



PORT QASIM AUTHORITY (PQA)

PREQUALIFICATION & REQUEST FOR PROPOSAL (RFP)

1. Construction and Developing The World's First-Class Green Ship Repair and Dismantling Yard on approximately 100 acres on PQA land at Port Qasim, Karachi, Pakistan on a Build-Operate-Transfer (BOT) Basis for a 30-Year Concession Period;
 2. Operation, rehabilitation, repair, maintenance and financing and, if required, expansion of PQA's Iron Ore & Coal Berth (IOCB) at Port Qasim, Karachi, Pakistan under license from PQA for the duration of the above-mentioned 30-Year Concession Period; and
 3. Establishing a Green Power Steel Plant on 125 Acres land of Pakistan Steel Mills in Karachi, Pakistan to be procured from the Ministry of Industries and Production/Steel Mills through facilitation by PQA
- (Jointly referred to as the Sea-to-Steel (S2S) Project).

August 2026

PORT QASIM AUTHORITY
Ministry of Maritime Affairs
Government of Pakistan
Karachi

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I. Letter of Invitation (LOI)

REQUEST FOR PROPOSAL (RFP)

Construction and Developing the World's First Class Green Ship Repair and Dismantling Yard on approximately 100 acres on PQA land at Port Qasim, Karachi, Pakistan on Build-Operate-Transfer (BOT) Basis for a 30-Year Concession Period and Operation, rehabilitation, repair, maintenance and financing and if required expansion of PQA's Iron Ore & Coal Berth (IOCB) at Port Qasim, Karachi, Pakistan under license from PQA for duration of above mentioned 30-Year Concession Period and Establishing a Green Power Steel Plant on 125 Acres land of Pakistan Steel Mills in Karachi, Pakistan to be procured from the Ministry of Industries and Production/Steel Mills through facilitation by PQA

(Jointly referred to as the Sea-to-Steel (S2S) Project).

The Port Qasim Authority (PQA), Ministry of Maritime Affairs, Government of Pakistan, invites Proposals and Prequalification Applications from reputable local and international Developers, Engineering Organizations, Firms, Consortiums, or Group of Companies for the design, engineering, development, financing, construction, operation, and transfer of the "Sea to Steel (S2S)" Project at Port Qasim on Build-Operate-Transfer (BOT) Basis.

The proposed project comprises the establishment of a world-class Green Ship Repair & Dismantling Yard on approximately one hundred (100) acres of land at Port Qasim (PQA Land) on a Build, Operate and Transfer (BOT) basis and operation and rehabilitation of PQA's Iron Ore & Coal Berth (IOCB) at Port Qasim and the development of a Green Power Steel Plant on one hundred and twenty-five (125) acres of Pakistan Steel Mills Land ("**Project**")

The Green Power Steel Plant (GPSP) will be developed on approximately one hundred and twenty-five (125) acres of Pakistan Steel Mills land, which shall be procured by the Successful Bidder (hereinafter referred to as "Developer" whenever the context may permit), independently, from the Ministry of Industries and Production (MoIP) / Pakistan Steel Mills (PSM) (PSM Land). For the avoidance of doubt, the present RFP does not provide for the grant of a concession for the PSM Land, nor is the GPSP part of the BOT scheme. Successful Bidders may independently pursue the GPSP with MoIP/PSM, and PQA shall only facilitate them in this regard.

The Successful Bidder/Developer will be permitted the licensed use of PQA's Iron Ore & Coal Berth (IOCB) on a non-exclusive basis at Port Qasim

ELIGIBILITY CRITERIA

Interested Applicants must:

- Be legally registered with relevant regulatory and professional authorities in their respective countries;
- Possess proven experience in similar industrial, maritime, shipyard, steel plant, port or infrastructure projects with minimum value of USD \$100 Million;
- Be registered with Income Tax and Sales Tax authorities;

- Be listed on the Active Taxpayers List (ATL) of Federal Board of Revenue (FBR) and Sindh Revenue Board (SRB), where applicable. Foreign firms/Bidders are required to be registered with FBR and SRB only after the award of the contract, if applicable.
- Project-Specific Registration for Foreign Companies under Section 12 of the Pakistan Engineering Council Act, 1975. Copy of the Fee Paid Receipt should be submitted at the time of bidding

Note: The Local Bidders are to be registered/listed on the Active Taxpayer List (ATL) of the Federal Board of Revenue (FBR) and Sindh Revenue Board (SRB) where applicable. The Foreign Bidders are to be registered with these authorities at the time of award of the contract.

International firms shall provide evidence of registration/incorporation in their respective countries.

PROCUREMENT METHOD

Applications are invited in accordance with the Single Stage – Two Envelope Procedure under Rule 36(b) of the Public Procurement Rules, 2004, applicable in Pakistan.

RFP / PREQUALIFICATION DOCUMENTS

Detailed Request for Proposal (RFP), Terms of Reference (TOR), and Prequalification Documents may be obtained from the PQA www.pqa.gov.pk and PPRA <https://ppra.gov.pk/> websites

BID SECURITY

The Technical Proposal must be accompanied by a Bid Security in the form of Pay Order / Bank Draft amounting to PKR 20,000,000/- (Rupees Twenty Million only), in favour of Port Qasim Authority (PQA). A copy of the Bid Security must be enclosed in the sealed Technical Proposal.

PRE-BID MEETING

A pre-bid meeting will be held in the Admin Building Conference Room of Port Qasim Authority in Port Qasim, Karachi on **16th September 2026** at 1100 hours.

SUBMISSION OF PROPOSALS

The Technical and Financial Proposals shall be submitted in separate sealed envelopes, clearly marked with the Project Title and Proposal Type. Interested firms shall submit their Prequalification, Technical, and Financial Proposals in hard & soft copies in the office of PSP Department, Admin Building, Port Qasim Authority, Karachi on or before **9th November 2026** at 12:00 PM.

The Technical Proposals shall be opened on the same day at 1230 PM in the presence of the applicants' authorized representatives.

THE RFP INCLUDES:

- Instructions to Bidders
- Data Sheet
- Prequalification Documents
- Technical Proposal Forms
- Financial Proposal Forms
- Integrity Pact (Appendix-01)

PQA reserves the right to accept or reject any or all proposals in accordance with applicable Public Procurement Rules, 2004 (as amended or substituted from time to time) (the “**PPRA Rules**”).

SECRETARY

**PORT QASIM AUTHORITY (PQA)
KARACHI – PAKISTAN**

TEL: _____

FAX: _____

EMAIL: _____

II. PART I: INTRODUCTION

Port Qasim Authority (PQA), established under the Port Qasim Authority Act, 1973, operates under the Ministry of Maritime Affairs, Government of Pakistan. Port Qasim is Pakistan's second busiest deep-sea port and serves as a major gateway for the country's industrial, financial, maritime, and energy sectors.

Strategically located in Karachi, Sindh, Port Qasim plays a vital role in facilitating international trade, handling bulk cargo, industrial raw materials, petroleum products, LNG, coal, containers, and various maritime industrial activities. The Port also hosts major industrial zones, including steel, energy, petrochemical, logistics, and manufacturing facilities, making it one of the most significant economic and industrial hubs of Pakistan.

