expiry of the relevant warranty period stipulated in the Development Contract;
- (d) any action or failure to act by a Competent Authority in Pakistan, including any action or failure that results in any Concessionaire Permit issued under the laws of Pakistan:
 - (i) ceasing to remain in full force and effect; or
 - (ii) not being issued or renewed in a timely manner upon due application having been made,

provided that the proper exercise of any rights of a Competent Authority in Pakistan in response to a Concessionaire default under or breach of the terms of any Concessionaire Permit issued under the laws of Pakistan, or any breach of any Legal Requirements by the Concessionaire, shall not constitute a Political Force Majeure Event; and

- (e) a Change in Law (Local).

Section 19.4 Certain Events Not Force Majeure Events

Notwithstanding that a Force Majeure Event may otherwise exist, the provisions of this Article 19 (*Force Majeure*) shall not excuse:

- (a) failure to make a payment of money in accordance with the Party's obligations under this Agreement;
- (b) any failure by the Concessionaire, its Contractors, the Project VVBs, or the Third Party Contractors, to obtain or maintain any Concessionaire Permit due to negligence or default by any such party;
- (c) any failure by the Concessionaire to research, consider, plan for or take into account reasonably foreseeable ground and weather conditions at the Site;
- (d) any failure by a Contractor, Project VVB, or Third Party Contractor, which results in the failure or inability of the Concessionaire to perform its obligations under this Agreement where the cause of such failure by the Contractor would not otherwise constitute a Force Majeure Event pursuant to this Agreement;
- (e) late performance by the Concessionaire, any Contractor, Project VVB or Third Party Contractor caused by the failure of the Concessionaire or such Contractor for any reason, including failure to engage qualified subcontractors and suppliers or to hire an adequate number of personnel or labour or any failure of its subcontractors to perform their respective obligations;
- (f) late delivery of equipment, machinery, plant or materials caused by default, negligent acts or omissions on the part of the Concessionaire, any Contractor, Project VVB, or Third Party Contractor;
- (g) inability of the Concessionaire to obtain or maintain adequate funding for the Project including funding of Cost Overruns;
- (h) mechanical or electrical breakdown or failure of equipment, machinery or plant owned or operated by the Concessionaire due to the manner in which the equipment, machinery or plant has been operated or maintained;
- (i) delays resulting from reasonably foreseeable unfavourable weather (including monsoon) or sea conditions or other similar reasonably foreseeable adverse conditions;
- (j) delays or non-performance of any Project Works as a result of SARS-CoV-2 except where complete ban and lockdown measures are imposed by Competent Authorities, results in suspension of Project Works, in which case such delay or non-performance shall be treated as a Natural Force Majeure Event provided the Concessionaire has complied with the requirements of this Article 19 (*Force Majeure*) (as applicable to a Natural Force Majeure Event);
- (k) a Change in Law (Foreign);
- (l) an Administrator Event; and
- (m) submission of documents and/or drawings for approval by FWD or the Independent Appointees at a time which does not leave sufficient time for review thereof by FWD or the Independent Appointees within the time periods provided therefor in this Agreement.

Section 19.5 Obligations

19.5.1 If a Party desires to invoke a Force Majeure Event as a cause for delay or failure in performance of any of its obligations under this Agreement (other than payment of money) (the “**Affected Party**”), it shall:

- (a) as soon as reasonably practicable (and in any event no later than ten (10) days) after the Affected Party first had knowledge of the occurrence of a Force Majeure Event, as a condition precedent to its entitlement under this Article 19 (*Force Majeure*), give notice to the other Party and the Independent Appointees of the circumstance, event or condition which it alleges constitutes the Force Majeure Event and an estimate of its likely duration. If the Affected Party does not deliver such notice in accordance with the terms hereof, such Affected Party shall not be entitled to invoke the benefits of Section 3.5.1 and Article 19 (*Force Majeure*) of this Agreement in respect of the relevant Force Majeure Event;
- (b) within ten (10) days of the date of a notice issued pursuant to Section 19.5.1(a), provide a written report identifying the Force Majeure Event and the Affected Party’s understanding of its effects, including particulars of the circumstance, event or condition, a general description of the obligations likely to be affected, an estimate of its likely duration and a statement of the actions to be taken in order to comply with its obligations under this Article 19 (*Force Majeure*). If the Affected Party does not deliver such report in accordance with the terms hereof, such Affected Party shall not be entitled to invoke the benefits of Section 3.5.1, and Article 19 (*Force Majeure*) of this Agreement in respect of the relevant Force Majeure Event; and
- (c) from time to time at reasonable intervals and upon any reasonable request from the other Party, provide updates as to the matters set out in Section 19.5.1(b).

19.5.2 The Affected Party shall:

- (a) make all reasonable efforts to prevent and reduce to a minimum and mitigate the effect of any Force Majeure Event, including recourse to alternate sources of services, equipment and materials, provided that, if there occurs a Force Majeure Event, the effects of which cannot be mitigated by the Concessionaire, FWD shall have the right to take such actions as are necessary to ensure that the Project is minimally effected;
- (b) as soon as reasonably possible, and in accordance with the Good Industry Practice, ensure the resumption of normal performance of this Agreement after the cessation of any Force Majeure Event or its effects and shall otherwise perform its obligations under this Agreement to the extent not excused under this Article 19 (*Force Majeure*); and
- (c) within ~~three-seven~~ (73) days following the cessation of any Force Majeure Event, submit to the other Party reasonable proof of the nature of such delay and its effect upon the performance of its obligations under this Agreement.

19.5.3 With respect to the Concessionaire only, if a Force Majeure Event occurs that affects the Concessionaire, such event may only be invoked with respect to the part of the Project affected by such event and not with respect to any other part of the Project not so affected, provided that, with respect to the operation of any part of the Project not so affected, such part of the Project is capable of independent or partial operation in accordance with Good Industry Practice.

Section 19.6 Effects of a Force Majeure Event Generally

The Affected Party shall not be liable for any delay or failure in performing its obligations under this Agreement due to a Force Majeure Event, provided that no relief shall be granted to the Affected Party pursuant to this Article 19 (*Force Majeure*) to the extent that such failure or delay:

- (a) would have nevertheless been experienced by the Affected Party had the Force Majeure Event not occurred; or

- (b) was caused by the failure of the Affected Party to comply with its obligations under Section 19.5.1.

Section 19.7 Effects of a Force Majeure Event

19.7.1 If, during the Concession Period, a Force Majeure Event occurs which results in material damage to or loss to the Project (while in the custody, care and control of the Concessionaire) or a delay in achieving any Implementation Milestone Dates, in addition to any remedies the Concessionaire may have under Article 20 (*Increased Costs*):

- (a) the Parties and the Independent Appointees shall consult with one another as soon as practicable after the giving of a notice as provided in Section 19.5.1(a) concerning the effect of such Force Majeure Event upon the Time for Completion, and the Project Implementation Schedule and/or the Project Implementation Plan shall be adjusted equitably taking into account the effect which the Affected Party reasonably demonstrates is properly attributable to such Force Majeure Event and the ability of such Party to re-schedule its activities to minimise the overall delays to the Project Implementation Schedule resulting from such event; or
- (b) if the Parties and the Independent Appointees are unable to agree upon the equitable adjustment to the Project Implementation Schedule and/or the Project Implementation Plan within a period of sixty (60) days from the date the notice referred to in Section 19.7.1(a) is received, the Dispute shall be referred for resolution in accordance with the Dispute Resolution Procedure for the determination of the adjustment to the Project Implementation Schedule₂;

provided that adjustment of the Project Implementation Schedule and/or the Project Implementation Plan cannot be claimed under this Section 19.7 (Effects of a Force Majeure Event) where such adjustments have been claimed, or can be claimed, under Section 10.5 (Adjustment for Time for Completion).

19.7.2 If, prior to the ~~Substantial Completion Date~~Final Expiry Date, the Concessionaire has incurred or suffered any Increased Cost as a result of a Political Force Majeure Event, the provisions of Article 20 (*Increased Costs*) shall apply.

Section 19.8 Reinstatement of the Project

19.8.1 If a Force Majeure Event causes an Event of Loss, the Concessionaire shall rebuild, repair and/or restore the Project, using all Insurance proceeds or other amounts actually received on account of the Event of Loss, except proceeds from any Income Substitution Proceeds (collectively, “**Casualty Proceeds**”), together with any other amounts that are available to the Concessionaire for such repair and/or restoration, in accordance with this Section 19.8 (*Reinstatement of the Project*).

19.8.2 All Casualty Proceeds received by the Concessionaire shall be deposited by the Concessionaire into a restoration account segregated from all other funds of the Concessionaire (the “**Restoration Account**”) to be applied as provided in Section 19.8.5. The Concessionaire:

- (a) shall diligently pursue all of its rights to compensation against any person with respect to such Event of Loss;
- (b) may, in the reasonable judgement of the Concessionaire, compromise or settle any Claim against any person with respect to such Event of Loss; and
- (c) shall hold all amounts of Casualty Proceeds (including financial instruments) received by the Concessionaire in respect of any Event of Loss (after deducting all reasonable expenses incurred by the Concessionaire in litigating, arbitrating, compromising or settling any Claims) in the Restoration Account.

19.8.3 As soon as reasonably practicable but no later than the date of receipt by the Concessionaire of any Casualty Proceeds, the Concessionaire shall make a good faith determination as to whether:

- (a) the Project or such portion thereof that has been affected by the Event of Loss can be rebuilt, repaired or restored to permit operation of the Project or such portion thereof on a commercially feasible basis; and
- (b) the Casualty Proceeds, together with any other amounts that are available to the Concessionaire for such rebuilding, repair and/or restoration, are sufficient to permit such rebuilding, repair and/or restoration of the Project or such portion thereof.

19.8.4 The determination of the Concessionaire under Section 19.8.3 shall be evidenced by a certificate of a responsible officer of the Concessionaire to be delivered to the Independent Appointees and FWD which, in the event the Concessionaire determines that the Project or such portion thereof can be rebuilt, repaired and/or restored to permit operation thereof on a commercially feasible basis, shall also set out a reasonable good faith estimate by the Concessionaire of the total cost of such rebuilding, repair and/or restoration.

19.8.5 If the Parties agree or the Independent Appointees determine under Section 19.8.4 that:

- (a) the Project cannot be rebuilt, repaired and/or restored to permit operation on a commercially feasible basis or that the Casualty Proceeds, together with any other amounts that are available to the Concessionaire for such rebuilding, repair and/or restoration, are not sufficient to permit such rebuilding, repair and/or restoration, then any Party may elect to terminate this Agreement in accordance with Section 22.4.3 and all of the Casualty Proceeds shall be distributed in the following order of priority:
 - (i) first, to the payment of costs and expenses actually incurred and duly evidenced by the Concessionaire in the performance of its obligations under Section 19.8.6;
 - (ii) second, to the payment of any amount due to FWD under the Project Agreements; and
 - (iii) third, to the Concessionaire or to whomever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct, any surplus then remaining from such proceeds;
- (b) only a portion of the Project can be rebuilt, repaired and/or restored to permit operation on a commercially feasible basis and the Casualty Proceeds, together with any other amounts that are available to the Concessionaire for such rebuilding, repair and/or restoration, are sufficient to permit such rebuilding, repair and/or restoration, then FWD may elect to terminate this Agreement in accordance with Section 22.4.3 and all of the Casualty Proceeds shall be distributed in the following order of priority:
 - (i) first, to the payment of costs and expenses actually incurred and duly evidenced by the Concessionaire in the performance of its obligations under Section 19.8.6 and not already compensated for by way of payments otherwise received by the Concessionaire;
 - (ii) second, to the payment of any amount due to FWD under the Project Agreements; and
 - (iii) third, to the Concessionaire or to whomever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct, any surplus then remaining from such proceeds;

or, if FWD is not entitled to or does not elect to terminate this Agreement:

- (A) the amount equal to the estimate of the total cost of such rebuilding, repair and/or restoration agreed by the Parties or determined by the Independent Appointees shall be deposited in the Restoration Account to be applied towards the costs of rebuilding, repairing and/or restoring such portion of the Project; and
 - (B) the amount, if any, by which all the Casualty Proceeds exceed the estimate of the total cost shall be distributed in the following order of priority:
 - (aa) first, to the payment of any amount due to FWD under the Project Agreements; and
 - (bb) second, to the Concessionaire or to whomever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct, any surplus then remaining from such proceeds; or
 - (c) the Project (if applicable) can be rebuilt, repaired and/or restored to permit operation on a commercially feasible basis and the Casualty Proceeds, together with any other amounts that are available to the Concessionaire for such rebuilding, repair and/or restoration, are sufficient to permit such rebuilding, repair and/or restoration, then all of the Casualty Proceeds, together with such other amounts as are available to the Concessionaire for such rebuilding, repair and/or restoration, shall be deposited in the Restoration Account to be applied toward the costs of rebuilding, repairing and/or restoring the Project.
- 19.8.6 Upon the occurrence of an Event of Loss, the Concessionaire shall immediately take all necessary action, consistent with applicable Legal Requirements, to secure and make safe the Project and the Site.
- 19.8.7 If the Concessionaire is required to restore the Project, the Concessionaire shall promptly commence any restoration work and shall diligently pursue the same to completion, subject to a reasonable allowance for the time needed to adjust any Claims with respect to Insurances. Before the Concessionaire shall commence any such restoration, and at all times during the course of such restoration, the Concessionaire shall pay FWD all amounts due to FWD under the Project Agreements. In addition, at all times the Concessionaire shall continue to perform and observe all of the terms, covenants, conditions, agreements and obligations of the Concessionaire to be performed under this Agreement and the other Project Agreements notwithstanding any Event of Loss.
- 19.8.8 If, at any time during restoration pursuant to Section 19.8.7, the Independent Expert believes that the Concessionaire is not diligently pursuing the restoration activities, the Independent Expert will specify a reasonable restoration timetable and if the Concessionaire subsequently fails to adhere to such timetable, the Concessionaire shall be held in material breach of its obligations under this Agreement.

ARTICLE 20 INCREASED COSTS

Section 20.1 Claim for Increased Costs

20.1.1 If the Concessionaire believes that any of the following events or circumstances:

- (a) a Political Force Majeure Event (other than a Change in Law);
- (b) a Change in Law (Local); or
- (c) a Relief Event,

resulted in an Increased Cost, then the Concessionaire shall promptly (and in any event within ten (10) days after it first had knowledge of the relevant event or circumstance) and

as a condition precedent to its entitlement to recover Increased Costs under this Article 20 (*Increased Costs*), issue notice to the Independent Appointees specifying:

- (i) the details of such Increased Costs;
- (ii) the details of the event or occurrence which gave, or gives rise to, such Increased Costs, providing reasonable evidence of the economic impact thereof which resulted in such Increased Costs;
- (iii) the relief proposed to be sought pursuant to Section 20.1.5(b); and
- (iv) any other details required by this Section 20.1 (*Claim for Increased Costs*).

Such notification obligations shall be in addition to any notice or other requirements under Article 10 (*Completion*) and Article 19 (*Force Majeure*) and shall be a condition precedent to any entitlement to recover Increased Costs under this Article 20 (*Increased Costs*).

20.1.2 Following a claim under Section 20.1.1, the Concessionaire may, from time to time, deliver to the Independent Appointees additional notices identifying further Increased Costs that have resulted, or are reasonably expected to result, from the same circumstances, provided that any such additional notice shall be given no later than sixty (60) days after the Concessionaire knew of, or should have known of, such additional Increased Costs.