In line with the Government of Pakistan's vision for industrial growth, blue economy development, green energy transition, and promotion of foreign direct investment (FDI), PQA intends to promote strategic infrastructure and industrial projects through Public-Private Partnership (PPP) and Build-Operate-Transfer (BOT) models.

PQA intends Construction and Developing the World's First Class Green Ship Repair and Dismantling Yard on approximately 100 acres on PQA land at Port Qasim, Karachi, Pakistan on Build-Operate-Transfer (BOT) Basis for a 30 years Concession Period and Operation, rehabilitation, repair, maintenance and financing and if required expansion of PQA's Iron Ore & Coal Berth (IOCB) at Port Qasim, Karachi, Pakistan under license from PQA for duration of above mentioned 30 years Concession Period and Establishing a Green Power Steel Plant on 125 Acres land of Pakistan Steel Mills in Karachi, Pakistan to be procured from the Ministry of Industries and Production/Steel Mills through facilitation by PQA

(jointly referred to as the Sea-to-Steel (S2S) Project).

PQA intends that the proposed project will dismantle 120,000 – 150,000 light tons of offshore structures/ships annually and provide raw material for steel manufacture in the GPSP. The associated Green Power Steel Plant (outside the BOT scheme) is intended to manufacture and sell approximately 1 million tons per annum of green steel and to trade approximately 100,000 tons of steel scrap per month. Scrap trading is to be done as per the operational plan of the Developer.

Pakistan's National Strategic Needs:

- Revitalize Large Idle Assets: The Iron Ore and Coal Berth (IOCB) has been idle for the last ten years, serving as the material foundation of this project. Revitalizing it is in line with national interests;
- Make Up for the Shortage of Steel Production Capacity: Pakistan has a strong demand for steel and relies heavily on imports. The green steel produced by this project will directly replace imports and ensure national construction needs;
- Promote Industrial Upgrading and Environmental Protection: The project will introduce the world's highest standards of environmental protection practices, completely changing Pakistan's negative image of "beach-based ship dismantling" and realizing industrial upgrading;
- Create Employment and Economic Growth: The project will directly and indirectly create thousands of high-quality jobs and drive the development of related industrial chains.

Project Summary

- This project aims to develop a Green Ship Repair & Dismantling Yard at Port Qasim, Karachi, comprising the revival, rehabilitation and redevelopment of the existing IOCB and adjoining land measuring approximately one hundred (100) acres located at Port Qasim and subject to successful negotiations between the Successful Bidder, MoIP and PSM, a Green Power Steel Plant on approximately one hundred and twenty-five (125) acres of land to be provided by PSM.
- Idle IOCB assets are sought to be revitalized, specifically in the form of a Green Ship Repair & Dismantling Yard and subject to the aforementioned successful negotiations, a new steel mill on

Pakistan Steel Mills land and an upgraded IOCB at Port Qasim, Karachi, Pakistan, through strategic investment, transforming and upgrading them into the world's first circular economy industrial park specializing in the green dismantling of ships and offshore engineering equipment

- The IOCB Berth, including the existing IOCB jetty, will be provided for non-exclusive use under license, on terms and conditions laid out in the Implementation Agreement (IA) between PQA and the Successful Bidder. Pursuant to a notification of the MoIP dated 20.01.2026, Pakistan Steel Mills (PSM) shall have the priority right to use IOCB, unless otherwise agreed in writing between the Successful Bidder, PSM, MoIP and PQA. For avoidance of doubt, the Successful Bidder shall be exclusively responsible for working out the co-use of the IOCB jetty with PSM/PQA or any other user.
- The IOCB jetty will be used by the Successful Bidder for its operations throughout the concession period. Only where the co-use of the IOCB jetty results in a capacity constraint that materially and adversely affects the Successful Bidder's operations and throughput may the Successful Bidder, following negotiations with and the prior written approval of PQA and on terms to be agreed with PQA, develop a new jetty for its own operations at its sole cost. Any revival, rehabilitation and expansion of the IOCB Berth (and any new jetty, if approved and developed) shall be carried out by the Successful Bidder at its sole risk and cost.
- The existing equipment, i.e., unloaders, conveyor belt and other accessories, etc., of PSM installed at IOCB, may either be rehabilitated or dismantled by the Successful Bidder with the consent of PSM. The Successful Bidder shall be required to consult on the matter with PSM and MoIP, and PQA will assist the Successful Bidder in such consultation.
- Centered on "green ship dismantling," the project integrates "scrap steel-based steel making" and "green energy supply" to form a complete green industrial chain. The plant established in the PSM Land will not be part of the BOT scheme.
- This initiative will not only fill a gap in the global market for green decommissioning of offshore equipment but will also significantly contribute to Pakistan's industrialization, environmental protection, and economic development, holding major strategic importance and financial value.
- The proposed Green Ship Repair & Dismantling Yard would require an estimated one hundred (100) acres of land to be provided by PQA on terms and conditions defined in this RFP.
- Further, an estimated area of one hundred and twenty-five (125) acres of land is required for the development of the Green Power Steel Plant, for which the Successful Bidder will be required to independently negotiate with the MoIP/PSM. PQA shall only provide assistance or facilitation in procuring this land.

The proposed project aims to establish a state-of-the-art integrated maritime industrial facility comprising:

- Green Ship Repair Yard
- Environmentally Compliant Ship Dismantling & Recycling Facility
- Scrap Recycling & Processing Facilities
- Supporting Maritime & Industrial Infrastructure
- Use of IOCB
- Green Power Steel Plant

The project is envisioned to transform underutilized industrial and maritime infrastructure into a modern economy and green industrial hub aligned with international environmental, safety, and sustainability standards.

Under the BOT model, the selected Developer shall be responsible for the design, engineering, development, financing, construction, commissioning, operation, maintenance, and management of the Green Ship Repair & Dismantling Yard for a specified concession period at its own cost, risk, and responsibility.

The project will be developed by the Bidder under a structured concession and IOCB license model with:

- Zero CAPEX and OPEX exposure to PQA
- Guaranteed minimal annual income for PQA
- Throughput/production linked upside of revenues for PQA

Upon expiry of the concession period (30 years), or any renewed concession period, the Project facilities and associated infrastructure shall be transferred to PQA against a consideration of One Pak Rupee (PKR 1). If the new jetty is developed by the Successful Bidder during the concession period, the same shall be transferred by the Successful Bidder to PQA on such terms and conditions as may be agreed upon between PQA and the Successful Bidder, either through a separate agreement or through an amendment to the Implementation Agreement. The concession period is extendable for another 30 years on terms mutually agreed in writing.

The BOT structure is intended to:

- Encourage foreign and local investment;
- Utilize private sector expertise and financing;
- Minimize/zero public sector financial burden;
- Ensure long-term sustainable industrial development;
- Enhance operational efficiency and technology transfer;
- Generate employment opportunities and economic growth;
- Promote environmentally sustainable maritime and industrial operations.

PQA intends to invite reputable local and international developers, engineering organizations, firms, consortia, joint ventures, and groups of companies having proven experience in similar maritime, industrial, steel, shipyard, infrastructure or mega industrial development projects.

In light of the above, the interested national and international companies should submit their eligibility for prequalification and Technical & Financial Proposals as per the project's RFP / TOR.

III. PART II: INSTRUCTIONS TO BIDDERS & DATA SHEET

A. PROJECT DESCRIPTION

A.1 Background

Port Qasim, operated and managed by Port Qasim Authority under the Ministry of Maritime Affairs, Government of Pakistan, is one of the country's most strategic maritime and industrial gateways, facilitating international trade, industrial growth, energy imports, and maritime operations.

The Port hosts various heavy industries, including steel, energy, petrochemicals, logistics, manufacturing, and bulk cargo handling facilities. Among these strategic assets is the Iron Ore & Coal Berth (IOCB) and adjoining industrial infrastructure linked with Pakistan Steel Mills (PSM), much of which has remained underutilized or dormant for several years.

In view of the Government of Pakistan's vision for industrial revival, blue economy development, sustainable maritime infrastructure, circular economy initiatives, green energy transition, and promotion of foreign direct investment (FDI), PQA intends to transform the existing underutilized infrastructure into a modern integrated maritime industrial complex.

Accordingly, PQA plans to allow the Successful Bidder to undertake the development of "The World's First-Class Green Ship Repair & Dismantling Yard and Green Power Steel Plant and Operation and Rehabilitation of IOCB at Port Qasim. The Green Ship Repair & Dismantling Yard will be developed on approximately 100 acres of land granted by PQA by way of concession under a Build-Operate-Transfer (BOT) arrangement. The use of IOCB shall be under the license to be granted by PQA. The Green Power Steel Plant is to be

developed on approximately 125 acres of PSM Land, to be procured by the Successful Bidder directly from MoIP/PSM.

The proposed “Sea to Steel (S2S)” Project is envisioned as a state-of-the-art integrated maritime and industrial development comprising environmentally compliant ship repair, ship dismantling and recycling facilities, green steel production infrastructure, scrap processing facilities, and associated industrial utilities.

The project aims to establish Pakistan as a regional hub for sustainable ship recycling, maritime engineering, green steel production, and a circular industrial economy aligned with international environmental, safety, and operational standards. The Project may broadly include, but shall not be limited to, the following components:

- Green Ship Repair Yard
- Green Ship Dismantling & Recycling Facility
- Floating Dry Dock / Marine Repair Facilities
- Scrap Handling & Processing Facilities
- Green Power Steel Plant (on PSM land)
- New jetty and associated marine berth infrastructure (only if developed)
- Steel Melting / Recycling Units (at PSM land)
- Material Testing & Certification Facilities
- Supporting Marine Infrastructure
- Utilities, Roads, Drainage & Ancillary Infrastructure
- Environmental Protection & Hazardous Waste Management Systems
- Renewable / Green Energy Components
- Warehousing, Logistics & Industrial Support Facilities

The selected Developer/Consortium shall be responsible for design, engineering, development, financing, construction, commissioning, operation, maintenance, management, and operation of the Project facilities in accordance with the terms and conditions of the attached draft concession agreement between the Successful Bidder (through a locally incorporated Special Purpose Vehicle (SPV) Company and the PQA (the “**Implementation Agreement**”) attached as Appendix-02.

The Project is expected to:

- Revive underutilized maritime and industrial infrastructure;
- Attract substantial local and foreign direct investment;
- Promote technology transfer and industrial modernization;
- Generate significant employment opportunities;
- Enhance industrial exports and maritime services;
- Support sustainable and environmentally compliant industrial operations;
- Strengthen Pakistan’s maritime and blue economy sectors;
- Contribute to the development of green recycled steel and circular economy initiatives.

The Project shall be developed in compliance with applicable laws of Pakistan, environmental regulations, maritime safety standards, national and internationally recognized ship recycling and industrial best practices, including but not limited to, the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (entered into force on 26 June 2025), and International Labour Organization Standards.

A.2 Site Location

The location of the Green Ship Repair & Dismantling Yard, forming part of the Project, is at Port Qasim, Karachi, with land measuring about one hundred (100) acres, to be granted by PQA through a concession model and licensed used of IOCB to the Successful Bidder (site plan attached in the Implementation Agreement).

The location of the Green Power Steel Plant will be upon land measuring about one hundred and twenty-five (125) acres, which is to be procured by the Successful Bidder directly from MoIP/PSM. PQA will grant the Successful Bidder its no-objection for the development by the Successful Bidder of the Green Power Steel Plant and its integration with the proposed Project.

A.3 Scope of the Project

The Successful Bidder is required to design, finance, construct, and operate the facilities described above in section A.2, compatible in all forms.

Information about the project, time frames, and terms and conditions regarding the Project are described in this document. Further details may be obtained from PQA.

PQA will provide the site for planning & development of the Green Ship Repair & Dismantling Yard on a BOT basis and licensed use of IOCB, and a no-objection for the development of the Green Power Steel Plant, the land for which the Successful Bidder will be responsible for independently procuring, through negotiations with MoIP/PSM. The Successful Bidder will be responsible for preparing the detailed design for the project and constructing it according to plan, as per the Implementation Agreement with PQA.

The planning & development of a stated project site shall be based on the following:

Phase One: Project Planning & Design.
Phase Two: Financing of Equity and Debt
Phase Three: Construction & Operation

A.4 Project Objectives

The primary objective of “The World’s First-Class Green Ship Repair & Dismantling Yard and Green Power Steel Plant (Sea to Steel – S2S Project)” at Port Qasim Authority is to establish a modern, sustainable, and internationally compliant integrated maritime and industrial complex capable of promoting industrial growth, maritime development, circular economy, and foreign direct investment in Pakistan.

The Project aims to:

- Revive and utilize underutilized maritime and industrial infrastructure;
- Establish Pakistan as a regional hub for green ship recycling, repair, and steel production;
- Promote economic activity, green industrialization, and sustainable maritime development;
- Attract foreign direct investment (FDI), technology transfer, and industrial growth;
- Generate employment opportunities and economic benefits for the country;
- Enhance environmentally compliant ship recycling and green steel manufacturing;
- Strengthen Pakistan’s blue economy and maritime industrial sector; and
- Develop the Project through private sector participation under the BOT framework in accordance with international standards and applicable laws of Pakistan.

A.5 Common Assumptions

The PQA requires all Bidders to base their Technical Proposals on the following basis:

- The Developer is responsible not only for planning & designing the assets but also for financing, operating and managing all required investments and assets.
- The Developer takes the risk for the condition of the assets on an as-and-where basis and for the investment.
- The Developer shall be responsible for the development of assets as well as their operations and maintenance.
- The Developer will pay the revenue-share or Minimum Guaranteed Annual Payment (MGAP) (whichever is higher) in accordance with the structure prescribed in this RFP and the Implementation Agreement.