20.1.3 The Concessionaire shall, acting in accordance with Good Industry Practice, use all reasonable efforts to minimise any Increased Costs.

20.1.4 If the Parties are unable to agree with the Independent Appointees on contents of the notice(s) delivered pursuant to Sections 20.1.1 or 20.1.2 within sixty (60) days of receipt thereof, then the Dispute shall be referred for resolution in accordance with the Dispute Resolution Procedure.

20.1.5 To the extent that a claim for Increased Costs under Sections 20.1.1 or 20.1.2 has been allowed by the Independent Appointees, or otherwise allowed in accordance with the Dispute Resolution Procedure:

- (a) the Concessionaire shall request for injection of additional equity by the Sponsors in accordance with the Sponsor Support Agreement and use its best efforts to raise additional capital (other than injection of additional equity by the Sponsors); and
- (b) FWD shall (in consultation with the Independent Appointees) propose to the Concessionaire:
 - (i) a mechanism to adjust the FWD Revenue Share for an appropriate period;
 - (ii) a mechanism to compensate the Concessionaire through the payment of a lump-sum amount or staggered payments; or
 - (iii) an extension of the Concession Period,

which takes account of all relevant circumstances (including insurability of the event and any Insurance coverage available on account of such events) and is structured so as to put the Concessionaire into a neutral financial position which results in its deriving neither gain nor loss as a consequence of the relevant event giving rise to the claim under this Article 20 (*Increased Costs*).

20.1.6 Notwithstanding the foregoing, any:

- (a) Political Force Majeure Event; or
- (b) Relief Event,

that results in Increased Costs shall be funded:

- (i) by any Insurance proceeds available on account of the relevant event;
- ~~(i)(ii)~~ thereafter, by the Concessionaire through injection of additional equity by the Sponsors;
- ~~(ii)(iii)~~ thereafter, by means of a lump-sum payment by FWD in pursuance of a mechanism under Section 20.1.5(b)(ii); and
- ~~(iii)(iv)~~ in the event the Concessionaire raises additional capital (other than injection of additional equity by the Sponsors), by such capital.

20.1.7 The Parties shall use reasonable endeavours to agree upon the appropriate adjustment or reimbursement mechanism within thirty (30) days of the Concessionaire’s receipt of FWD’s proposal under Section 20.1.5(b), failing which, the Dispute shall be referred for resolution in accordance with the Dispute Resolution Procedure.

Section 20.2 Claims in Aggregate

In respect of any Increased Costs, as described in Section 20.1.1, all accrued and outstanding claims of the Concessionaire may be asserted on the date falling thirty (30) days after the end of the calendar year in which the relevant event or circumstance entitling the Concessionaire to claim Increased Costs occurred, provided that once such claims have been asserted, no future claims may be asserted until the next annual deadline is reached.

ARTICLE 21 EVENTS OF DEFAULT

Section 21.1 Concessionaire Event of Default

Except where the relevant event occurs as a consequence of a FWD Event of Default, each of the following events shall constitute an event of default by the Concessionaire (the “**Concessionaire Event of Default**”):

- (a) the Concessionaire fails to commence the Development Works within fifteen (15) days from the Commencement Date;
- (b) the Concessionaire fails to Register the Project with the Project Carbon Standard Body by the Substantial Completion Date, provided that such event shall not constitute a Concessionaire Event of Default to the extent that: (i) it is exclusively attributable to delay in processing the application with the Project Carbon Standard Body; (ii) the Concessionaire has undertaken all reasonable endeavours to Register the Project and fulfilled all required formalities and obligations with respect to the same, as determined by the Independent Appointees; and (iii) the earlier of: (A) any timeline stipulated under the Carbon Policies (including any extension thereof) applicable to the Registration of the Project; or (B) a period of one (1) year from the failure under this Section 21.1(b), has not lapsed;
- (c) the Concessionaire fails to achieve: (i) Substantial Completion by the Scheduled Substantial Completion Date; and/or (ii) Development Completion by the Scheduled Development Completion Date;
- (d) a Material Breach of O&M Requirements has occurred;
- (e) the Concessionaire fails to make any undisputed payment under this Agreement within thirty (30) Days from the due date thereof;
- (f) the Concessionaire is in material breach of this Agreement and/or the Lease Agreement and fails to cure such breach within thirty (30) days of Notice thereof from the Independent Appointees and/or FWD to the Concessionaire stating that a breach has occurred, identifying the breach and demanding remedy thereof;

- (g) the Development Period Damages exceed (by way of calculation or otherwise) any Development Damages Cap;
- (h) the relevant Performance Damages exceed (by way of calculation or otherwise) the applicable Performance Damages Cap;
- (i) except for the purpose of amalgamation or reconstruction, provided that, as part of such amalgamation or reconstruction, the property, assets and undertaking of the Concessionaire are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of the Concessionaire under the Project Agreements to the satisfaction of FWD and complied with any reasonable requirements of FWD, any of the following events:
 - (i) any proceeding being validly instituted under the Applicable Laws for the dissolution of the Concessionaire or attachment of the Project in accordance with Applicable Laws that, in the opinion of the Independent Expert (in respect of technical matters) and/or in the opinion of the Independent Auditor (in respect of financial matters), has a Material Adverse Effect and that is not stayed or suspended in ninety (90) days, provided that, if, within seven (7) business days of the Concessionaire becoming aware of such proceedings being filed, the Concessionaire:
 - (A) confirms to FWD that such proceedings relate to the recovery of a Claim against the Concessionaire that is disputed bona fide by the Concessionaire as payable; and
 - (B) furnishes a certificate by the Independent Auditor to the effect that the Concessionaire is and will remain solvent despite the payment of the Claim subject to the said insolvency proceedings,

then, in such case, the same shall not constitute a Concessionaire Event of Default until such time that the said certificate by the Independent Auditor is revoked or otherwise ceases to remain accurate;
 - (ii) the passing of a resolution for the dissolution or winding up of the Concessionaire;
 - (iii) the voluntary filing by the Concessionaire of a winding up petition;
 - (iv) the appointment of a provisional liquidator in a proceeding for the winding up of the Concessionaire after notice to the Concessionaire and due hearing, which appointment has not been set aside or stayed within ninety (90) business days of such appointment; or
 - (v) the making by a court with jurisdiction over the Concessionaire of an order for dissolution or winding up the Concessionaire which order is not stayed or reversed by a court of competent jurisdiction within ninety (90) business days;
- (j) an event of default (howsoever described) has occurred under any Financing Documents (if applicable);
- (k) any statement, representation or warranty made by the Concessionaire in this Agreement proving to have been incorrect, in any material respect, when made or when reaffirmed and such incorrect statement, representation or warranty having, in the opinion of the Independent Expert (in respect of technical matters) and/or in the opinion of the Independent Auditor (in respect of financial matters): (i) a Material Adverse Effect on the Concessionaire's ability to perform its obligations under this Agreement and/or on the Project; or (ii) having a Material Adverse Effect on the rights and/or obligations of FWD hereunder;

- (l) Abandonment;
- (m) any of the Performance Securities, is not provided, issued, renewed, or replaced (as the case may be) in accordance with this Agreement or becomes inoperative or ceases to remain valid or in force, in breach of the relevant provisions of this Agreement;
- (n) the Concessionaire creates or permits to subsist any Encumbrance on the Project, the Site or the Shares, other than Encumbrances arising by operation of the Applicable Laws in the ordinary course of business of the Project;
- (o) the transfer, pursuant to law, of the rights and/or obligations of the Concessionaire under this Agreement save and except as permitted in terms of this Agreement;
- (p) a breach by the Concessionaire of its obligation to take out and maintain the required Insurances in accordance with Article 15 (*Insurances*);
- (q) a material breach by: (i) the Contractors; or (ii) Project VVBs; of any of their respective contracts with the Concessionaire, having (in the opinion of the Independent Expert (in respect of technical matters) and/or in the opinion of the Independent Auditor (in respect of financial matters)) a Material Adverse Effect;
- (r) termination of the Independent Expert Contract by the Independent Expert due to non-payment by the Concessionaire or the Sponsors, as applicable;
- (s) termination of the Independent Auditor Contract by the Independent Auditor due to non-payment by the Concessionaire or the Sponsors, as applicable;
- (t) a failure of the Sponsors to fund any amounts required to be funded by them in accordance with the terms of any Project Agreement to which the Sponsors are a party;
- (u) any Concessionaire Permit is revoked, suspended, not renewed or not maintained as required;
- (v) failure of the Concessionaire to remedy any Defects & Deficiencies in terms of Section 7.6 (*Remedying Defects & Deficiencies*);
- (w) a material breach by any Sponsor under the Sponsor Support Agreement; and
- (x) any act or omission of the Concessionaire which results in the non-compliance with the Carbon Policies.

Section 21.2 FWD Event of Default

Except where the relevant event occurs as a consequence of a Concessionaire Event of Default, each of the following events shall constitute an event of default of FWD (the “**FWD Event of Default**”):

- (a) FWD fails to make any undisputed payment under this Agreement within ninety (90) days from the due date thereof, and the same is not cured within sixty (60) days of receipt of Notice thereof from the Concessionaire to FWD;
- (b) FWD is in material breach of this Agreement and/or the Lease Agreement, and fails to cure such breach within one hundred and twenty (120) days from the date of Notice thereof by the Concessionaire to FWD stating that a breach has occurred, identifying the breach and demanding remedy thereof;
- (c) the expropriation, nationalization or compulsory acquisition of any material asset of the Concessionaire or any shares or other interest in the Concessionaire by FWD or any Competent Authority in Pakistan; and

- (d) any statement, representation or warranty made by FWD in this Agreement and/or the Lease Agreement proving to have been incorrect, in any material respect, when made or when reaffirmed and such incorrect statement, representation or warranty having, in the opinion of the Independent Expert (in respect of technical matters) and/or in the opinion of the Independent Auditor (in respect of financial matters): (i) a Material Adverse Effect on the Concessionaire’s ability to perform its obligations under this Agreement and/or on the Project; or (ii) having a Material Adverse Effect on the Concessionaire’s rights and/or obligations under this Agreement and/or the Lease Agreement, and in each case, the same is not cured within one hundred and twenty (120) days of receipt of Notice thereof from the Concessionaire to FWD.

ARTICLE 22 TERMINATION

Section 22.1 Expiry of the Term

Unless terminated earlier in accordance with this Article 22 (*Termination*), this Agreement shall expire on the Term Expiry Date.

Section 22.2 Termination due to Non-occurrence of the Commencement Date

- 22.2.1 If the Commencement Date is not achieved by the Scheduled Commencement Date (as may be extended pursuant to Section 3.5.1) then, provided that the Parties have first used their reasonable endeavours to adjust the Scheduled Commencement Date in accordance with Section 3.5.1, either Party may terminate this Agreement by issuing a Termination Notice to the other Party, whereupon this Agreement shall terminate on the date of termination specified therein, or such later date as the Parties may agree in writing. Thereafter, no Party shall have any liability to the other.
- 22.2.2 If failure to achieve the Commencement Date is due to reasons solely attributable to the Concessionaire, the Parties acknowledge and agree that FWD may draw upon and retain the face amount of the Development Performance Security (if issued) or the Bid Security, as payment of liquidated damages for such termination.
- 22.2.3 The Parties agree that:
 - (a) the face amount of the Development Performance Security or the Bid Security are the actual losses that FWD will suffer in the event that this Agreement is terminated for reasons solely attributable to the Concessionaire as set out in this Section 22.2 (*Termination Due to Non-occurrence of the Commencement Date*); and
 - (b) there is in any event a commercial justification and legitimate interest in imposing such liquidated damages as a payment for the termination of this Agreement for reasons set out in this Section 22.2 (*Termination Due to Non-occurrence of the Commencement Date*) which would not be satisfied by a right to recover damages on an unliquidated basis for such default.

Section 22.3 Termination due to an Event of Default

- 22.3.1 Upon the occurrence of a FWD Event of Default, the Concessionaire may give notice (the “**Concessionaire Notice of Intent to Terminate**”) to FWD specifying in reasonable detail the relevant FWD Event of Default giving rise to such notice and the date upon which the Concessionaire proposes to terminate this Agreement, which date shall not be less than thirty (30) days after the date of the Concessionaire Notice of Intent to Terminate or such longer period as specified in this Agreement (the “**FWD Cure Period**”).
- 22.3.2 Upon the occurrence of a Concessionaire Event of Default, FWD may give notice (the “**FWD Notice of Intent to Terminate**”) to the Concessionaire specifying in reasonable detail the relevant Concessionaire Event of Default giving rise to such notice and the date upon which FWD proposes to terminate this Agreement, which date shall not be less than thirty (30) days after the date of FWD Notice of Intent to Terminate or such longer period as specified in this Agreement (the “**Concessionaire Cure Period**”), provided that upon the occurrence of any of the Concessionaire Events of Default under Section 21.1(i), FWD may terminate this

Agreement immediately.

- 22.3.3 During the Cure Period, the Parties shall consult as to what steps shall be taken, and the Defaulting Party shall use its reasonable efforts to mitigate the consequences of, and cure, the relevant Event of Default.
- 22.3.4 If, upon the expiry of the Cure Period, the relevant Event of Default has not been cured, unless the Parties have otherwise agreed, FWD or the Concessionaire (as the case maybe) may issue a Termination Notice to the Defaulting Party whereupon this Agreement shall terminate on the date specified therein or such later date as the Parties may agree in writing.
- 22.3.5 If this Agreement is terminated by FWD due to a Concessionaire Event of Default:
- (a) FWD shall have the right to encash the Performance Securities to their full outstanding value; and
 - (b) FWD shall purchase all the Termination Assets for Value B if such termination occurs after the Commencement Date.
- 22.3.6 If this Agreement is terminated by the Concessionaire due to a FWD Event of Default, the Concessionaire shall require FWD to purchase the all the Termination Assets for Value A, where termination occurs after the Commencement Date.
- 22.3.7 In the event that the circumstances giving rise to a Concessionaire Event of Default pursuant to Section 21.1(f) constitute a delay which directly impacts the Project Implementation Schedule, and would, following the passage of time if not remedied, give rise to a Concessionaire Event of Default pursuant to Section 21.1(c), FWD undertakes and agrees that it shall not terminate this Agreement with respect to such circumstances other than pursuant to Section 21.1(c) thereof.

Section 22.4 Termination for a Prolonged Force Majeure Event

- 22.4.1 Subject to Section 22.4.4, the Concessionaire shall have the right to terminate this Agreement if a Political Force Majeure Event prevents FWD from performing any of its obligations under this Agreement for a continuous period of one hundred twenty (120) days.
- 22.4.2 Subject to Section 22.4.4, FWD shall have the right to terminate this Agreement if:
- (a) a Political Force Majeure Event prevents FWD from performing any of its obligations under this Agreement for a continuous period of one hundred twenty (120) days;
 - (b) a Political Force Majeure Event prevents the Concessionaire from performing any of its obligations under this Agreement for a continuous period of one hundred twenty (120) days; or
 - (c) a Natural Force Majeure Event prevents either Party from performing any of its obligations under this Agreement for a continuous period of one hundred twenty (120) days.
- 22.4.3 Subject to Section 22.4.4: (a) either Party shall have the right to terminate this Agreement if it is agreed, or determined, that the Project cannot be rebuilt, repaired and/or restored pursuant Section 19.8.5(a); and (b) FWD shall have the right to terminate this Agreement if it is agreed, or determined, that the Project can only be partially rebuilt, repaired and/or restored pursuant Section 19.8.5(b), in either case following an Event of Loss caused by a Force Majeure Event.
- 22.4.4 If a Party wishes to exercise its right to terminate this Agreement pursuant to Sections 22.4.1, 22.4.2 or 22.4.3, it shall issue a Termination Notice to the other Parties specifying the date on which the Party giving such notice proposes to terminate this Agreement, which date shall not be less than sixty (60) days from the date of such notice. Upon the occurrence of such date, provided that the event giving rise to such Termination Notice is continuing, unless the Parties otherwise agree in writing, this Agreement shall terminate on such date.