A.6 The Concession & Implementation Agreement

The PQA envisages granting a Concession and a No-objection to plan, design, finance, construct, operate, maintain and transfer the Project. Other key features of the Implementation Agreement will be as follows:

- The Concession shall be granted for a period of thirty (30) years from the Date of Signing, extendable for a further thirty (30) years on mutually agreed terms (the "**Renewed Concession Period**"); negotiations for renewal shall commence five (5) years prior to expiry of the Concession Period, and shall be concluded within two (2) years thereof i.e., at least three (3) years before the expiry of the Concession Period or any Renewed Concession Period (the "**Extension Deadline**"). In the event that PQA and the Developer fail to agree upon an extension of the Concession Period, the Developer shall be bound to transfer the Project to PQA and PQA shall take over the Project at the end of the initial Concession Period for a total consideration of PKR 1/- (One Pakistani Rupee Only). PQA shall also be entitled to advertise the grant of a concession/license for operating the Project to any new developer prior to the expiry of the Concession Period, after the Extension Deadline has passed.
- Land and/or Existing Assets, including the IOCB, will be made available by the PQA, except assets owned by Pakistan Steel Mills (such as unloaders, conveyor belt, etc.), the grant/removal of which will be subject to the Successful Bidder's negotiation with Pakistan Steel Mills. The use of the IOCB and its ancillary facilities by the Successful Bidder shall also be on a non-exclusive basis, PQA reserving the right to permit PSM and/or third parties to co-use the IOCB and its ancillary facilities.
- The Project Land shall be leased to the Successful Bidder under an Agreement to Lease (executed on the Date of Signing), followed by an Indenture of Lease, each for a term co-extensive with the Concession Period, in accordance with the PQA Land Allotment Policy.
- The Green Power Steel Plant (GPSP) on PSM land does not form part of the BOT Concession. PQA's role is limited to a No-objection for the Successful Bidder to pursue the GPSP with the Ministry of Industries and Production/Pakistan Steel Mills, at the Successful Bidder's sole risk and cost, without any representation, assurance or obligation on PQA's part.
- The Successful Bidder shall pay PQA a Revenue Sharing Percentage of Gross Revenue, or the Minimum Guaranteed Annual Payment (MGAP), whichever is higher, commencing from Successful Commissioning, on the escalating basis (by concession year-band) set out in Schedule 13 to the Implementation Agreement.

- The Successful Bidder shall furnish (i) a Construction Period Performance Bond on the Date of Signing, and (ii) a Concession Period Performance Bond upon Successful Commissioning, each in the form prescribed under the Implementation Agreement.
- The Successful Bidder shall complete construction and achieve Successful Commissioning by the Completion Date, which shall be no more than twenty-four (24) months from the Date of Signing, subject to any Force Majeure relief under the Implementation Agreement. For the avoidance of doubt, the establishment, construction, development and/or operation of the new jetty (which may be undertaken only in accordance with, and subject to the conditions of, the co-use/capacity constraint provisions of A.7 and the Implementation Agreement) shall not be considered part of the Project Scope for the purposes of issuing the certificate of Successful Commissioning.
- Lenders financing the Project shall be entitled to customary step-in and direct-agreement rights, including substitution for the Successful Bidder, subject to PQA's consent (not to be unreasonably withheld), on the terms set out in the Implementation Agreement.
- Termination of the Concession prior to expiry, and the compensation/Transfer Value payable in the event of termination of the Concession (save where the termination is due to the Successful Bidder's default), shall be determined in accordance with the mechanism set out in the Implementation Agreement.
- Any dispute arising under the Implementation Agreement shall be settled under Article 16 of the Implementation Agreement, per the mechanism prescribed therein.
- At the end of the Concession Period, the Project Assets shall be transferred by the Successful Bidder to PQA for a consideration of One Pak Rupee (PKR 1), in good working condition (fair wear and tear excepted) as verified by an independent consultant, in accordance with the Implementation Agreement. If the new jetty is developed by the Successful Bidder during the concession period, the same shall be transferred by the Successful Bidder to PQA on such terms and conditions as may be agreed upon between PQA and the Successful Bidder, either through a separate agreement or through an amendment to the Implementation Agreement.
- PQA shall help in arranging all services and utilities needed for the project, only to the extent set out in the Implementation Agreement.
- PQA will fully cooperate for the successful completion and operation of the project, in accordance with the terms of the Implementation Agreement.
- PQA will give total support to the sponsors as may be needed from time to time, in accordance with the terms of the Implementation Agreement.

A.7 Key Bid Conditions

1. The bidders shall conduct their own studies and assessments to determine the maximum throughput capacity of the Iron Ore & Coal Berth (IOCB).
2. PQA does not guarantee any minimum throughput. The annual throughput capacity of the Sea-to-Steel Project shall be determined and designed by the Successful Bidder based on its own studies and assessments shall take into account the co-use of the IOCB Berth. The Successful Bidder will be required to consult with PSM in determining the annual throughput capacity.
3. Where the co-use of the IOCB by PSM and/or any third party impairs or reduces the throughput or operations of the Successful Bidder, PQA shall not be obligated to

compensate the Successful Bidder. However, the Successful Bidder may, subject to and in accordance with negotiations between the Successful Bidder, PSM and/or the relevant third-party user(s), and PQA, seek to agree an arrangement under which the payment obligation in respect of the MGAP is shared between the Successful Bidder and such user(s). Any such arrangement shall be expressly subject to the prior written consent of PQA, and neither any failure to agree such arrangement nor PQA's decision to withhold consent shall absolve the Successful Bidder of its obligation to pay the MGAP in full.

4. The Successful Bidder shall not have the right to handle cargo for which exclusive rights have already been granted to other terminals within Port Qasim.
5. PQA shall appoint a consultant to monitor the construction activities of the Sea-to-Steel Project. The cost of such a consultant shall be borne by the Successful Bidder/Developer under a tripartite agreement between PQA, Consultant and the Successful Bidder.
6. Land for the Green Ship Repair & Dismantling Yard limb of the Project shall be leased in accordance with the prevailing PQA Land Allotment Policy, and the applicable land charges shall be subject to revision from time to time.
7. Any successful foreign bidder shall comply with all applicable laws and regulations of Pakistan and shall obtain all necessary approvals, registrations and permits required for implementation of the Project.
8. PQA reserves the right to permit Pakistan Steel Mills and/or third parties to use the Iron Ore & Coal Berth (IOCB) and its ancillary facilities. Pakistan Steel Mills currently holds a priority right over the use of the IOCB for the import of raw materials. The MoIP has, through an Office Memorandum dated 20 January 2026, consented to the use of the jetty, which had been dedicated for Pakistan Steel Mills' use, for the development of the Project, subject to the condition that it shall remain available on a priority basis for Pakistan Steel Mills. The Successful Bidder may negotiate with PSM/MoIP to agree upon the co-use arrangements for the IOCB. Irrespective of the outcome of such negotiations, and the existence of PSM's priority right, the rehabilitation, development, operation, maintenance and financing of the IOCB and its associated facilities shall remain the responsibility of the Successful Bidder/Developer of the Sea-to-Steel Project.
9. The Successful Bidder may be entitled to recover from PSM and/or any third party permitted by PQA to co-use the IOCB (including its existing jetty) any loss or damage, in any form, caused by or arising out of such co-use, and which loss or damage is not attributable to any negligent act/omission of the Successful Bidder, its agents, employees, and/or its contractors. PQA shall not be required to facilitate in any negotiations between the Successful Bidder and PSM/any third party for the recoverability of the aforementioned losses.
10. The IOCB shall be used by the Successful Bidder on a non-exclusive basis, and the IOCB's existing jetty shall be used by the Successful Bidder for its operations throughout the concession period. During the concession period, the Successful Bidder may, at its own cost, expand and upgrade the IOCB in accordance with the Project Scope and the co-use arrangements, by (a) expanding the berthing capacity of the IOCB through dredging to allow for the placement of ships on both sides of the IOCB Berth; (b) developing a floating dry dock positioned offshore, with one side anchored eastward at sea, to be accessed via small craft berthing / auxiliary marine access; and (c) developing a new jetty, upon the terms and conditions set by PQA, and only after obtaining approval for such development.
11. The new jetty shall not form part of the Project and the Project Scope. However, Bidders are required to account for the financial risks/potential impact of the development of the new jetty in the financial model to be submitted. The Successful Bidder shall have no right or obligation to develop the new jetty, save as follows:

where the co-use of the IOCB jetty by PSM and/or any third party results in a capacity constraint that materially and adversely affects the Successful Bidder's operations and throughput, the Successful Bidder may, following negotiations with PQA and upon receiving PQA's prior written approval and on such terms as PQA may specify, design, finance and construct a new jetty for its own operations. If a new jetty is so approved and developed, then upon its commissioning the Successful Bidder may also operate from the new jetty. The new jetty shall be for the Successful Bidder's use during the Concession Period or any Renewed Concession Period (and shall not be subject to the co-use rights of PSM/any third party). The new jetty shall be transferred by the Successful Bidder to PQA upon the expiry of the Concession Period or any Renewed Concession Period, on such terms and conditions as may be agreed upon between PQA and the Successful Bidder, either through a separate agreement or through an amendment to the Implementation Agreement.

12. Charges for the use of the IOCB by Pakistan Steel Mills and/or any third party permitted by PQA shall be payable to and recoverable by PQA in accordance with the Statutory Regulatory Order (S.R.O.) No. 70(KE)/2010 dated 12 May 2010, as amended or substituted from time to time, and/or under any agreement executed with PQA. Such third-party IOCB user charges shall be retained by PQA as additional income on top of the MGAP payable by the Successful Bidder under the Implementation Agreement.
13. The Successful Bidder shall, at its own cost, risk and expense and without recourse to PQA, carry out all capital dredging of the berth pocket/berthing basin of the IOCB and the new jetty (if it is developed), required to achieve the design depth set out in the Project Scope, and shall achieve such design depth prior to Successful Commissioning. Throughout the Concession Period, the Successful Bidder shall likewise carry out, at its own cost, all maintenance dredging required to maintain the berth pocket/berthing basin at the design depth.
14. PQA shall be responsible for the maintenance of the navigation channel and turning basin to their promulgated depths, as notified by PQA from time to time; PQA shall not be obligated to deepen the navigation channel or turning basin beyond such promulgated depths, and any such deepening required on account of the Successful Bidder's design, vessels or operations shall be at the Successful Bidder's cost, unless otherwise mutually agreed in writing. All dredged material, spoil and debris shall be disposed of by the Successful Bidder only at spoil ground(s) designated by PQA, against payment of the applicable PQA Charges and in compliance with applicable Consents and environmental standards.

A.8 Disclaimer

All information, assumptions and projections contained in this document, including its appendices, are indicative only and are provided solely to assist in a preliminary assessment of the Project. Nothing in these documents or elsewhere shall create any contractual relationship between the PQA and any Bidder, nor shall it commit the PQA to any policy described in these documents or elsewhere and neither Government of Pakistan nor the PQA or any of its developers or advisers will have any liability or responsibility if the information, assumptions or projections contained herein or otherwise in reference to the Project prove to be incorrect. It is the responsibility of the Bidder to verify the information, assumptions and projections contained in these documents or elsewhere.

A.9 Bribery & Collusion

The PQA shall be entitled to terminate the Implementation Agreement and recover from the Successful Bidder the amount of any loss resulting from such termination if the Successful Bidder shall have offered or given to any person any gift or consideration of any kind as an inducement or reward for doing, or forbearing to do, any action in relation to obtaining, or in the execution of the BOT or any other contract with the PQA, or for showing favour to

any person in relation to the BOT or any other contract with the PQA or if any of the like acts shall have been done by any person employed by the Successful Bidder or acting on its behalf (whether with or without the knowledge of the Successful Bidder), or if the Successful Bidder shall have come to any agreement with another Bidder or number of Bidders whereby an agreed quotation or estimate shall be offered as a Bid to the PQA by one or more Bidders.

The Successful Bidder shall, throughout the Bid and the term of the Implementation Agreement, comply with all applicable Pakistani anti-corruption and anti-bribery laws, including but not limited to the National Accountability Ordinance, 1999, the Prevention of Corruption Act, 1947, and the relevant provisions of the Pakistan Penal Code, 1860 (including Sections 161 to 165-A) relating to bribery of public servants, in each case as amended, re-enacted or substituted from time to time. The Bidder shall, as part of its Bid, execute an Integrity Pact in the form prescribed by PQA, in accordance with the Public Procurement Regulatory Authority Rules, undertaking that it has not obtained or attempted to obtain this Bid or the Implementation Agreement through any corrupt business practice, and that no commission, gratification, bribe, finder's fee or kickback has been paid or agreed to be paid to any person in connection with the same.

A.10 Insurance

The Successful Bidder shall arrange for comprehensive insurance policies through reputed insurance companies during construction and operation of the project and furnish copies of the insurance policies to PQA periodically.

All insurance policies required under this Section shall be placed with insurance companies holding a minimum Insurer Financial Strength (IFS) rating of "AA" from PACRA or VIS Credit Rating Company, and, in respect of the marine and environmental covers, reinsured with reinsurers holding a minimum rating of "A-" (S&P/Fitch equivalent) or "A3" (Moody's equivalent) or better. Evidence of such ratings shall be furnished to PQA together with each policy and at each renewal.

The insurance to be taken out by the Successful Bidder including but not limited to during the construction phase will be:

- Marine Cargo Insurance;
- Contractors All Risk Insurance;
- Workmen's Compensation and Employer's Liability Insurance;
- Third Party Liability Insurance;
- Motor Insurance; and
- Environmental Liability / Pollution Legal Liability Insurance, having regard to the hazardous materials handling risks associated with ship dismantling and recycling.

The insurance to be taken out by the Successful Bidder including but not limited to cover the operation of the Project will be:

- Property All Risk Insurance;
- Machinery Insurance;
- Ship Repairers' Legal Liability, extended to expressly include liability arising from vessels laid-up, dead-shipped, or otherwise without operative propulsion or power while under the care, custody or control of the Successful Bidder for dismantling or recycling, including liability for damage caused by such vessels breaking free of their moorings, drifting, listing, or sinking;
- Workmen's Compensation and Employer's Liability Insurance;
- Third Party Liability Insurance;
- Motor Insurance;
- Burglary Insurance;
- Environmental Liability / Pollution Legal Liability Insurance;

- Wreck Removal and Marine Salvage Insurance;
- Mooring and Berth Infrastructure Insurance; and
- Business Interruption / Delay in Start-Up Insurance

The Successful Bidder shall also arrange third-party liability insurance in such a manner that obligations imposed on PQA under the Implementation Agreement will be covered by the insurance.