22.4.5 If this Agreement is terminated after the Commencement Date by:

- (a) the Concessionaire pursuant to Section 22.4.1 owing to a Political Force Majeure Event, the Concessionaire shall require FWD to purchase the Termination Assets for Value A, and if the Concessionaire exercises such right it shall do so by giving notice to FWD, and FWD shall be obliged to purchase the Termination Assets for such Value;
- (b) FWD pursuant to Section 22.4.2(a) owing to a Political Force Majeure Event, FWD shall purchase the Termination Assets for Value A;
- (c) FWD pursuant to Section 22.4.2(b) owing to a Political Force Majeure, FWD shall purchase the Termination Assets for Value A;
- (d) FWD pursuant to Section 22.4.2(c) with respect to a prolonged Natural Force Majeure Event affecting the Concessionaire, FWD shall purchase Termination Assets for Value C;
- (e) FWD pursuant to Section 22.4.2(c) with respect to a prolonged Natural Force Majeure Event affecting FWD, FWD shall purchase the Termination Assets for Value C;
- (f) either Party pursuant to Section 22.4.3(a) with respect to an Event of Loss caused by a Political Force Majeure Event that prevents the Concessionaire from rebuilding, repairing and/or restoring the Project (in whole) pursuant to Section 19.8.5(a), FWD shall purchase the Termination Assets for Value A;
- (g) FWD pursuant to Section 22.4.3(b) with respect to an Event of Loss caused by a Political Force Majeure Event that prevents the Concessionaire from rebuilding, repairing and/or restoring the Project (in part) pursuant to Section 19.8.5(b), FWD shall purchase the Termination Assets for Value A;
- (h) either Party pursuant to Section 22.4.3(a) with respect to an Event of Loss caused by a Natural Force Majeure Event that prevents the Concessionaire from rebuilding, repairing and/or restoring the Project (in whole) pursuant to Section 19.8.5(a), FWD shall purchase the Termination Assets for Value C; or
- (i) FWD pursuant to Section 22.4.3(b) with respect to an Event of Loss caused by a Natural Force Majeure Event that prevents the Concessionaire from rebuilding, repairing and/or restoring the Project (in part) pursuant to Section 19.8.5(b), FWD shall purchase Termination Assets for Value C.

Section 22.5 Termination for an Unresolved Adverse Carbon Market Event

In the event of an Adverse Carbon Market Event, if the Parties are unable to agree on a solution in accordance with Section 13.7.3, the Concessionaire may terminate this Agreement by issuing a Termination Notice to the other Party, whereupon this Agreement shall terminate on the date of termination specified therein, or such later date as the Parties may agree in writing. If the Agreement is terminated in accordance with this Section 22.5 (Termination for an Unresolved Adverse Carbon Market Event), FWD shall purchase the Termination Assets for Value B.

Section 22.6 Payments on the Final Expiry Date

22.5.122.6.1 All amounts payable pursuant to this Article 22 (Termination) shall be paid in Pakistani Rupees in immediately available funds as follows:

- (a) with respect to any amounts payable by the Concessionaire, immediately on the date of termination of this Agreement, by way of credit directly to a bank account in Pakistan designated therefor, in writing, by FWD; and

- (b) subject to Section 23.1.5, with respect to Termination Payments (if applicable) payable by FWD, by the Termination Payment Date, by way of credit directly to a bank account in Pakistan designated therefor, in writing by the Concessionaire.

~~22.5.222.6.2~~ The obligations under this Section ~~22.65~~ (*Payments on the Final Expiry Date*) shall survive termination of this Agreement until such time as all amounts due and owing hereunder have been paid.

~~22.5.322.6.3~~ The Concessionaire shall, within ten (10) days of occurrence of the Final Expiry Date, cause the Independent Auditor to issue a certificate to the Project Account Bank (with a copy to FWD), certifying the Excess Amounts. Such Excess Amounts shall be debited from the Revenue Account and credited to the FWD Designated Account in accordance with the Revenue Account Standing Instructions.

~~22.5.422.6.4~~ Upon payment by FWD of the applicable Termination Payments to the Concessionaire, all the Termination Assets shall transfer to FWD in accordance with Article 23 (*Handover of Rights and Interest*).

ARTICLE 23 HANDOVER OF RIGHTS AND INTEREST

Section 23.1 Handover of the Project

23.1.1 The Independent Appointees shall within six (6) months prior to the Term Expiry Date or within thirty (30) days following the Termination Date (as applicable), carry out such inspections as they deem necessary to determine if the Concessionaire has satisfied the Handover Conditions. The Concessionaire shall operate and maintain the Project from the Final Expiry Date till Handover Date, at its own cost, risk, and expense, and comply with the requirements of this Agreement.

23.1.2 If, in the opinion of the Independent Appointees:

- (a) the Project meets the Handover Conditions, making allowances for any Force Majeure Event or FWD Event of Default that may have affected the Project and for which the Concessionaire shall not be responsible, then the Independent Appointees shall issue a Handover Certificate, together with such inspection reports, tests and other data reasonably adequate to substantiate the conclusions reached in the Handover Certificate; or
- (b) the Project does not meet the Handover Conditions, making allowances for any Force Majeure Event or FWD Event of Default that may have affected the Project and for which the Concessionaire shall not be responsible, then as soon as reasonably practicable, and in any event within one hundred eighty (180) days prior to the Term Expiry Date or within sixty (60) days following the Termination Date (as applicable), the Independent Appointees shall issue a report (the “**Remedial Report**”) providing to the Parties: (i) a list works and services required to be undertaken by the Concessionaire to meet the Handover Conditions (the “**Remedial Works**”); (ii) a remediation plan, including the time period, for completing the Remedial Works (the “**Remedial Plan**”); and (iii) estimate of the costs of carrying out the Remedial Works (the “**Estimated Remedial Costs**”).

23.1.3 Immediately upon the issuance of a Remedial Report, the Concessionaire shall increase the face amount of the O&M Performance Security by the Estimated Remedial Costs and extend the validity thereof to the date falling one hundred eighty (180) days following the estimated date stated in the Remedial Report for completing the Remedial Works.

23.1.4 The Concessionaire shall complete all Remedial Works in accordance with the Remedial Plan at its own costs, risk and expense. Upon completion of the Remedial Works in accordance with the Remedial Plan, as determined by the Independent Appointees, the Independent Appointees shall issue a Handover Certificate, together with such inspection reports, tests and other data reasonably adequate to substantiate the conclusions reached in the Handover Certificate. Where the Remedial Plan has been prepared following issuance of a Notice of Intent to Terminate, the Termination Payment Date shall be extended (by such

period as determined by the Independent Appointees) to account for the timelines stated in the Remedial Plan.

23.1.5 Any Termination Payments due to the Concessionaire shall be made by FWD subject to the issuance of the Handover Certificate.

23.1.6 If the Concessionaire fails to comply with the Remedial Plan, unless the Parties agree otherwise, FWD shall have the option to:

- (a) encash the Development Performance Security and/or the O&M Performance Security to the extent of the Estimated Remedial Costs; or
- (b) deduct the Estimated Remedial Costs from any payments due to the Concessionaire from FWD in terms of this Agreement;

following which (and subject to full recovery of the Estimated Remedial Costs by FWD) the Handover Certificate shall be deemed as issued.

23.1.7 Upon issuance or deemed issuance (in terms of Section 23.1.6) of the Handover Certificate and payment by FWD of the Termination Payments under Section 22.65.1(b), or immediately following the Term Expiry Date, the Concessionaire shall:

- (a) transfer to FWD, free and clear of all liens and Encumbrances, at no cost to FWD (other than payment of the Termination Payments, if applicable), the Termination Assets including all of the Concessionaire's right, title and interest in:
 - (i) all Carbon Credits remaining in the Project Carbon Standard Registry;
 - (ii) all raw materials, consumables and spare parts; all tangible personal property;
 - (iii) all intangible personal property, including any Project IPR;
 - (iv) all buildings and fixtures;
 - (v) computerised and non-computerised records, reports, data, files, and information;
 - (vi) all drawings, test results, and documents relating to the Project;
 - (vii) all warranties of equipment, materials and work;
 - (viii) all contract rights and Insurances;
 - (ix) all work in progress under contracts with vendors, suppliers, contractors and subcontractors; and
 - (x) all rights with respect to any Insurance proceeds payable to or for the account of the Concessionaire, but unpaid at the date of termination of the Agreement, in respect of the Concessionaire's right, title and interest in the Project;
- (b) transfer all security deposits and advance payments paid by the Customers and/or third parties (as determined by the Independent Auditor) under any of any of the Ancillary Activities Agreement and/or the Carbon Credit Sale Agreements (as may be applicable) by way of credit directly to a bank account notified by FWD or such other modes of payment approved mutually between the Parties; and
- (c) where FWD elects not to assign any or all agreements (in accordance with the Handover Conditions), transfer all Project Revenues collected (under the unassigned agreements) after the Final Expiry Date and until handover under this Section 23.1.7 to FWD,

provided that, in the event in the event the Carbon Credits remaining in the Project Carbon Standard Registry cannot be transferred to FWD due to any legal complication, FWD may opt for any other mode of transfer of the Project, including transfer of all Shares (notwithstanding whether the same have been listed on the stock exchange) to FWD or its nominee, free and clear from any Encumbrances and at no cost to FWD (other than payment of the Termination Payments, if applicable), in which case the Concessionaire shall undertake and comply with all legal formalities under the Applicable Law to effectuate such mode of transfer.

Section 23.2 Other Remedies

- 23.2.1 Except as otherwise expressly provided in this Agreement, upon termination of this Agreement, the Parties shall have no further obligations or liabilities hereunder, save those obligations or liabilities that arose on or before the date, or as a result of termination, shall survive until satisfied in full.
- 23.2.2 The Article 21 (*Events of Default*), Article 22 (*Termination*) and Article 23 (*Handover of Rights and Interest*) set out the sole and exclusive grounds upon which this Agreement may be terminated, provided that upon the breach by any Party of any covenant or warranty hereunder, the Party damaged by any such default or breach may, in its sole discretion, in addition to exercising any other remedies provided for hereunder, proceed in accordance with the Dispute Resolution Procedure to protect and enforce its rights, to recover any damages to which it may be entitled (including all costs and expenses reasonably incurred in the exercise of its remedy), or to seek specific performance by the other Party of such breaching Party's obligations under this Agreement and the other Project Agreements.

Section 23.3 Reinstatement

The Concessionaire shall reinstate the Site if and to the extent that it is required to do so pursuant to the Handover Conditions.

ARTICLE 24 RECORDS, REPORTING AND AUDIT

Section 24.1 Monitoring Rights

- 24.1.1 The Independent Appointees and FWD and their duly appointed representatives shall have the right to:
- (a) monitor the Project; and
 - (b) review and make copies of all materials required to be obtained and retained by the Concessionaire and all materials pertinent to the exercise of audit rights pursuant to Section 24.2 (*Books and Records and Audit Rights*).
- 24.1.2 The purpose of such monitoring and review shall be to:
- (a) determine that the Project Works are undertaken in accordance with the Applicable Standards (including the Project Scope); and
 - (b) monitor the progress of the Project Works in alignment with the Project Implementation Schedule.
- 24.1.3 The Concessionaire shall permit the Independent Expert and FWD and their duly appointed representatives to conduct such monitoring and review at any time and, following the Development Completion Date, during normal operating hours, in each case, upon reasonable notice to the Concessionaire.
- 24.1.4 Such monitoring and review shall be conducted in the presence of and, in the case of inquiries addressed to the Concessionaire's employees and Contractors, through suitably qualified, appropriate representative(s) of the Concessionaire designated by the Concessionaire for this purpose.

- 24.1.5 The Concessionaire agrees to designate such a representative or representatives and to make such representative(s) available for all such monitoring and review. In the case of monitoring of equipment or supplies, the Independent Expert and FWD shall have the right to conduct such monitoring with the prior approval of the Concessionaire, which shall not be unreasonably withheld or delayed, in the presence of a representative of the Concessionaire, at any and all locations inside or outside Pakistan at which such equipment and supplies are designed, manufactured, assembled or tested.
- 24.1.6 The Concessionaire shall ensure that the Material Contracts provide for such rights as stated in Section 24.1.5, and shall require the Contractors to require that their contracts with subcontractors and suppliers provide for such rights.
- 24.1.7 The Concessionaire shall provide to the Independent Appointees and FWD, promptly, and in any event within seven (7) days of becoming aware, a report describing the occurrence of any act or condition materially affecting the Project or the Concessionaire's ability to perform any of its obligations under this Agreement and any other Project Agreements to which the Concessionaire is a party.
- 24.1.8 The Concessionaire agrees that:
- (a) any monitoring or review by any of the Independent Appointees or FWD (or their representatives) pursuant to this Section 24.1 (*Monitoring Rights*) is solely for information, and by conducting any such monitoring or review, neither the Independent Appointees nor FWD (or their representatives) make (or shall be construed to make) any endorsement of the design, or representation or warranty of the safety, durability, or reliability of the Project or any part thereof; and
 - (b) it shall in no way represent to any third party that, as a result of any monitoring or review by Independent Appointees and FWD (or their representatives) pursuant to this Section 24.1 (*Monitoring Rights*), the Independent Appointees and FWD (or their representatives) are in any way responsible for the Project Works.

Section 24.2 Books and Records and Audit Rights

- 24.2.1 The Concessionaire shall comply with the Accounting Principles and maintain proper books, data and records in accordance with the Legal Requirements and this Agreement.
- 24.2.2 The Independent Appointees and FWD (and their duly appointed representatives) may at reasonable times, and at their expense, audit the Concessionaire's books, data and records in relation to, *inter alia*, inspections, payments, Claims, claims for Increased Costs, termination payments, reimbursements and any charges to FWD, in all such cases for the purpose of determining whether the Concessionaire's charges to FWD or amounts owed to FWD have been computed in accordance with this Agreement.
- 24.2.3 The Independent Appointees and FWD shall have the right, upon reasonable prior notice to the Concessionaire, to examine and/or make copies of the books, data and records referred to in Section 24.2.2 during normal office hours during the period such books, data and records are required to be maintained pursuant to Section 24.2.1.
- 24.2.4 All books, data and records referred to in this Section 24.2 (*Books and Records and Audit Rights*) shall be maintained by the Concessionaire until the Final Expiry Date. The Concessionaire shall provide a notice to FWD thirty (30) days prior to the Final Expiry Date for handing over custody of such books, data and records to FWD, and FWD shall be entitled to take custody of the same within twenty (20) days of the date of receipt of the notice provided by the Concessionaire hereunder.
- 24.2.5 The Concessionaire shall provide to the Independent Appointees and FWD, such information concerning the operational and financial performance of the Project and the Concessionaire, as the Independent Appointees and FWD may reasonably require.
- 24.2.6 The Concessionaire agrees that:

- (a) any receipt, review or audit by any of the Independent Appointees or FWD (or their representatives) of any books, data, records or other documentation or information pursuant to this Section 24.2 (*Books and Records and Audit Rights*) is solely for information purposes and by such receipt, review or audit, neither the Independent Appointees nor FWD (or their representatives) make (or shall be construed to make) any endorsement as to the accuracy and completeness of any books, data or records; and
- (b) it shall in no way represent to any third party that, as a result of any receipt, review or audit by the Independent Appointees and FWD (or their representatives) of any books, data or records pursuant to this Section 24.2 (*Books and Records and Audit Rights*), the Independent Appointees and FWD (or their representatives) are in any way responsible for accuracy and completeness of any such books, data or records.