B. PROPOSAL SUBMISSION PROCEDURES

B.1. Introduction

This Bidding document invites Private firms/Bidders to submit Prequalification, Technical and Financial Proposals for "the Project" defined above.

B.2. General

B.2.1 Cost of Bidding

The Bidder shall be responsible for all fees, costs and expenses incurred in preparing and negotiating any proposal submitted by it, and the PQA shall under no circumstances become liable to reimburse any Bidder for any such fees, costs or expenses regardless of the conduct or outcome of the bidding process.

B.2.2 Site Visit

The Bidder is advised to visit and examine the site and its surroundings to obtain all information that may be necessary for preparing the Bid and entering into an Implementation Agreement. The cost incurred in visiting the site shall be at the Bidder's own expense.

B.2.3 Amendment in Bidding Documents

At any time prior to the Proposal Submission Date, the PQA may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Bidder, modify the Bidding Documents and inform all prequalified Bidders accordingly.

The amendment will be notified in writing or by e-mail to all prospective Bidders and will be binding upon them.

In order to afford prospective Bidders reasonable time in which to take the amendment into account in preparing their Bids, the PQA may, at its discretion, extend the deadline for the submission of Bids.

B.3. Preparation of Bid

B.3.1 Proposal Validity Period

The bid must be valid for a period of One Hundred Twenty (120) days from the date of submission of the bid.

B.3.2 Single-Stage Two Envelope System of Tendering

Single-Stage Two Envelope Procedure under Rule 36(b) of the Public Procurement Rules, 2004 will be undertaken for the bidding for the project. The bid shall comprise of a single package containing two separate envelopes. Each envelope should separately contain the

Financial Proposal and Technical Proposal. The envelope shall be marked as “FINANCIAL PROPOSAL” and “TECHNICAL PROPOSAL”, as the case may be, in bold and legible letters. Bid security in the form of Pay Order/Demand Draft should be enclosed with the Technical Proposal. Proposals without bid security will be rejected. The original and one copy will be provided of the Financial Proposal and Technical Proposal in the respective envelope.

Initially, the envelope marked “TECHNICAL PROPOSAL” shall be opened. The envelope marked as FINANCIAL PROPOSAL shall be retained by PQA without it being opened. PQA shall evaluate the Technical Proposal in accordance with the prescribed Evaluation Criteria without reference to the Financial Proposal. The proposal not qualifying as per the specified Evaluation Criteria will be rejected. During technical evaluation, no amendments in the Technical Proposals shall be permitted.

The Financial Proposal of technically qualified bidders shall be opened at a time, date and venue to be announced and communicated to the bidders by PQA in advance. The Financial Proposals of the bidders technically unqualified/non-responsive shall be returned unopened to the respective bidders. The bid found the most advantageous / highest evaluated shall be awarded the contract.

The original and duplicate copy of the Bid shall be typed or written in indelible ink and shall be signed by a person or persons duly authorized to bind the Bidder to the offer. Proof of authorization shall be furnished in the form of a written Power of Attorney, which shall be submitted with the Bid. All pages of the bid, except for unamended printed material, shall be initialed by the person or persons signing the Bid.

B.3.3 Language

Proposals must be prepared in the English language and shall be submitted in hard copy. Proposals received through email shall not be accepted.

B.3.4 Conformity with the Bidding Documents

The Bidder must submit a Conforming Bid which conforms in all aspects with the requirements of the Bidding Documents.

B.3.4.1 Conforming Bids

The PQA reserves the right to determine whether a Bid is a Conforming Bid. The PQA's decision will be final.

B.4. Proposal due date

Bids should be submitted at the time, date and place stated in the Letter of Invitation. Bidders are required to transmit Prequalification & Technical and Financial Proposals, in two separately sealed envelopes in one bound package to be received by the PQA on or before **----- 26**, by 2:00 PM at the following address:

PSP Department, Admin Building
Port Qasim Authority, Karachi

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Note: Any bids submitted after the stipulated date and time for the submission of the bid shall be rejected and unopened to the bidder.

B.5 Pre-Bid Conference

Bidders are invited, and strongly encouraged, to attend a pre-bid conference organized and to be conducted by PQA:

Date: ----- June 2026

Time: 12:00 PM

Location: Admin Conference Room 2nd Floor, Admin Building, PQA, Karachi

Prior to the Pre-Bid Conference, Bidders are invited to submit written questions concerning the Project's requirements, the Implementation Agreement, this RFP document or other related matters pertinent to the Project. All such questions should be submitted to PQA at the address above within one week of the issuance of this RFP. PQA will conduct the pre-bid conference, record all questions written and posed by Bidders, record all answers provided thereto, and provide a written Pre-Bid Conference Memorandum or, if required, an RFP amendment to each Bidder. The PQA will not, during the Pre-Bid Conference, modify in any material respect any provision or term of this RFP unless such modification is made as a written amendment thereto prepared by the PQA and disseminated to all Bidders.

B.6 Confidentiality

After the Bid Opening, information relating to the examination, clarification, evaluation and comparison of Bids and recommendations concerning the award of the Project shall not be disclosed to Bidders or other persons not officially concerned with such process, until the award of the Project is announced. PQA will follow the PPRA rules for announcements of technical and Financial proposals' evaluation results on the PQA and PPRA websites.

Any effort by a Bidder to influence the PQA in the process of examination, clarification, comparison and evaluation of Bids, or decisions concerning the award of the Project, may result in the rejection of that Bidder's Bid(s).

B.7 Conflict of Interest

The Bidder (including all members of a joint venture) shall not be one of the following:

- (a) A firm or an organization which has been engaged by PQA to provide consulting services for the preparation related to procurement for or implementation of this project; or
- (b) Any association/affiliates (inclusive of parent firm) of a firm or an organization mentioned in subparagraph (a) above.

B.8 Negotiations

It should be noted that the firm which submitted the unsolicited proposal (USP) will be given an opportunity as per PPRA rules for USPs and shall be exempt from the pre-qualification stage. However, it shall submit its Technical Proposal and Financial Proposal along with all other documents required under this RFP. Its Technical and Financial Proposal shall be evaluated together with those submitted by other Bidders in accordance with the evaluation criteria provided in this RFP.

PQA shall carry out negotiations with the Successful Bidder, as is permissible under Rule 40 of Public Procurement Rules, 2004, without changing the cost and scope of works or services.

The Successful Bidder shall be required to provide the following, at the times specified below and in the Implementation Agreement:

- A Construction Period Performance Bond amounting to USD 1,000,000, in equivalent PKR, issued by a Karachi-based branch of a Pakistani scheduled bank having a minimum AA rating, to be furnished on or before the signing of the Implementation Agreement;
- A Concession Period Performance Bond amounting to USD 3,000,000, in equivalent PKR, issued by a Karachi-based branch of a Pakistani scheduled bank having a minimum AA rating, to be furnished upon Successful Commissioning of the Project, as per the Implementation Agreement; and

The non-signing of the Implementation Agreement within the specified time (being thirty (30) days from the issuance of the Letter of Intent) with the Successful Bidder will, unless otherwise agreed by the parties, result in the forfeiture of the Bidder's Bid Security.