ARTICLE 25 CHANGE IN SCOPE

Section 25.1 Change in Scope

25.1.1 Following the Effective Date, either Party may propose a Change in Scope, provided that neither Party shall propose a Change in Scope which would, if implemented:

- (a) materially and adversely affect the health and safety of any person;
- (b) infringe any Legal Requirement;
- (c) be a departure from the Applicable Standards;
- (d) cause any Concessionaire Permit(s) to be revoked or be unobtainable;
- (e) require a new Concessionaire Permit which will not be obtainable by the Concessionaire despite it using all reasonable endeavours; or
- (f) materially affect the Project Works in a manner that cannot be compensated for under this Agreement.

25.1.2 Within fifteen (15) days of receipt of a request for a Change in Scope from FWD, the Concessionaire shall submit a proposal to FWD and the Independent Appointees setting out in sufficient detail the implications of the proposed Change in Scope, including any implications on the Time for Completion, and any additional costs, incurred in undertaking the Change in Scope, any savings resulting from the Change in Scope, or any expected increase or decrease in the Project Revenues.

25.1.3 Based on its review of the proposal submitted by the Concessionaire, FWD and the Independent Appointees may, within fifteen (15) days from the date of receipt of the Concessionaire's proposal under Section 25.1.2, at its sole discretion:

- (a) accept:
 - (i) the proposal; and/or
 - (ii) the corresponding adjustment to the Project Implementation Schedule and/or the Project Implementation Plan;
- (b) provide its comments on the proposal seeking amendments and/or justification for the implications put forth by the Concessionaire; or
- (c) reject the proposal submitted by the Concessionaire and withdraw the proposed Change in Scope.

25.1.4 To the extent FWD or the Independent Appointees seek amendments and/or justification in the proposal submitted by the Concessionaire, the Concessionaire shall incorporate or address, in writing, such comments and submit a revised proposal.

- 25.1.5 On approval of the proposal or the revised proposal, as the case may be, by FWD and the Independent Appointees, FWD and the Independent Appointees shall issue a Change in Scope Order and the Concessionaire shall proceed with the Change in Scope in accordance with the Change in Scope Order.
- 25.1.6 If the Parties are unable to agree on the implications of a Change in Scope proposed by FWD, which in FWD's view is necessary or desirable for the Project, as determined by the Independent Appointees, FWD shall have the right to require the Concessionaire to carry out the proposed Change in Scope at the cost determined by the Independent Appointees. Any dispute on the terms of the Change in Scope (including the method of payment) will be resolved in accordance with Article 28 (*Dispute Resolution*).
- 25.1.7 On implementation of a Change in Scope Order, the Concessionaire shall be entitled to the agreed adjustment to the Project Implementation Schedule and/or Project Implementation Plan, and/or payment of additional amounts, if any, set out in the Change in Scope Order. The economic benefit of any reduction or savings in the cost arising from a Change in Scope shall be shared by the Parties in the ratio and manner acceptable to them.
- 25.1.8 The method of payment for and funding of any additional costs that become payable by FWD or the application of reduction or savings in the costs, in relation to a Change in Scope Order, shall be agreed by the Parties and included in the Change in Scope Order.
- 25.1.9 If, after the Effective Date, the Concessionaire wishes to effect any Change in Scope, the Concessionaire shall obtain the prior written approval of FWD and the Independent Appointees, such approval not to be unreasonably withheld or delayed. On approval by FWD and the Independent Appointees, FWD and the Independent Appointees shall issue a Change in Scope Order and the Concessionaire shall proceed with the Change in Scope in accordance with the Change in Scope Order. Any such change will be affected at the Concessionaire's own risk and cost.
- 25.1.10 No Change in Scope shall invalidate this Agreement.

ARTICLE 26 NOTICES

Section 26.1 Notices

- 26.1.1 Unless otherwise stated, notices to be given under this Agreement (including but not limited to a notice of waiver of any term, breach of any term of this Agreement and termination of this Agreement) shall be in writing and shall be given by hand delivery, recognized international courier or e-mail and delivered or transmitted to the Parties at their respective addresses set forth below in **SCHEDULE C (*Details for Notices*)** or such address as may be duly notified by the respective Parties from time to time.
- 26.1.2 A notice under Section 26.1.1 shall be deemed to have been made or delivered:
- (a) in the case of any communication made by letter, when delivered by hand, by recognized international courier, or by mail (registered, return receipt requested) at that address; and
 - (b) in the case of any communication made by e-mail, upon a return receipt.

ARTICLE 27 ADDITIONAL MATTERS

Section 27.1 Taxes

- 27.1.1 The Concessionaire shall be responsible for payment of all applicable Taxes, including all procedural compliances related to the payment of Taxes pursuant to this Agreement, and shall be solely responsible for any proceedings initiated by any Competent Authority, in respect of any non-payment or short payment of Taxes.

- 27.1.2 The Concessionaire shall be responsible for payment of all applicable royalties on any fine and coarse aggregate, core sand, fine sand, grit and any other minerals extracted and/or used by the Concessionaire or any Contractor during the Concession Period and furnish proof of payment of such royalties to them, as the case may be.
- 27.1.3 Upon a request from the Concessionaire, FWD shall provide all relevant certificates and information it has on record to enable the Concessionaire to obtain any Tax exemptions available in relation to the Project. FWD shall not be responsible in any manner for ensuring that any applicable Tax exemptions are available to the Concessionaire.
- 27.1.4 The Concessionaire shall indemnify FWD from and against any cost or liability that may arise due to the Concessionaire's failure to pay all applicable Taxes, in connection with the Project.

Section 27.2 Set Off

FWD shall be entitled to set off against any sum payable by FWD to the Concessionaire under this Agreement or any other Project Agreement, any debt or other money due and owing (other than any amounts (including any liquidated damages) that are the subject of an on-going Dispute) from the Concessionaire to FWD under this Agreement or any Project Agreement.

Section 27.3 Late Payments

Any amount under any invoice that is not paid in accordance with this Agreement on or before the relevant payment date therefor shall bear commission at the Late Payment Rate accrued from, but excluding, the relevant payment date, and including, the day on which such payment is made.

ARTICLE 28 DISPUTE RESOLUTION

Section 28.1 Negotiation

The Parties agree to attempt to resolve any Dispute promptly, amicably, and in good faith. Each Party shall designate a representative who shall be entitled to enter into discussions to resolve by amicable agreement any Dispute in connection with this Agreement.

Section 28.2 Public Private Partnership Policy Board

- 28.2.1 If any Dispute is not finally resolved between the Parties pursuant to the Section 28.1 (*Negotiation*) within thirty (30) days from the date on which a Party receives notice from of the other Party that a Dispute exists, then the Parties shall endeavour to settle the Dispute in an amicable manner by mediation administered by an independent and impartial person appointed by the Public Private Partnership Policy Board.
- 28.2.2 If any Dispute is not resolved between the Parties pursuant to this Section 28.2 (*Public Private Partnership Policy Board*) within sixty (60) days from the date on which the matter has been referred by the Public Private Partnership Policy Board to an independent and impartial person so appointed, then such Dispute shall be settled exclusively and finally in accordance with Section 28.3 (*Arbitration*).

Section 28.3 Arbitration⁶

- 28.3.1 Each of the Parties unconditionally and irrevocably agrees in respect of a Dispute, which cannot be resolved by the Parties pursuant to Section 28.2 (*Public Private Partnership Policy Board*):

⁶ Subject to the enactment of the relevant legislative amendments in the Sindh Public Private Partnership Act, 2010, international arbitration may be incorporated for disputes exceeding a certain quantum where foreign investment is involved, further subject to the approval of the Public Private Partnership Policy Board and the Sindh Provincial Cabinet.

- (a) to the submission of such Dispute to binding arbitration governed by the Arbitration Act 1940, by appointment of a board of arbitrators, consisting of one (1) arbitrator appointed by each Party, and one (1) arbitrator appointed jointly by the arbitrators so selected by the Parties (the “**Arbitrators**”). Any arbitration proceedings commenced pursuant to this Section 28.3.1 shall be referred to as Arbitration (“**Arbitration**”);
- (b) not to Claim any right it may have under the Pakistan laws to hinder, obstruct, or nullify the submission of the Dispute to Arbitration; and
- (c) to accept the Award rendered by the Arbitrators and any judgment entered thereon by a court of competent jurisdiction as final and binding and not to hinder, obstruct or nullify the enforcement or execution of any decision rendered by the Arbitrators or court of competent jurisdiction.

28.3.2 The seat and venue of Arbitration shall be Karachi, Pakistan.

28.3.3 The language of Arbitration shall be English.

28.3.4 Any decision or award resulting from the Arbitration (“**Award**”) shall be final and binding upon the Parties.

28.3.5 The Parties hereby waive, to the extent permitted under the Applicable Laws, any rights to appeal or to review of such Award by any Competent Authority.

28.3.6 The fees and expenses of the Arbitrators and all other expenses relating to Arbitration shall be borne and paid by the respective Parties, unless the Award states otherwise. The Arbitrators may provide in the Award, for reimbursement to a Party, of its costs and expenses in bringing or defending the Arbitration Claim, including legal fees and expenses incurred by such Party.

28.3.7 This Agreement and the rights and obligations of the Parties shall remain in full force and effect pending the Award for any Arbitration, which Award, if appropriate, shall determine whether and when any termination shall become effective.

Section 28.4 Exclusive Jurisdiction

No Party shall have the right to, nor shall they, commence or maintain any legal proceedings in or outside of Pakistan, concerning a Dispute, until the Dispute has been resolved in accordance with Section 28.2 (*Public Private Partnership Policy Board*) or Section 28.3 (*Arbitration*) and then only to enforce or execute an Award.

Section 28.5 Obligations Continuing

Unless otherwise agreed in writing, the existence of a Dispute shall not relieve any Party from the performance of its obligations under this Agreement not the subject of the Dispute.

ARTICLE 29 INTELLECTUAL PROPERTY RIGHTS

Section 29.1 Concessionaire IPR

29.1.1 The Concessionaire (or its relevant licensor) shall retain exclusive ownership of the Concessionaire IPR and nothing in this Agreement (other than the licence granted under Section 29.1.2) shall operate to transfer to FWD or vest in FWD any licence to use or rights in the Concessionaire IPR.

29.1.2 The Concessionaire hereby grants to FWD a perpetual, irrevocable, royalty free, and non-exclusive licence (with the free right to sub licence and/or assign to any third party) to use, reproduce and maintain the Concessionaire IPR to the extent and for the duration necessary to enable FWD to exercise its rights and perform its obligations under this Agreement.

29.1.3 The Concessionaire shall ensure that FWD is provided with copies of such items as

Concessionaire IPR as FWD may from time-to-time reasonably request.

Section 29.2 Project IPR

29.2.1 The Concessionaire shall use its best endeavours to procure that any licence or other arrangement, with a third party or a Contractor, relating to the Project IPR permits the Concessionaire to:

- (a) grant the licence set out in Section 29.2.2; and
- (b) make the transfer required by Section 29.2.3(c).

If the Concessionaire, despite the use of its best endeavours, is unable to secure the rights described above, the Concessionaire shall notify FWD and shall (at its cost) take such other measures as are required to put FWD in the position it would have been in if such rights had been procured or as close thereto as is reasonably possible in the circumstances. The Concessionaire shall pay any costs resulting from the performance of this Section 29.2.1, save for any on-going fees payable for the maintenance in force of the Project IPR following the Final Expiry Date, to the extent such fees are unaffected, directly or indirectly, by its transfer to FWD or its nominee, which fees shall, to that extent, be paid by FWD.

29.2.2 The Concessionaire hereby grants to FWD a royalty-free and non-exclusive licence (with the free right to sub-licence and/or assign to any third party) to use and reproduce the Project IPR to the extent and for the duration necessary to enable FWD to exercise its rights and perform its obligations under this Agreement.

29.2.3 On:

- (a) the Final Expiry Date where FWD has elected under the Handover Conditions that the Concessionaire should not fully reinstate in terms thereof; or
- (b) early termination of this Agreement for any reason where FWD is obliged or has elected to purchase the Termination Assets in accordance with Article 22 (*Termination*) and has paid the purchase price in accordance with Section 22.6.1(b) (if applicable),

the Concessionaire shall deliver to FWD or its nominee copies of all Project IPR, in each case in the form utilised by the Concessionaire in the operation of the Project and either:

- (i) transfer by way of future assignment to FWD all Project IPR and execute a transfer or any other documents necessary to transfer absolutely such Intellectual Property Rights to FWD and otherwise to perfect FWD's title thereto; or
- (ii) to the extent that Project IPR is capable of use by the Concessionaire in any project other than in respect of the Project, grant FWD a royalty free, non-exclusive, sub-licensable, irrevocable, perpetual and freely assignable licence to use the Project IPR for any purpose in connection with the Project or FWD, any such licence to be effective from the Final Expiry Date.

Section 29.3 Breaches of Intellectual Property Rights

29.3.1 The Concessionaire shall defend, indemnify, and hold the FWD Indemnified Parties harmless against all Claims, costs, charges and expenses arising from or incurred by reason of any actual infringement or alleged infringement of the Concessionaire IPR or Project IPR licenced to FWD under Sections 29.1 (*Concessionaire IPR*) or 29.2 (*Project IPR*) because of the use by or on behalf of FWD of the rights granted under Sections 29.1 (*Concessionaire IPR*) or 29.2 (*Project IPR*) provided that such infringement has arisen out of the use of the Concessionaire IPR or Project IPR otherwise than in accordance with the terms of this Agreement.

29.3.2 Without in any way limiting the foregoing provisions of this Section 29.3 (*Breaches of*

Intellectual Property Rights), in circumstances where the Concessionaire is liable to indemnify the FWD Indemnified Parties in accordance with Section 29.3.1, the Concessionaire shall at FWD’s request but at the Concessionaire’s own expense, complete one or more of the following without delay:

- (a) procure for FWD the right to continue to use the Intellectual Property Rights in question; or
- (b) modify or replace the subject matter of the activities permitted by this Agreement (at no cost to FWD) so that it becomes non infringing without loss of functionality or compatibility or affecting its use.

ARTICLE 30 MISCELLANEOUS

Section 30.1 Governing Law

This Agreement shall be construed and interpreted in accordance with and governed by the laws of Pakistan.

Section 30.2 Waiver

30.2.1 Waiver by either Party of any default by the other Party in the observance and performance of any provision of, or obligations under, this Agreement:

- (a) shall not operate or be construed as a waiver of any other or subsequent default hereof or of other provisions or obligations under this Agreement;
- (b) shall not be effective unless it is in writing and executed by a duly authorized representative of such Party; and
- (c) shall not affect the validity or enforceability of this Agreement in any manner.