In the event of the Successful Bidder forfeiting its Bid Security, PQA may, at its discretion, either invite the next highest evaluated bidder to negotiate or to repeat/terminate the Bidding Process.

C MINIMUM INFORMATION REQUIRED FOR PREQUALIFICATION

C.1 List of Similar Projects Executed by the Bidder

The Bidders are required to submit the list of similar projects executed by the lead member and/or consortium member(s), including at least one project with a minimum value of USD 100 million in the industrial, maritime, shipyard, ship repair/ship dismantling, or steel plant sector.

C.2 Financial Statements

The Bidders are required to submit the last three years' audited financial statements in the English language. In the case of an international Bidder, the audited financial statements should be duly attested by the relevant agency in their own country. If the Bidder is a consortium or joint venture/ partnership between multiple sponsors, then separate financial statements of each of the consortium members shall be provided.

D MINIMUM TECHNICAL INFORMATION REQUIRED

The minimum technical information that Bidders are required to submit in their Technical Proposal to be considered responsive to the technical requirements is as follows:

D.1 Technical Submission Form

A cover letter providing the bidding firm(s) / consortium structure, organizational structure of the firm(s) / Bidders, the relationship of the lead consortium member and any associated firms, and an Executive Summary of the Bidder's Technical Proposal.

D.2 Statement of Bid Conformity

The Bidder shall submit a Statement of Bid Conformity, stating whether or not the Bid conforms with all requirements of the Bidding Documents.

D.3 Letter of Technical Proposal.

The Letter of Technical Proposal should be submitted as per the Format given as Form T-01.

D.4 Company Background

The company should describe their background and type of business and how it can justify its selection for this Project. The detailed company profile should be attached in the format provided as Form T-02.

D.5 Methodology & Understanding

A narrative and graphic presentation (no page limitation) of the Bidder's methodology to execute the works. The Bidder shall clearly explain its construction methodology for work, time period, state-of-the-art practices, tentative plans, type of structures and erection technology, the machinery, plant and labour needs of the project, requirements for associated working and accommodation areas, anticipated construction problems and measures to overcome these, etc. The methodology shall be clearly elaborated in layout plans. This is to be described in Form T-03.

D.6 Related Experience of Firm

The Bidder should provide their relevant experience, with at least 01 (one) relevant and similar project completed in Pakistan or abroad, as per the format attached at Form T-04.

D.7 Annual Audited Financial Statements for the last three years

The Bidder should provide their Annual audited financial statements for the last three years, as per the format attached at Form T-05.

D.8 List of deputed Staff

The Bidder should provide a list of deputed staff and their CVs, as per the format attached at Form T-06.

D.9 Project Implementation Timetable

A narrative and graphic presentation of the Bidder's proposed Implementation Timetable (no page limitation), including a narrative of how the Bidder, as the Developer, would work with the PQA to coordinate all site activities, including construction, etc. This information is to be provided as per the format at Form T-07.

D.10 Litigation History

A detailed Litigation History should be provided as per the format attached at Form T-08.

D.11 Bid Bond/Security

Bidders are required to submit a Bid Security in the form of Pay Order / Bank Draft in favour of PQA in an amount specified in this RFP.

D.12 Implementation Agreement

An Implementation Agreement will be made between PQA and the Successful Bidder. A sample of the Implementation Agreement is attached as Appendix-02 by the Legal Department/prepared by the consultant.

D.13 Mandatory Studies and Mitigation Measures:

Bidders are required to conduct studies through international reputable Consultant including but not limited to as mentioned at Form T-09 and to take mitigating measures accordingly.

Bidders are required to conduct Pre-Feasibility Study according to Form T-10.

E. PQA CHARGES

E.1 Payment of PQA Charges

The bidder shall pay to PQA all charges/fees as per PQA rules and regulations

E.2 Currencies

Bidders are required to express all financial calculations in US dollars.
The rate of conversion of USD to PKR will be National Bank of Pakistan's Selling Rate on the date of transfer of payment.

F. EVALUATION PROCESS, CRITERION AND PROCEDURES

F.1 The Overall Evaluation Process

The PQA will use the evaluation criteria detailed in this section of the RFP to determine the most advantageous/highest-evaluated proposal.

F.2 Evaluation Criteria of Development Firms/Consortium/Group of Companies/Firms

a) Prequalification / Mandatory Evaluation Criteria

The Prequalification will be based on Mandatory/Eligibility Documents; those Bidders will be qualified who fulfill the entire eligibility requirement for the submission of Technical & Financial Proposals.

The PQA shall not evaluate either Technical or Financial Proposals from any Bidder determined to be non-responsive/disqualified, as reflected in the record of the tendering proceedings. The evaluation criteria for prequalification are given below:

1. Be legally registered with relevant regulatory and professional authorities in their respective countries,
2. Company Profile shall demonstrate proven experience in at least one similar project with a minimum value of USD 100 million in the industrial, maritime, shipyard, ship repair/dismantling, or steel plant sector;
3. Audited annual accounts reports of the last 03 years;
4. International firms shall provide registration/incorporation documents from their respective countries
5. Project-Specific Registration for Foreign Companies under Section 12 of the Pakistan Engineering Council Act, 1975 (Grant of temporary licenses). Copy of Fee Paid Receipt at the time of bidding

NOTE:

The local bidders are to be registered/ listed on the Active Taxpayers List (ATL) of Federal Board of Revenue (FBR) and Sindh Revenue Board (SRB), where applicable. The foreign bidders are to be registered with these authorities at the time of award of contract.

b) Technical Proposal Evaluation Criteria

The PQA has developed a list of evaluation factors that will be used to evaluate each Technical Proposal. Assessments were made to determine which factors were regarded as being of critical importance to the selection of the Bidder. The following identifies each evaluation factor and the corresponding maximum score that will be used during the evaluation.

The following is a list of the quantitative factors and their associated maximum technical point scores, which will be used for the technical component evaluation.

Evaluation Criteria

Technical Evaluation

Sr. #	Description	Total Marks
1	Total Marks	100

Total Marks - Incremental – Document

Sr. #	Evaluation Factor	Total Marks
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1.1	General Experience of the Developers relevant to the assignment	25
1.2	Financial Soundness	15
1.3	Adequacy of Proposed Methodology, work plan and organization in responding to terms of reference	30
1.4	Key professional staff qualifications and competence for the assignment	30
	Total	100
	The required marks for technically qualifying are 75 marks out of 100 marks	

General Experience of the Developers relevant to the assignment - Incremental - Document

Sr. #	Evaluation Factor	Required Documents	Per Project Marks	Quoted Project by Bidder	Project Accepted by Procuring Agency	Obtained Marks	Total Marks
1.1.1	General Experience of Developing Services/Operation & Maintenance of Port Terminals	Work order and satisfactory completion certification	2				4
1.1.2	Experience in Similar Maritime / Industrial Projects (1(One) Project)	Work order / satisfactory completion certification	6				6
1.1.3	Experience in Steel Plant / Ship Repair and Dismantling Projects.	Work order or satisfactory completion certification	5				15

	For each project 05 marks up to maximum 15 marks	n					
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Financial Soundness