30.2.2 Neither the failure by either Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement or any obligation thereunder nor time or other indulgence granted by a Party to the other Party shall be treated or deemed as waiver of such breach or acceptance of any variation or the relinquishment of any such right hereunder.

Section 30.3 Survival

Termination of this Agreement: (a) shall not relieve the Concessionaire or FWD of any obligations hereunder which expressly or by implication survives termination hereof; and (b) except as otherwise provided in any provision of this Agreement expressly limiting the liability of either Party, shall not relieve either Party of any obligations or liabilities for loss or damage to the other Party arising out of or caused by acts or omissions of such Party prior to the effectiveness of such termination or arising out of such termination.

Section 30.4 Amendments

This Agreement and the Schedules together constitute a complete and exclusive statement of the terms of this Agreement between the Parties on the subject hereof and no amendment or modification hereto shall be valid and effective unless agreed to by all the Parties hereto and evidenced in writing.

Section 30.5 Assignment with Consent

No Party shall be entitled to assign or transfer its rights or obligations under this Agreement without the prior written consent of the other Party.

Section 30.6 Severability

If for any reason whatever any provision of this Agreement is or becomes invalid, illegal or unenforceable or is declared by any court of competent jurisdiction or any other instrumentality to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner, and the Parties will negotiate in good faith with a view to agreeing upon one or more provisions which may be substituted for such invalid, unenforceable or illegal provisions, as nearly as is practicable.

Section 30.7 No Partnership

- 30.7.1 Nothing contained in this Agreement shall be construed or interpreted as constituting a partnership between the Parties. Neither Party shall have any authority to bind the other in any manner whatsoever.
- 30.7.2 Nothing contained in this Agreement shall be construed or interpreted as the Concessionaire providing designing and/or engineering consulting services to FWD.

Section 30.8 Language

All notices required to be given under this Agreement and all communications, documentation and proceedings which are in any way relevant to this Agreement shall be in writing and in English language.

Section 30.9 Exclusion of Implied Warranties

This Agreement expressly excludes any warranty, condition or other undertaking implied at law or by custom or otherwise arising out of any other agreement between the Parties or any representation by any Party not contained in a binding legal agreement executed by the Parties.

Section 30.10 Counterparts

This Agreement shall be executed in two (2) counterparts, each of which when executed and delivered shall constitute an original of this Agreement.

Section 30.11 Confidentiality

- 30.11.1 Each of the Parties and the Contractors, subcontractors, consultants, employees and agents and each of their respective successors and permitted assigns shall hold in confidence all documents and other information, whether technical or commercial, supplied to it by or on behalf of the other Party, relating to the Project Works, handover and financing of the Project, and all information and documents obtained in accordance with the terms of this Agreement or any other document issued/executed in relation to the Project by the Parties, and shall not, without the consent of the other Party, save as required by Applicable Laws or appropriate regulatory authorities, or investors in the Concessionaire and their professional advisers, publish or otherwise disclose or use the same for its own purposes otherwise than as may be required to perform its obligations under this Agreement. Notwithstanding the above, nothing herein contained shall preclude the use of provisions similar to those contained in this Agreement or any other document issued/executed in relation to the Project by the Parties and the other agreements referred to herein and in agreements prepared and issued or to be prepared and issued in connection with other projects by FWD.
- 30.11.2 The provisions of Section 30.11.1 hereinabove shall not apply to:
- (a) any information in the public domain otherwise than by breach of this Agreement or any other document issued/ executed in relation to the Project by the Parties; and/or
 - (b) information in the possession of the receiving Party thereof before divulgence as aforesaid, and which was not obtained under any obligation of confidentiality.

Section 30.12 Independence

In respect of all matters dealing with the Agreement, the Independent Appointees shall be independent and shall ensure that it performs all its obligations in accordance with their respective terms of reference and this Agreement.

Section 30.13 Entire Agreement

30.13.1 The Parties acknowledge, confirm and undertake that this Agreement (and Project Agreements, as applicable), as at the date hereof, constitutes the entire understanding between the Parties regarding the Project and supersedes all previous written and/or oral representations and/or arrangements regarding the Project.

SIGNATURE PAGES

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed by their duly authorised representatives as of the day, month and year first above written.

As FWD

<i>For and on behalf of</i> FOREST AND WILDLIFE DEPARTMENT, GOVERNMENT OF SINDH through its authorised signatory	}	SIGNATURE
Name:		
Designation:		.....
IN THE PRESENCE OF WITNESSES:		SIGNATURES
1- Name:		
Address:		
CNIC No.:		.....
2- Name:		
Address:		
CNIC No.:		.....

AS THE CONCESSIONAIRE

<i>For and on behalf of</i> [NAME OF CONCESSIONAIRE] through its authorised signatory	}	SIGNATURE
Name:		
Designation:		.....
IN THE PRESENCE OF WITNESSES:		SIGNATURES
1- Name:		
Address:		
CNIC No.:		.....
2- Name:		
Address:		
CNIC No.:		.....

LIST OF SCHEDULES

- SCHEDULE A – PROJECT SCOPE**
- SCHEDULE B – PROJECT IMPLEMENTATION SCHEDULE**
- SCHEDULE C – DETAILS FOR NOTICES**
- SCHEDULE D – INSPECTION REQUIREMENTS**
- SCHEDULE E – KEY PERSONNEL**
- SCHEDULE F – FORM OF LEASE AGREEMENT**
- SCHEDULE G – FORM OF DEVELOPMENT PERFORMANCE SECURITY**
- SCHEDULE H – FORM OF O&M PERFORMANCE SECURITY**
- SCHEDULE I – FORM OF REVENUE ACCOUNT STANDING INSTRUCTIONS**
- SCHEDULE J – HANDOVER CONDITIONS**
- SCHEDULE K – FORM OF HANDOVER CERTIFICATE**
- SCHEDULE L – MINIMUM INSURANCE REQUIREMENTS**
- SCHEDULE M – KEY PERFORMANCE INDICATORS**

SCHEDULE A – PROJECT SCOPE

[To be inserted from Volume II of RFP on the Effective Date]

SCHEDULE B – PROJECT IMPLEMENTATION SCHEDULE

NO.	MILESTONES	TIMELINES
1.	ANTICIPATED START OF DEVELOPMENT WORKS	Commencement Date
2.	SUBMISSION OF THE MONITORING PLAN TO FWD	The date falling one hundred and twenty (120) days following the Commencement Date.
3.	SUBMISSION OF THE PROJECT DESIGN DOCUMENT TO FWD	The date falling one hundred and eighty (180) days following the Commencement Date.
4.	REGISTRATION OF THE PROJECT WITH THE PROJECT CARBON STANDARD BODY	Within eighteen (18) months from the Commencement Date.
5.	SCHEDULED SUBSTANTIAL COMPLETION DATE	The date falling twenty-four (24) months from Commencement Date
6.	SCHEDULED DEVELOPMENT COMPLETION DATE	The date set out in the Substantial Completion Certificate which date shall not be later than the date falling ninety (90) days after the Substantial Completion Date;
7.	ANTICIPATED START OF REPLANTATION ACTIVITIES	21 st Operating Year
8.	ANTICIPATED FIRST SILVICULTURAL THINNING	5 th and 27 th Operating Years
9.	ANTICIPATED SECOND SILVICULTURAL THINNING	12 th and 34 th Operating Years
10.	ANTICIPATED FIRST MAIN FELLING	20 th Operating Year
11.	ANTICIPATED SECOND MAIN FELLING	42 nd Operating Year

SCHEDULE C – DETAILS FOR NOTICES

TO FWD:

Attention: ☐

Address: ☐

Telephone: ☐

Email: ☐

TO CONCESSIONAIRE:

Attention: ☐

Address: ☐

Telephone: ☐

Email: ☐

SCHEDULE D – INSPECTION REQUIREMENTS

1. INTRODUCTION

The Concessionaire and/or the Independent Expert (as applicable) shall perform appropriate inspections, at the time intervals provided below and at such other dates as may be mutually agreed by the Parties and the Independent Expert, in accordance with the Agreement. Any reports prepared by the Concessionaire following such inspections shall be duly certified by the Independent Expert and a copy shall be shared with FWD.

2. DEVELOPMENT INSPECTIONS

The Independent Expert shall conduct inspections at the following key stages to assess the completion of the relevant Project Works as per requirements of the Applicable Standards (including the Project Scope):

- (a) **Land Preparation and Site Clearance Inspection:** These inspections will be conducted upon completion of the following activities:
 - (i) activities outlined under Section 7.4(a) (*Site Preparation for Planting*) of the Project Scope; and
 - (ii) activities outlined under Section 8.4(a) of the Project Scope.

Each such inspection will be undertaken to confirm that, *inter alia*, the activities of debris removal, land grading, and drainage of floodwater have been completed.

- (b) **Seed Broadcasting and Initial Plantation Inspection:** These inspections will be conducted upon completion of the following activities:
 - (i) activities outlined under Sections 7.4(b) (*Choice of Species*) and 7.4(c) (*Planting Methods and Techniques*) of the Project Scope; and
 - (ii) activities outlined under Section 8.4(b) of the Project Scope.

Each such inspection will be undertaken to confirm, *inter alia*:

- (A) the usage of high-quality seeds;
- (B) adherence to afforestation protocols; and
- (C) the achievement of Afforestation, Reforestation and Revegetation (ARR) targets and appropriate planting densities.

3. O&M INSPECTIONS

The Independent Expert shall, in accordance with the Agreement, require the Concessionaire to undertake periodic inspections and assessments during the Operating Period, as set out below. Any Defects & Deficiencies identified shall be appropriately addressed in accordance with the Concession Agreement.

No.	INSPECTIONS	TIMELINE	DETAILS
1.	Tree Growth and Health Assessment	Annual	Assessment of tree growth rates, canopy coverage, pest and disease outbreaks, and necessary corrective actions.
2.	Soil and Water Quality Monitoring	Annual	Soil sampling and hydrological assessment.

3.	Biodiversity Conservation Inspections	Annual	Evaluation of the impact of the Project on biodiversity and compliance with conservation measures specified under the Project Design Document.
4.	Carbon Stock Monitoring and Verification	Annual	Field measurements and sampling activities to verify that GHG Reductions and Removals have been achieved in accordance with the parameters set out in the Project Design Document.
5.	Community and Other Stakeholders Development Impact Monitoring and Verification	Annual	Field surveys for assessing impacts on the socio-economic conditions of communities and other stakeholders and evaluating compliance with the measures specified under the Project Design Document.
6.	Plantation Health Inspections	1 st and 2 nd Operating Year	Assessment of germination success rates, plantation survival rates and implementation of cleaning and pruning activities.
7.	First Thinning Inspections	5 th and 27 th Operating Year	Assessment of completion of first thinning activities as per Project Implementation Plan and Applicable Standards.
8.	Second Thinning Inspections	12 th and 34 th Operating Year	Assessment of completion of second thinning activities as per Project Implementation Plan and Applicable Standards.
9.	Final Felling Inspections	20 th and 42 nd Operating Year	Assessment of completion of final thinning activities as per Project Implementation Plan and Applicable Standards.

SCHEDULE E – KEY PERSONNEL

SR. NO.	PROPOSED KEY POSITION	PROPOSED STAFFING	RESPONSIBILITIES
1.	Project Manager / Team Leader	01	Overall Project management.
2.	Forest Carbon Accounting or General Greenhouse Gas Accounting Specialist	01	Quantify GHG Reductions and Removals, develop monitoring systems, and ensure compliance with the Project Carbon Standard.
3.	Carbon Finance and Carbon Markets Expert	01	Assist FWD to navigate carbon trading, offsetting, sustainability finance and leveraging market mechanisms to reduce GHG emissions and support climate action. Assist in the Validation of the Project Design Document and Verification of the Monitoring Reports.
4.	Environment Specialist / Biodiversity Specialist	02	Assess and monitor biodiversity conservation efforts and environmental safeguards as per Applicable Standards.
5.	Community Engagement and Social Safeguard Specialist	02	Ensure local participation, address grievances, and implement gender-sensitive and inclusive practices.
6.	Forestry and Silviculture Expert	01	Plan and implement afforestation, reforestation, thinning, and maintenance activities
7.	Financial and Commercial Expert	02	Manage Project budgets, develop financial models and transparent revenue-sharing mechanisms.
8.	GIS and Remote Sensing Specialist	03	Undertake land cover analysis, spatial monitoring, and Site assessment.
9.	Legal and Compliance Advisor	01	Ensure adherence to Legal Requirements and Applicable Standards.
10.	Community members	As per requirement	Undertake unskilled works including watch and guard activities.

SCHEDULE F – FORM OF LEASE AGREEMENT⁷

This LEASE AGREEMENT is entered into on this ____ day of ____, [Year], at Karachi, Pakistan.

BETWEEN

- (1) THE GOVERNOR OF SINDH, for and on behalf of the GOVERNMENT OF SINDH, through Secretary, Forest and Wildlife Department, Government of Sindh (hereinafter referred to as “FWD”, which expression shall, unless excluded by or repugnant to the context, be deemed to mean and include its successors and assigns); and

AND

- (2) [INSERT NAME OF THE CONCESSIONAIRE], a company incorporated and existing under the laws of Pakistan, having its registered office located at [●], (hereinafter referred to as the “Concessionaire”, which expression shall, where the context so permits, be deemed to mean and include its successors in interest, administrators, and permitted assigns);

(FWD and the Concessionaire are hereinafter collectively referred to as the “Parties” and individually as a “Party”).

RECITALS

- A. WHEREAS, the Parties have entered into the Concession Agreement.
- B. WHEREAS, in pursuance of the Concession Agreement, FWD has agreed to grant the Lease to the Concessionaire in respect of the Site.
- C. WHEREAS, FWD is the true and lawful owner of the Site, and grants the Lease over the Site to the Concessionaire pursuant the Forest Act, 1927, and further under this Lease Agreement.
- D. AND WHEREAS, the Parties are now entering into this Lease Agreement to set out the terms and conditions relating to the use of the Site by the Concessionaire and the rights and obligations of the Parties with respect thereto.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 DEFINITIONS

- Unless specified otherwise herein in this Lease Agreement (including the Recitals), all capitalized terms shall have the meanings assigned to them under the Concession Agreement. In addition, the following terms shall have the following meanings, unless the context otherwise requires:
- “Concession Agreement” means the agreement titled ‘Concession Agreement’ dated [●] entered into by FWD and the Concessionaire in respect of the Project;
- “Concessionaire” has the meaning given to it in the Preamble;
- “Designated Account” means the ‘Viability Gap Fund’ of the Government of Sindh, or such other account as notified by FWD from time to time;
- “Effective Date” means the date of signing of this Lease Agreement;
- “FWD” has the meaning ascribed thereto in the Preamble;

⁷ Please refer to footnote 5 herein.

- “**Lease**” has the meaning given to it in Section 2.1.1;
- “**Lease Agreement**” means this Lease Agreement, as amended and supplemented from time to time;
- “**Lease Payments**” has the meaning given to the term in Section 2.5;
- “**Lease Period**” has the meaning given to it in Section 2.1.1;
- “**Parties**” has the meaning given to it in the Preamble;
- “**Party**” has the meaning given to it in the Preamble;
- “**Preamble**” means the preamble of this Lease Agreement;
- “**Recitals**” means the recitals of this Lease Agreement; and
- “**Site**” means the land on which the Project is located, as more fully described in Annexure 1 (*Description of Site*) of this Lease Agreement.

1.2 **INTERPRETATION**

The rules of construction and interpretation set forth in Section 1.2 (*Construction and Interpretation*) of the Concession Agreement shall apply, *mutatis mutandis*, to this Lease Agreement.

2. **LEASE AND RELATED MATTERS**

2.1 **LEASE OF THE SITE**

- 2.1.1 In connection with the Project Works to be undertaken by the Concessionaire, FWD grants to the Concessionaire, commencing from the Effective Date and until the forty-fourth (44th) anniversary of the Commencement Date, unless otherwise extended in accordance with Section 2.1.6 (the “**Lease Period**”), the lease hold rights in the Site, together with all rights, easements and privileges appurtenant thereto, free from any Encumbrances, to be held and enjoyed by the Concessionaire in accordance with the Concession Agreement and the laws of Pakistan (the “**Lease**”). The Concessionaire shall have physical possession of the Site subject to the terms of this Lease Agreement.
- 2.1.2 FWD shall provide to the Concessionaire such assistance as may be reasonably requested by the Concessionaire to enjoy the Lease, provided that the Concessionaire is in compliance with all Legal Requirements and provided however, the provision of any assistance by FWD (including delay or omission to provide such assistance) shall not relieve or absolve the Concessionaire of its obligations under this Lease Agreement or the Concession Agreement.
- 2.1.3 The Concessionaire shall ensure that, during the Lease Period, FWD, any relevant Competent Authority, the Independent Appointees and each of their representatives, officers, employees and agents shall have the right to access the Site to exercise their rights under the laws of Pakistan, provided, however, such access shall be subject to any reasonable requirements of the Concessionaire regarding safety and security of the Site and the Project.
- 2.1.4 This Lease Agreement shall be duly executed by the Parties and all costs, fees, expenses, duties, charges and taxes relating to the execution and registration (with a relevant Competent Authority under the laws of Pakistan) of this Lease Agreement shall be borne by the Concessionaire.
- 2.1.5 The Concessionaire shall pay any and all applicable federal, provincial, municipal, city district, taxes, duties, levies or other impositions whatsoever arising out of and

as a result of the Lease. The Concessionaire shall indemnify and keep indemnified FWD against all liabilities arising as a result of failure by the Concessionaire to comply with Sections 2.1.4 and 2.1.5.

- 2.1.6 The Parties may mutually agree in writing to extend the Lease Agreement in accordance with the laws of Pakistan and the Concession Agreement.

2.2 TITLE AND USE OF SITE

- 2.2.1 FWD represents and warrants that it has the power and authority to grant the Lease for the Lease Period, provided the title and ownership to the Site shall always vest with FWD.
- 2.2.2 The Concessionaire undertakes, covenants and agrees that it shall only use the Site in accordance with the Concession Agreement and at all times in compliance with the Legal Requirements.

2.3 NO SALE OR CREATION OF ENCUMBRANCE

- 2.3.1 Unless otherwise permitted in this Lease Agreement, the Concessionaire shall not part with, dispose of, sell, sub-lease, license or create any Encumbrance of any nature whatsoever on the whole or any part of the Site, and shall not place or create nor permit any Contractor or other person claiming through or under the Concessionaire to place or create any Encumbrance over all or any part of the Site or on any rights of the Concessionaire therein or under this Lease Agreement.

2.4 PROTECTION FROM ENCROACHMENTS

- 2.4.1 For the duration of the Lease Period, the Concessionaire shall:
- (a) be fully responsible for and shall protect the Site from, in each case, any and all occupations, thefts, encroachments and Encumbrances;
 - (b) develop a security protocol for security of the Site and arrange for (at its own cost and expense) appropriately trained and qualified security personnel to undertake the security of the Site; and
 - (c) submit an annual report intimating to FWD and the Independent Expert either:
 - (i) occurrence and status of occupations, thefts, encroachments, and Encumbrances on the Site in the relevant year (if any); or
 - (ii) confirming that the Site is free from any occupations, thefts, encroachments and Encumbrances in the relevant year of the Lease Period.
- 2.4.2 For the duration of the Lease Period, FWD shall provide assistance for reasonable security on the Site in accordance with the Concession Agreement, as and when reasonably requested by the Concessionaire. The provision of any assistance by FWD (including delay or omission to provide such assistance) shall not relieve or absolve the Concessionaire of its obligations under the Project Agreements.
- 2.4.3 The Concessionaire undertakes, covenants and agrees that it shall, for the Lease Period, remain liable for any Claims and/or damage to the Site or the Project caused by the Concessionaire, the Contractors, the Project VVBs, the Third Party Contractors, or any of their representatives, officers, employees and agents.

2.5 LEASE PAYMENTS AND PAYMENT TERMS

- 2.5.1 The Concessionaire shall pay consideration for entering into this Lease Agreement (“**Lease Payments**”) to FWD as under:
- (a) for the first eleven (11) year period of the Lease, at the rate of PKR 100/- (Pakistani Rupees One Hundred only) per acre, per annum, which money is to be deposited in the Designated Account for the entire Site within thirty (30) days of execution of this Lease Agreement;
 - (b) for each succeeding eleven (11) year period of the Lease until the Final Expiry Date, at the rate of PKR 100/- (Pakistani Rupees One Hundred Only) per acre, per annum, which money is to be deposited in the Designated Account at the commencement of such eleven (11) period (or such pro rata period, where relevant).

3. BREACH AND TERMINATION

- 3.1.1 Any breach or default by a Party of its obligations under this Lease Agreement shall be dealt with in accordance with the terms of the Concession Agreement.
- 3.1.2 Upon the Final Expiry Date or expiry of the Lease, the Parties shall enter into and execute such further agreements, deeds, instruments or documents as may be necessary or reasonably required by FWD to give effect to such expiry or termination. For such purpose, the Concessionaire appoints FWD as its duly authorized agent to execute such agreements, deeds, instruments or documents as may be necessary or reasonably required by FWD.

Provided that all costs, fees, expenses, charges and taxes relating to the execution of the aforementioned agreements, deeds, instruments or documents shall be borne by the Concessionaire.

4. REPRESENTATIONS AND WARRANTIES

4.1 FWD’S REPRESENTATIONS AND WARRANTIES

FWD represents and warrants to the Concessionaire that:

- (a) they are the legal owners of the Site;
- (b) they have the power and authority to:
 - (i) grant the Lease to the Concessionaire; and
 - (ii) enter into and deliver this Lease Agreement and perform their obligations under this Lease Agreement; and
- (c) this Lease Agreement forms the valid, binding and enforceable obligations of FWD.

4.2 CONCESSIONAIRE’S REPRESENTATIONS & WARRANTIES

The Concessionaire represents and warrants to FWD that:

- (a) it has the power and authority to enter into and deliver this Lease Agreement;
- (b) this Lease Agreement forms the valid and binding enforceable obligations of the Concessionaire; and
- (c) the execution and performance of this Lease Agreement by the Concessionaire does not violate any Applicable Laws or any other obligations to which the Concessionaire is subject.

5. NOTICES

5.1 NOTICES

The provisions of Article 26 (*Notices*) of the Concession Agreement shall be incorporated by reference into this Lease Agreement and apply, *mutatis mutandis*, hereto.

6. GOVERNING LAW AND DISPUTE RESOLUTION

6.1 GOVERNING LAW

This Lease Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of Pakistan.

6.2 DISPUTE RESOLUTION

The provisions of Article 28 (*Dispute Resolution*) of the Concession Agreement shall be incorporated by reference into this Agreement and apply, *mutatis mutandis*, hereto.

7. MISCELLANEOUS

7.1 PARTIAL INVALIDITY AND SEVERABILITY

If for any reason whatsoever, any provision of this Lease Agreement is, or becomes invalid, illegal or unenforceable, or is declared by any court of competent jurisdiction or any other instrumentality to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions of this Lease Agreement shall not be affected in any manner, and the Parties shall negotiate in good faith with a view to agreeing upon one or more provisions which may be substituted for such invalid, unenforceable or illegal provision(s), as nearly as is practicable.

7.2 AMENDMENT

No amendment or modification of this Lease Agreement shall be valid and effective unless agreed to by the Parties and evidenced in writing.

8. ORIGINALS

8.1 NUMBER OF ORIGINALS

This Lease Agreement shall be executed in two (2) originals.

IN WITNESS WHEREOF, the Parties, intending to be legally bound, have caused this Lease Agreement to be executed by their duly authorised representatives as of the date first written above.

As FWD

For and on behalf of FOREST AND WILDLIFE DEPARTMENT, GOVERNMENT OF SINDH through its authorised signatory	}	SIGNATURE
Name:		.....
Designation:		
IN THE PRESENCE OF WITNESSES:		SIGNATURES
1- Name:		.....
Address:		
CNIC No.:		
2- Name:		.....
Address:		
CNIC No.:		

As THE CONCESSIONAIRE

For and on behalf of [<i>INSERT NAME OF THE CONCESSIONAIRE</i>] through its authorised signatory	}	SIGNATURE
Name:		.....
Designation:		
IN THE PRESENCE OF WITNESSES		SIGNATURES
1- Name:		.....
Address:		
CNIC No.:		
2- Name:		.....
Address:		
CNIC No.:		

ANNEXURE 1 – DESCRIPTION OF SITE

[Description of Site being leased to be inserted]

SCHEDULE G – FORM OF DEVELOPMENT PERFORMANCE
SECURITY

To

[•],
[•],
FOREST AND WILDLIFE DEPARTMENT,
GOVERNMENT OF SINDH

GUARANTEE NO. [•] (hereinafter referred to as the “Bank Guarantee”)
Dated: [•]

[INSERT NAME OF BANK], being the Bank Guarantee issuing bank (hereinafter referred to as the “Guarantor Bank”) understands that the following parties have entered into an agreement titled the “CONCESSION AGREEMENT” (hereinafter referred to as the “Agreement”) for the design, engineering, procurement, implementation, development, plantation, construction, completion, inspection, operation, maintenance and transfer of the ‘Carbon Removals through Forestation Project – Package 2’ under public private partnership mode (the “Project”):

- (a) THE GOVERNOR OF SINDH, for and on behalf of the GOVERNMENT OF SINDH, through Secretary, Forest and Wildlife Department, Government of Sindh (hereinafter referred to as “FWD”, which expression shall, unless excluded by or repugnant to the context, be deemed to mean and include its successors and assigns); and
- (b) [INSERT NAME OF THE CONCESSIONAIRE], a company incorporated and existing under the laws of [•], having its registered office located at [•], (hereinafter referred to as the “Concessionaire”, which expression shall, unless excluded by or repugnant to the context, be deemed to include its successors in interest, administrators, and permitted assigns).

Further, the Guarantor Bank understands that pursuant to the terms of the Agreement, the Concessionaire is required to provide FWD with a bank guarantee (referred to in the Agreement as the Development Performance Security) in an amount equal to PKR [INSERT AMOUNT IN NUMBERS]/- (Pakistani Rupees [INSERT AMOUNT IN WORDS] only).

The above premised, the Guarantor Bank hereby undertakes irrevocably, unconditionally and on-demand to pay to FWD (without any notice, reference or recourse to the Concessionaire or to any other entity or without any recourse or reference to any contract, agreement, document or other instruments (including the Agreement) whether executed or not), any sum or sums (or any part thereof) equivalent in aggregate up to but not exceeding a maximum amount of:

PKR [•]/- (Pakistani Rupees [•] only)
(hereinafter referred to as the “Guaranteed Amount”)

immediately, however not later than within five (5) business days from the date of the Guarantor Bank’s receipt of FWD’s first written demand (hereinafter referred to as the “Demand”) at the Guarantor Bank’s office located at [INSERT ADDRESS OF THE GUARANTOR BANK AT WHICH DEMAND SHALL BE MADE], or through SWIFT instructions transmitted by FWD’s bank (i.e. INSERT NAME OF FWD BANK), on behalf of FWD, to the Guarantor Bank, or through fax sent by FWD at the Guarantor Bank’s fax number i.e., [•], such Demand stating:

- (a) the Bank Guarantee number;
- (b) the total amount demanded; and
- (c) the bank account to which the amounts demanded pursuant to the Demand are to be credited/transferred (hereinafter referred to as the “Beneficiary Account”).

A Demand shall only be honoured by us: (i) in the case of a written Demand, if it is made by and bears the signature of an authorised officer or other representative of FWD; or (ii) in the case of a Demand transmitted through SWIFT, if it is transmitted through authenticated SWIFT instructions

by FWD's bank, on behalf of FWD; or (iii) in the case of a Demand made through fax, it is made by and bears the signature of an authorised officer or other representative of FWD.

The Guarantor Bank shall unconditionally honour a Demand hereunder made in compliance with this Bank Guarantee at sight and immediately on the date of receipt of your Demand, as stated earlier, and shall transfer the amount specified in the Demand to the Beneficiary Account, in immediately available and freely transferable funds in the currency of this Bank Guarantee, free and clear of and without any set-off or deduction for or on account of any present or future Taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any nature whatsoever and by whomsoever imposed.

This Bank Guarantee shall come into force and shall become automatically effective upon its issuance.

After having come into force, this Bank Guarantee and the Guarantor Bank's obligations hereunder shall expire on [INSERT DATE AND TIME]⁸ (the "**Expiry Date**") irrespective of whether this Bank Guarantee has been returned to the Guarantor Bank provided that, in the event that FWD issues a Demand to the Guarantor Bank on or immediately prior to the Expiry Date and the same is received by the Guarantor Bank on or prior to the Expiry Date, the Guarantor Bank shall honour such Demand.

Upon expiry, this Bank Guarantee shall be returned to the Concessionaire without undue delay. Multiple Demands may be made by FWD under this Bank Guarantee but the Guarantor Bank's aggregate liability shall be restricted up to the Guaranteed Amount.

The Guaranteed Amount shall be revised upon receipt by the Guarantor Bank of a notice duly signed by FWD and the Concessionaire of the revised Guaranteed Amount. The Expiry Date shall be revised upon receipt by the Guarantor Bank of a notice duly signed by FWD and the Concessionaire of the revised date.

The Guarantor Bank hereby agrees that any part of the Agreement may be amended, renewed, extended, modified, compromised, released or discharged without:

- (a) in any way impairing or affecting the Guarantor Bank's liabilities hereunder;
- (b) notice to the Guarantor Bank; and
- (c) the necessity for any additional endorsement, consent or guarantee by the Guarantor Bank.

This Bank Guarantee for its validity period shall not be affected in any manner by any change in the Guarantor Bank's constitution or of the Concessionaire's constitution or of their successors and assignees and this Bank Guarantee shall be legally valid, enforceable and binding on each of their successors and permitted assignees.

All references to any contract, agreement, document or other instruments (including the Agreement), whether executed or not, are by way of reference only and shall not affect the Guarantor Bank's obligations to make payment under the terms of this Bank Guarantee.

If one or more of the provisions of this Bank Guarantee are held or found to be invalid, illegal, or unenforceable for any reason whatsoever, in any respect, any such invalidity, illegality, or unenforceability of any provision shall not affect the validity of the remaining provisions of this Bank Guarantee.

The Guarantor Bank hereby declares and confirms that under its constitution and applicable laws, it has the necessary power and authority and all necessary authorizations, approvals and consents thereunder, to:

- (a) enter into, execute and deliver this Bank Guarantee; and

⁸ At the time of initial issuance, insert date that is falling one hundred and eighty (180) following the Scheduled Substantial Completion Date.

- (b) perform the obligations it has undertaken under this Bank Guarantee, which obligations are valid and legally binding on and enforceable against the Guarantor Bank under the laws of Pakistan.

Further, the Guarantor Bank hereby declares and confirms that the signatory(ies) to this Bank Guarantee is/are its duly authorized officer(s) to execute this Bank Guarantee.

This Bank Guarantee and all rights and obligations arising from this Bank Guarantee shall be governed and construed in all respects in accordance with the laws of Pakistan. The courts in Karachi, Pakistan shall have exclusive jurisdiction in respect of any dispute relating to any matter contained herein.

The issuance of this Bank Guarantee is permitted according to the laws of Pakistan and the laws of the jurisdiction where this Bank Guarantee is issued.

This Bank Guarantee is subject to the Uniform Rules for Demand Guarantee, ICC Publication No.758. To the extent that there is any inconsistency between the terms of this Bank Guarantee and the Uniform Rules for Demand Guarantees, ICC Publication No. 758, the terms of this Bank Guarantee shall prevail.

**EXECUTED & ISSUED
FOR & ON BEHALF OF THE GUARANTOR BANK**

.....
NAME:
DESIGNATION:
DATED:

SCHEDULE H – FORM OF O&M PERFORMANCE SECURITY

To

[•],
[•],
FOREST AND WILDLIFE DEPARTMENT,
GOVERNMENT OF SINDH

GUARANTEE NO. (hereinafter referred to as the “Bank Guarantee”)

Dated:

[INSERT NAME OF BANK], being the Bank Guarantee issuing bank (hereinafter referred to as the “Guarantor Bank”) understands that the following parties have entered into an agreement titled the “CONCESSION AGREEMENT” dated [•] (hereinafter referred to as the “Agreement”) for the design, engineering, procurement, implementation, development, plantation, construction, completion, inspection, operation, maintenance and transfer of the ‘Carbon Removals through Forestation Project – Package 2’ under public private partnership mode (the “Project”):

- (a) THE GOVERNOR OF SINDH, for and on behalf of the GOVERNMENT OF SINDH, through Secretary, Forest and Wildlife Department, Government of Sindh (hereinafter referred to as “FWD”, which expression shall, unless excluded by or repugnant to the context, be deemed to mean and include its successors and assigns); and
- (b) [INSERT NAME OF THE CONCESSIONAIRE], a company incorporated and existing under the laws of [•], having its registered office located at [•], (hereinafter referred to as the “Concessionaire”, which expression shall, where the context so permits, be deemed to mean and include its successors in interest, administrators, and permitted assigns).

Further, the Guarantor Bank understands that pursuant to the terms of the Agreement, the Concessionaire is required to provide FWD with a bank guarantee (referred to in the Agreement as the O&M Performance Security) in an amount equal to PKR [INSERT AMOUNT IN NUMBERS]/- (Pakistani Rupees [INSERT AMOUNT IN WORDS]).

The above premised, the Guarantor Bank hereby undertakes irrevocably, unconditionally and on demand to pay to FWD (without any notice, reference or recourse to the Concessionaire or to any other entity or without any recourse or reference to any contract, agreement, document or other instruments (including the Agreement) whether executed or not), any sum or sums (or any part thereof) equivalent in aggregate up to but not exceeding a maximum amount of:

PKR [•]/- (Pakistani Rupees [•] only)
(hereinafter referred to as the “Guaranteed Amount”)

immediately, however not later than within five (5) business days from the date of the Guarantor Bank’s receipt of FWD’s first written demand (hereinafter referred to as the “Demand”) at the Guarantor Bank’s office located at [INSERT ADDRESS OF THE GUARANTOR BANK AT WHICH DEMAND SHALL BE MADE], or through SWIFT instructions transmitted by FWD’s bank (i.e. INSERT NAME OF FWD BANK), on behalf of FWD, to the Guarantor Bank, or through fax sent by FWD at the Guarantor Bank’s fax number i.e., [•], such Demand stating:

- (a) the Bank Guarantee number;
- (b) the total amount demanded; and
- (c) the bank account to which the amounts demanded pursuant to the Demand are to be credited/transferred (hereinafter referred to as the “Beneficiary Account”).

A Demand shall only be honoured by us: (i) in the case of a written Demand, if it is made by and bears the signature of an authorised officer or other representative of FWD; or (ii) in the case of a Demand transmitted through SWIFT, if it is transmitted through authenticated SWIFT instructions

by FWD's bank (i.e. [●]), on behalf of FWD; or (iii) in the case of a Demand made through fax, it is made by and bears the signature of an authorised officer or other representative of FWD.

The Guarantor Bank shall unconditionally honour a Demand hereunder made in compliance with this Bank Guarantee at sight and immediately on the date of receipt of your Demand, as stated earlier, and shall transfer the amount specified in the Demand to the Beneficiary Account, in immediately available and freely transferable funds in the currency of this Bank Guarantee, free and clear of and without any set-off or deduction for or on account of any present or future Taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any nature whatsoever and by whomsoever imposed.

This Bank Guarantee shall come into force and shall become automatically effective upon its issuance.

After having come into force, this Bank Guarantee and the Guarantor Bank's obligations hereunder shall expire on [INSERT DATE AND TIME]⁹ (the "**Expiry Date**") irrespective of whether this Bank Guarantee has been returned to the Guarantor Bank provided that, in the event that FWD issues a Demand to the Guarantor Bank on or immediately prior to the Expiry Date and the same is received by the Guarantor Bank on or prior to the Expiry Date, the Guarantor Bank shall honour such Demand.

Upon expiry, this Bank Guarantee shall be returned to the Concessionaire without undue delay. Multiple Demands may be made by FWD under this Bank Guarantee but the Guarantor Bank's aggregate liability shall be restricted up to the Guaranteed Amount.

The Guaranteed Amount shall be revised upon receipt by the Guarantor Bank of a notice duly signed by FWD and the Concessionaire of the revised guaranteed amount. The Expiry Date shall be revised upon receipt by the Guarantor Bank of a notice duly signed by FWD and the Concessionaire of the revised date.

The Guarantor Bank hereby agrees that any part of the Agreement may be amended, renewed, extended, modified, compromised, released or discharged without:

- (a) in any way impairing or affecting the Guarantor Bank's liabilities hereunder;
- (b) notice to the Guarantor Bank; and
- (c) the necessity for any additional endorsement, consent or guarantee by the Guarantor Bank.

This Bank Guarantee for its validity period shall not be affected in any manner by any change in the Guarantor Bank's constitution or of the Concessionaire's constitution or of their successors and assignees and this Bank Guarantee shall be legally valid, enforceable and binding on each of their successors and permitted assignees.

All references to any contract, agreement, document or other instruments (including the Agreement), whether executed or not, are by way of reference only and shall not affect the Guarantor Bank's obligations to make payment under the terms of this Bank Guarantee.

If one or more of the provisions of this Bank Guarantee are held or found to be invalid, illegal, or unenforceable for any reason whatsoever, in any respect, any such invalidity, illegality, or unenforceability of any provision shall not affect the validity of the remaining provisions of this Bank Guarantee.

The Guarantor Bank hereby declares and confirms that under its constitution and applicable laws, it has the necessary power and authority and all necessary authorizations, approvals and consents thereunder, to:

- (a) enter into, execute and deliver this Bank Guarantee; and

⁹ At the time of initial issuance, insert date that is falling one hundred and eighty (180) following the Term Expiry Date.

- (b) perform the obligations it has undertaken under this Bank Guarantee, which obligations are valid and legally binding on and enforceable against the Guarantor Bank under the laws of Pakistan.

Further, the Guarantor Bank hereby declares and confirms that the signatory(ies) to this Bank Guarantee is/are its duly authorized officer(s) to execute this Bank Guarantee.

This Bank Guarantee and all rights and obligations arising from this Bank Guarantee shall be governed and construed in all respects in accordance with the laws of Pakistan. The courts in Karachi, Pakistan shall have exclusive jurisdiction in respect of any dispute relating to any matter contained herein.

The issuance of this Bank Guarantee is permitted according to the laws of Pakistan and the laws of the jurisdiction where this Bank Guarantee is issued.

This Bank Guarantee is subject to the Uniform Rules for Demand Guarantee, ICC Publication No.758. To the extent that there is any inconsistency between the terms of this Bank Guarantee and the Uniform Rules for Demand Guarantees, ICC Publication No. 758, the terms of this Bank Guarantee shall prevail.

**EXECUTED & ISSUED
FOR & ON BEHALF OF THE GUARANTOR BANK**

.....
NAME:
DESIGNATION:
DATED:

SCHEDULE I – FORM OF REVENUE ACCOUNT STANDING INSTRUCTIONS

[On the Letterhead of the Concessionaire]

Date: [insert date]
Reference: [insert details]

To,
[insert address]
Pakistan,

RE: STANDING INSTRUCTIONS IN RESPECT OF THE REVENUE ACCOUNT (AS DEFINED BELOW)

Dear Sir/Madam,

1. REVENUE ACCOUNT & ISSUANCE OF STANDING INSTRUCTIONS NOTICE

1.1 We, [insert the Concessionaire’s details] (through [insert details]) (the “**Account Holder**”) refer you, [insert bank name] (a banking company established under the laws of Pakistan having its registered office located at [insert address]) (the “**Project Account Bank**”) to the following bank account established and maintained in the name of the Account Holder at the Project Account Bank’s branch located at [insert address]:

Account Number [insert account number], Account Title [insert account title] (the “**Revenue Account**”);

AND, we, the Account Holder, hereby issue this notice (the “**Standing Instructions Notice**”) containing the Revenue Account Standing Instructions (as defined below) for the maintenance and operation of the Revenue Account and for matters relating to the same.

2. DEFINITIONS

2.1 In this Standing Instructions Notice, the following capitalized words shall bear the meaning ascribed to the same as below:

- (a) “**Account Holder**” shall bear the meaning ascribed thereto in Paragraph 1;
- (b) “**Concessionaire Account Bank**” means [insert bank name], a banking company incorporated under the laws of Pakistan having its principal place of business located at [insert address], Pakistan;
- (c) “**Concession Agreement**” means the agreement entitled ‘Concession Agreement’ dated [insert date] and entered into between the Account Holder (as the Concessionaire) and the Governor of Sindh (through Secretary, Forest and Wildlife Department, Government of Sindh) (as FWD);
- (d) “**Concessionaire**” means [Insert name of the Concessionaire], a company incorporated under the laws of Pakistan, having its registered office located at [insert address];
- (e) “**Concessionaire Designated Account**” means the [insert account details] account of the Concessionaire denominated in Pakistani Rupees and established and maintained at the Concessionaire Account Bank and bearing account number [insert account number] and titled [insert account title];
- (f) “**Concessionaire Revenue Share**” means the amount(s) certified as the ‘Concessionaire Revenue Share’ in the Revenue Sharing Certificate;

- (g) **“Excess Amounts”** means the amount(s) certified as the ‘*Excess Amounts*’ in the Final Expiry Certificate;
- (h) **“Final Expiry Certificate”** means the certificate from the Independent Auditor in accordance with Section 22.65.3 of the Concession Agreement, certifying the Excess Amounts;
- (i) **“FWD Account Bank”** means [*insert bank name*], a banking company incorporated under the laws of Pakistan having its principal place of business located at [*insert address*], Pakistan;
- (j) **“FWD Designated Account”** means the [*insert account details*] account of FWD denominated in Pakistani Rupees and established and maintained at the FWD Account Bank and bearing account number [*insert account number*] and titled [*insert account title*];
- (k) **“FWD Revenue Share”** means the amount(s) certified as the ‘*FWD Revenue Share*’ in the Revenue Sharing Certificate;
- (l) **“Independent Auditor”** means [*insert name of Independent Auditor*], a [*insert legal status*] validly existing under the laws of Pakistan having its place of business located at [*insert address*];
- (m) **“Project”** means the ‘*Carbon Removal through Forestation Project – Package 2*’;
- (n) **“Project Account Bank”** shall bear the meaning ascribed thereto in Paragraph 1;
- (o) **“Revenue Account”** shall bear the meaning ascribed thereto in Paragraph 1;
- (p) **“Revenue Sharing Certificate”** means the certificate of the Independent Auditor issued from time to time in accordance with clause 13.4.1 of the Concession Agreement, certifying the Concessionaire Revenue Share and the FWD Revenue Share in respect of the revenues generated from the Project;
- (q) **“Revenue Account Standing Instructions”** means the legally binding, enforceable and irrevocable (subject to Paragraph 5.1 and Paragraph 5.2 below) standing instructions contained in this Standing Instructions Notice for the operation and maintenance of the Revenue Account; and
- (r) **“Standing Instructions Notice”** shall bear the meaning ascribed thereto in Paragraph 1.

3. **INTERPRETATION**

3.1 In this Standing Instructions Notice:

- (a) Words in this Standing Instructions Notice importing the singular shall include the plural or vice versa.
- (b) Save where the contrary is indicated, any reference in this Standing Instructions Notice to:
 - (i) a Paragraph shall be construed as a reference to a paragraph of this Standing Instructions Notice;
 - (ii) any instrument, memorandum, agreement, contract or document shall be construed as a reference to that instrument, memorandum, agreement, contract or document (together with any recitals or sections thereto) all as amended, varied, restated, novated or supplemented from time to time;

- (iii) any person shall be construed so as to include their respective administrators, successors in interest and permitted assigns from time to time;
- (iv) a statute, enactment or order shall be construed as a reference to such statute, enactment or order as the same may have been, or may from time to time be, amended or re-enacted and all subsidiary legislation and other instrument made under or deriving validity therefrom;
- (v) the singular shall include the plural and vice versa, where appropriate;
- (vi) the words ‘*including*’ and ‘*includes*’ and any grammatical variants of those words, will be read as if followed by the words ‘*without limitation*’;
- (vii) a reference to a person shall be construed to include a juridical person;
- (viii) a time of day shall be construed as a reference to Pakistan Standard Time; and
- (ix) headings in this Standing Instructions Notice are for ease of reference only and shall be ignored in construing this Standing Instructions Notice.

4. INSTRUCTIONS IN RESPECT OF MATTERS RELATING TO THE PAYMENT OF REVENUE SHARES

4.1 The Account Holder issues the following instructions to the Project Account Bank and hereby instructs the Project Account Bank to act as follows:

THAT, upon receipt of each Revenue Sharing Certificate by the Project Account Bank from time to time, the Project Account Bank shall, within one (1) business day, debit the Revenue Account:

- (a) in an amount equal to the Concessionaire Revenue Share and credit the same to the Concessionaire Designated Account; and
- (b) in an amount equal to the FWD Revenue Share and credit the same to the FWD Designated Account.

THAT, upon receipt of the Final Expiry Certificate by the Project Account Bank, the Project Account Bank shall, within one (1) business day, debit the Revenue Account in an amount equal to the Excess Amounts and credit the same to the FWD Designated Account.

5. REVOCATION AND AMENDMENT OF REVENUE ACCOUNT STANDING INSTRUCTIONS

5.1 The Revenue Account Standing Instructions shall be irrevocable and shall remain effective, in each case, until such date on which a written certificate, duly issued by the Independent Auditor, is received by the Project Account Bank from the Independent Auditor, verifying the occurrence of the termination and/or expiry of the Concession Agreement (as applicable) and certifying that the Account Holder has fully complied with and has satisfied its payment obligations under the Concession Agreement for the Project.

5.2 The Standing Instructions Notice may be amended pursuant a written notice duly executed and confirmed by the authorized representatives of the Account Holder and FWD, instructing amendment to this Standing Instructions Notice and the same shall be confirmed and acknowledged by the Project Account Bank.

6. SEVERABILITY

- 6.1 If, for any reason whatsoever, any provision of this Standing Instruction Notice is or becomes invalid, illegal or unenforceable or is declared by any court of competent jurisdiction or any other instrumentality to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner, and the Project Account Bank and the Account Holder will negotiate in good faith with a view to agreeing upon one or more provisions which may be substituted for such invalid, unenforceable or illegal provisions, as nearly as is practicable.

7. GOVERNING LAW & DISPUTE RESOLUTION

- 7.1 The Standing Instructions Notice shall be governed by and construed in accordance with the laws of Pakistan and the courts of law at Karachi, Pakistan, with competent jurisdiction, shall entertain all disputes arising hereunder.

SCHEDULE J – HANDOVER CONDITIONS

1. GENERAL REQUIREMENTS

- (a) The Site must be in a condition that meets all Applicable Standards and Legal Requirements.
- (b) The Site must be free from encroachments, unauthorized activities, and degradation.
- (c) The Site must meet the minimum tree survival criteria required under the Applicable Standards.
- (d) Any infrastructure developed for the Project must be in functional condition.

2. TRANSFER REQUIREMENTS

The Concessionaire shall:

- (a) take all steps to ensure transfer of all of the Concessionaire's right, title and interest in accordance with Section 23.1.7, on the Handover Date, free and clear of all liens and Encumbrances, at no cost to FWD (other than payment of the Termination Payments, if applicable; and
- (b) execute such deeds of conveyance, documents and other writings as reasonably required for conveying, handing over and/or assigning all the rights, title and interest of the Concessionaire in the Project, including: (i) Ancillary Activities Agreement; and/or (ii) the Carbon Credit Sale Agreements, (as may be applicable and required by FWD).
- (c) resolve any Disputes;
- (d) obtain consent of the Financing Parties (if any) with respect to a possible transfer of Shares to FWD, during the period that any financing due is outstanding; and
- (e) settle outstanding payments and accounts of the Concessionaire with regards to any due and payable payments under the Agreement, as verified by the Independent Appointees.

3. HANDOVER REPORT

The Concessionaire shall prepare and submit a comprehensive '*Project Handover Report*'. This report shall encapsulate, *inter alia*, the following:

- (a) highlight the progress of the Project throughout the Concession Period, including key achievements and milestones;
- (b) outline compliance with environmental and biodiversity requirements under Applicable Standards;
- (c) provide comprehensive assessment of the growth rates of the tree species planted across the Concession Period;
- (d) outline compliance with community socio-economic development and stakeholder requirements under Applicable Standards;
- (e) contain results of a final GHG Reductions and Removals assessment to confirm compliance with Applicable Standards;
- (f) identify key challenges encountered during Project implementation; and
- (g) outline lessons learnt and strategies adopted by the Concessionaire to mitigate Project risks.

4. **TECHNOLOGY AND KNOWLEDGE TRANSFER**

- (a) Recognizing the importance of capacity building for sustained impact, the Concessionaire shall undertake knowledge and technology transfer to FWD. This process shall involve sharing best practices, technological innovations, and strategic insights developed during the Project.
- (b) To empower stakeholders, Concessionaire shall organize a minimum of two (2) training sessions, tailored for government officials and local community members. These sessions will focus on equipping participants with the skills and knowledge needed to manage and sustain the Project independently.

SCHEDULE K – FORM OF HANDOVER CERTIFICATE

1. [insert details] being the Independent Expert, and [insert details] being the Independent Auditor, refer to the agreement titled “Concession Agreement” dated [●] (as amended from time to time) (the “**Concession Agreement**”) relating to, *inter alia*, design, engineering, procurement, implementation, development, plantation, construction, completion, inspection, operation, maintenance and transfer of the Carbon Removal through Forestation Project – Package 2 (the “**Project**”).
2. The Independent Appointees hereby acknowledge the compliance and fulfilment by the Concessionaire of the Handover Conditions set forth in Article 23 (*Handover of Rights and Interest*) of the Concession Agreement and, on such basis, hereby issue this Handover Certificate (this “**Certificate**”). Upon issuance of this Certificate, FWD shall be deemed to have been handed over all rights and interest in the Carbon Removal through Forestation Project – Package 2 and the same shall be deemed to have been handed free from any Encumbrances.

Signed this day of, at Karachi.

FOR AND ON BEHALF OF
[●]

Signature

Name

Designation

Signed in the presence of the following witnesses:

Signature

Signature

Name

Name

NIC No.

NIC No.

FOR AND ON BEHALF OF
[•]

Signature

Name

Designation

Signed in the presence of the following witnesses:

Signature

Signature

Name

Name

CNIC No.

CNIC No.

SCHEDULE L – MINIMUM INSURANCE REQUIREMENTS

PART A: DEVELOPMENT PERIOD INSURANCES

No.	INSURANCE	DETAILS
1.	Project Developer’s All Risk Insurance	Covering loss/damage due to natural calamities, fire, and accidents. Minimum coverage: USD 10,000,000/- (US Dollars Ten Million only)
2.	Third-Party General Liability Insurance	Covering bodily injury and property damage due to project activities. Minimum coverage: USD 4,000,000/- (US Dollars Four Million only)
3.	Workers’ Compensation Insurance	Covering injury, disability, and death for workers. Minimum Coverage: As per the requirements under the laws of Pakistan.

PART B: OPERATING PERIOD INSURANCES

No.	INSURANCE	DETAILS
1.	Forest Fire Insurance:	Coverage for potential losses due to wildfires. Minimum coverage: USD 5,000,000/- (US Dollars Five Million only)
2.	Natural Disaster Insurance	Coverage against floods, storms, and other climate events. Minimum coverage: USD 10,000,000/- (US Dollars Ten Million only)
3.	Third-Party General Liability Insurance	Covering damages or claims arising from third-party losses. Minimum coverage: USD 5,000,000/- (US Dollars Five Million only)

SCHEDULE M – KEY PERFORMANCE INDICATORS

Pursuant to Section 11.7 (*Performance Damages*), during the Operating Period, in the event the Concessionaire does not meet the Performance Guarantees (as set out below), the Concessionaire shall pay FWD the Performance Damages (as set out below) up to an amount not exceeding the relevant Performance Damages Cap (as set out below) for the relevant Reporting Period.

Note: All capitalized terms used in this Schedule shall have the meanings assigned to them under the Concession Agreement.

PERFORMANCE GUARANTEE	TARGET	REPORTING PERIOD	PERFORMANCE DAMAGES	PERFORMANCE DAMAGES CAP
Completion of planting activities (Percentage of area planted) Data Source: Field surveys, planting records	<u>Minimum fifty percent (50%) completion within Operating Year 23.</u> <u>Minimum ninety-five percent (95%) by the end of Operating Year 24.</u> Hundred percent (100%) completion of a specific quarter within Operating Years 23 and 24	<u>Third (3rd) and fourth (4th) quarter of Quarterly</u> during Operating Years 23 and 24	Zero-point zero five percent (0.05%) of the costs for Operation and Maintenance for the relevant Operating Year, as set out in the Base Case Financial Model, applicable per day.	The higher of: (a) Eight percent (8%) of the costs for Operation and Maintenance for the relevant Operating Year, as set out in the Base Case Financial Model; or (b) PKR 4,000,000/- (Pakistani Rupees Four Million only).
Completion of cleaning (Percentage of planted area cleaned) Data Source: Field surveys, cleaning records	<u>Minimum fifty percent (50%) completion within Operating Year 25.</u> <u>Minimum ninety-five percent (95%) by the end of Operating Year</u>	<u>Third (3rd) and fourth (4th) quarter of Quarterly</u> during Operating Years <u>25 and 26</u>	Zero-point zero three-five percent (0.05 <u>3</u> %) of the costs for Operation and Maintenance for the relevant Operating Year, as set out in the Base Case Financial Model, applicable per day.	

	26. Hundred percent (100%) completion of a specific quarter within Operating Year 25			
Completion of first thinning (Percentage of area thinned) Data Source: Field surveys, thinning records	Hundred percent (100%) completion within Operating Years 5 and 27	At the end of Operating Years 5 and 27	Zero-point zero three percent (0.03%) of the costs for Operation and Maintenance for the relevant Operating Year, as set out in the Base Case Financial Model, applicable per day.	
Completion of second thinning (Percentage of area thinned) Data Source: Field surveys, thinning records	Hundred percent (100%) completion within Operating Years 12 and 34	At the end of Operating Years 12 and 34	Zero-point zero three percent (0.03%) of the costs for Operation and Maintenance for the relevant Operating Year, as set out in the Base Case Financial Model, applicable per day.	
Completion of main felling (Percentage of area felled) Data Source: Harvesting records, field surveys	Hundred percent (100%) completion within Operating Years 20 and 42	At the end of Operating Years 20 and 42	Zero-point zero five percent (0.05%) of the costs for Operation and Maintenance for the relevant Operating Year, as set out in the Base Case Financial Model, applicable per day.	
Prevention of unauthorized tree cutting and/or illegal grazing incidents Data Source: Forest patrol records and community reports	Zero (0) incidents	Quarterly	In each quarter, hundred percent (100%) of the Performance Damages Cap shall be payable upon occurrence of the first incident.	The higher of: (a) Eight percent (8%) of the costs for Operation and Maintenance for the relevant Operating Year, as set out in the Base Case Financial Model; or (b) PKR 4,000,000/ (Pakistani Rupees Four Million only).
Compliance with the Project Carbon Standard with respect to:	As per the requirements of the	Annually	Metric: Percentage deviation (annual) from requirement under Project Carbon Standard.	The higher of:

<div><div><div>Community participation; and</div><div>Exotic Species.</div></div></div>	Project Carbon Standard		<table><tr><th>Metric (%)</th><th>Percentage of Performance Damages Cap (%)</th></tr><tr><td>1 - 10%</td><td>10%</td></tr><tr><td>11 - 20%</td><td>50%</td></tr><tr><td>21 - 100%</td><td>100%</td></tr></table>	Metric (%)	Percentage of Performance Damages Cap (%)	1 - 10%	10%	11 - 20%	50%	21 - 100%	100%	<div><div>(a) Six percent (6%) of the costs for Operation and Maintenance for the relevant Operating Year, as set out in the Base Case Financial Model; or</div><div>(b) PKR 3,000,000 (Pakistani Rupees Three Million only).</div></div>
Metric (%)	Percentage of Performance Damages Cap (%)											
1 - 10%	10%											
11 - 20%	50%											
21 - 100%	100%											
<div>Tree survival rate (Percentage of trees surviving)</div> <div>Data Source: Regular field monitoring</div>	Annual survival rate > eighty percent (80%)	Annually Quarterly	<div>Metric: (Actual survival rate / Target survival rate) * 100</div> <table><tr><th>Metric (%)</th><th>Percentage of Performance Damages Cap (%)</th></tr><tr><td>71 - 79%</td><td>10%</td></tr><tr><td>61 - 70%</td><td>50%</td></tr><tr><td>1 - 60%</td><td>100%</td></tr></table>	Metric (%)	Percentage of Performance Damages Cap (%)	71 - 79%	10%	61 - 70%	50%	1 - 60%	100%	<div>The higher of:</div> <div><div>(a) Four percent (4%) of the costs for Operation and Maintenance for the relevant Operating Year, as set out in the Base Case Financial Model; or</div><div>(b) PKR 2,000,000/- (Pakistani Rupees Two Million only).</div></div>
Metric (%)	Percentage of Performance Damages Cap (%)											
71 - 79%	10%											
61 - 70%	50%											
1 - 60%	100%											
<div>Average tree height/diameter growth (Average height and diameter increment per year)</div> <div>Data Source: Tree measurements and growth models</div>	Target growth rates (annual) as specified by Pakistan Forest Institute	Annually	<div>Metric: (Actual growth / Target growth) * 100</div> <table><tr><th>Metric (%)</th><th>Percentage of Performance Damages Cap (%)</th></tr><tr><td>71 - 79%91 - 99%</td><td>10%</td></tr><tr><td>61 - 70%81 - 90%</td><td>50%</td></tr><tr><td>1 - 60%1 - 80%</td><td>100%</td></tr></table>	Metric (%)	Percentage of Performance Damages Cap (%)	71 - 79% 91 - 99%	10%	61 - 70% 81 - 90%	50%	1 - 60% 1 - 80%	100%	<div>The higher of:</div> <div><div>(a) Four percent (4%) of the costs for Operation and Maintenance for the relevant Operating Year, as set out in the Base Case Financial Model; or</div><div>(b) PKR 2,000,000/- (Pakistani Rupees Two Million only).</div></div>
Metric (%)	Percentage of Performance Damages Cap (%)											
71 - 79% 91 - 99%	10%											
61 - 70% 81 - 90%	50%											
1 - 60% 1 - 80%	100%											
<div>Incidence of insects/pests/diseases (Percentage effect of insects/pests/disease on total biomass-of trees affected)</div>	Quarterly infestation/infection	Quarterly	Metric: Actual infestation rate	The higher of:								

Data Source: Regular health assessments	rate < five percent (5%)		<table><tr><th>Metric (%)</th><th>Percentage of Performance Damages Cap (%)</th></tr><tr><td>5 - 10%</td><td>10%</td></tr><tr><td>10.1 - 15%</td><td>50%</td></tr><tr><td>Above 15%</td><td>100%</td></tr></table>	Metric (%)	Percentage of Performance Damages Cap (%)	5 - 10%	10%	10.1 - 15%	50%	Above 15%	100%	(a) Six-Four percent (46 %) of the costs for Operation and Maintenance for the relevant Operating Year, as set out in the Base Case Financial Model; or (b) PKR 23 ,000,000/- (Pakistani Rupees Three—Two Million only).		
Metric (%)	Percentage of Performance Damages Cap (%)													
5 - 10%	10%													
10.1 - 15%	50%													
Above 15%	100%													
Area of forest coverage (Percentage of total targeted area covered by forest) Data Source: Remote sensing and field verification	Forest coverage > ninety percent (90%)	Bi-Annually	<table><tr><th colspan="2">Metric: Actual forest coverage</th></tr><tr><th>Metric (%)</th><th>Percentage of Performance Damages Cap (%)</th></tr><tr><td>81 - 89%</td><td>10%</td></tr><tr><td>71 – 80%</td><td>50%</td></tr><tr><td>1 - 70%</td><td>100%</td></tr></table>	Metric: Actual forest coverage		Metric (%)	Percentage of Performance Damages Cap (%)	81 - 89%	10%	71 – 80%	50%	1 - 70%	100%	The higher of: (a) Six percent (6%) of the costs for Operation and Maintenance for the relevant Operating Year, as set out in the Base Case Financial Model; or (b) PKR 3,000,000/- (Pakistani Rupees Three Million only).
Metric: Actual forest coverage														
Metric (%)	Percentage of Performance Damages Cap (%)													
81 - 89%	10%													
71 – 80%	50%													
1 - 70%	100%													