Sr. #	Evaluation Factor	Required Documents	Total Marks
1.2.1	Audit financial Report of Last three years showing average minimum Annual Turnover of each of the last three years being US \$ 500 Million or equivalent Pak Rs.	Audit financial statements	Max 5
1.2.2	For additional US \$ 100 Million or more, or equivalent Pak Rs.		Max 5
1.2.3	Net worth of the past three years (average) Up to US\$ 50 Million or equivalent Pak Rs. For additional US \$ 10 Million or more, or equivalent Pak Rs.		Max 05 04 01

Sr. #	Evaluation Factor	Total Marks
1.3.1	Adequacy of the proposed methodology, work plan and for organization of team for consulting the project	20
1.3.2	Adequacy of the proposed methodology for O&M/etc. of the assignment	10

Key professional staff qualifications and competence for the assignment

PROFESSIONAL CAPABILITY REQUIREMENTS

The Bidder / Developer / Consortium shall demonstrate adequate technical, financial, managerial, operational, environmental, maritime, industrial, and project management capability for successful implementation of “The World’s First-Class Green Ship Repair & Dismantling Yard at IOCB and Green Power Steel Plant (Sea to Steel – S2S Project)” at Port Qasim Authority.

The Bidder must possess proven experience in planning, financing, design, engineering, construction, operation, maintenance, and management of large-scale maritime, industrial, shipyard, steel plant, infrastructure, or similar mega projects.

The Bidder shall have qualified and experienced professional staff in the following key disciplines.

MINIMUM KEY PROFESSIONAL STAFF REQUIREMENT.

Sr. No.	Key Professional Staff	Minimum Qualification	Minimum Experience	Maximum Marks
1	Project Director / Team Leader	Bachelor's / Master's in Engineering / Project Management/ Project Operation	20 Years in mega industrial / maritime projects including 02 similar projects	5
2	Marine / Port Engineer	Bachelor's / Master's in Marine / Civil Engineering	15 Years in ports, docks, berths, shipyard or marine infrastructure	4
3	Shipyard / Ship Repair Specialist	Naval Architecture / Marine Engineering Degree	15 Years in shipyard, dry dock, ship repair or dismantling projects	4
4	Steel Plant / Metallurgical Expert	Metallurgical / Mechanical Engineering Degree	15 Years in steel plants, recycling or Electric Arc Furnace (EAF) projects	4
5	Structural / Civil Engineer	Civil / Structural Engineering Degree	12 Years in heavy industrial and marine structures	3
6	Environmental & Health Safety Environment (HSE) Specialist	Environmental Engineering / HSE Qualification	12 Years in industrial environmental compliance, hazardous waste & HSE systems	3
7	Financial / BOT Specialist	MBA Finance / CA / ACCA / CFA	12 Years in BOT/PPP financial structuring and project finance	2
8	Construction Manager	Engineering Degree	15 Years in execution of mega industrial / infrastructure projects	1
9	Legal / Contract Specialist	LLB / LLM	10 Years in concession agreements	1
10	Planning & Project Controls Expert	Engineering Degree with Primavera/MS Project expertise	10 Years in planning and monitoring mega projects	1
11	Financial & Marketing Expert	MBA Finance / CA / ACCA / CFA	12 Years in steel sector	2
	TOTAL			30 Marks

1. Marks shall be awarded based on:

- Relevant qualification;
- Relevant professional experience;
- Experience in similar international maritime, shipyard, industrial, or steel projects;
- Experience in leadership and execution of mega infrastructure projects.

2. Higher marks shall be awarded to experts having:

- Greater relevant experience;
 - International project exposure;
 - Specialized certifications;
 - Experience in similar projects of comparable nature and size.
3. In case the Bidder fails to provide any key professional staff position, zero marks may be awarded for that category.
 4. Joint Venture / Consortium members may jointly fulfill the professional staffing requirements.
 5. PQA reserves the right to verify credentials, registrations, certifications, experience certificates, and project references of all proposed professionals.
 6. CVs of all key experts shall be attached to the Technical Proposal.

F.3 Financial Proposal Evaluation Criteria

Financial Evaluation Method

1. The Financial Proposals of only technically qualified Bidders shall be opened and evaluated.
2. Bidder is required to submit a financial offer to PQA as per Form-COM-03. A bid quoting less than the stipulated Minimum Guaranteed Annual Payment (MGAP) for any particular period mentioned in Form-COM-03 shall be rejected. Bid offering the highest total Minimum Guaranteed Annual Payment (MGAP) for the entire Concession Period will be declared as the most advantageous / highest evaluated bid for the purpose of the award of contract.

Financial evaluation criteria

The Financial Proposal shall be evaluated based on the Minimum Guaranteed Annual Payment (MGAP) offered by the Bidder for the entire concession period.

The Bidder shall quote the Minimum Guaranteed Annual Payment (MGAP) for each of the periods specified below, based on the Bidder's projected revenues to be generated from the Project and GPSP and subject to the minimum revenue requirements prescribed by PQA.

For evaluation purposes, the quoted MGAP for each period shall be multiplied by the respective number of years in that period to determine the Minimum Guaranteed Annual Payment (MGAP) offered by the Bidder over the concession term.

Notes for Bidders:

Note 01: For evaluation purposes, the Financial proposal of each Bidder shall be assessed on the basis of the total Minimum Guaranteed Annual Payment offered for the full concession term.

Note 02: The successful bidder shall be required to pay all charges/levies/fees under PQA's rules/regulations/ bye-laws/tariff.

Note 03: PQA shall be appointing a consultant to supervise the construction of the project. The fees of the PQA consultant shall be borne by the developer/successful bidder under the tripartite agreement between PQA, Developer and the Consultant.

It is to be noted that PQA has already received an Unsolicited Proposal (USP) for the Construction of the World's First-Class Green Ship Repair & Dismantling Yard and Green Power Steel Plant (Sea to Steel S2S) at Port Qasim on 100 acres of land so that 05 additional points will be given to the company and first right of refusal matching the best offer, as per Public Procurement Rules-2004.

F.4 Clarification of proposals

No change in a matter of substance in the proposal, including changes in price and changes aimed at making a nonresponsive tender responsive, shall be sought, offered or permitted.

When clarification of proposals is required, PQA shall maintain a written "Minutes of Clarification" report. Adequate notice should be given to the Bidder prior to conducting the meeting. The location and setting of the meeting should be conducive to professionally discussing all issues leading to a resolution of the matter to be clarified.

It may be necessary for the PQA to reject all proposals. Subject to approval by the Chairman of PQA, PQA may reject all proposals at any time prior to the award. PQA shall, upon request, communicate to any Bidder that submitted a proposal the grounds for its rejection of all bids under Rule 33 (1) of Public Procurement Rules-2004.

The PQA shall incur no liability solely by virtue of its invoking this provision and rejecting all submitted proposals.

F.5 Bid Security Requirements

F.5.1 Bid Security

For a Bid to be responsive, each Bidder is required to provide as part of its Technical Proposal.

1. A Bid Security in the form of a Pay Order / Bank Draft in favour of PQA by Karachi based Branch of a Pakistani Scheduled Bank. in the amount of Rs. 20,000,000 (Rupees Twenty Million only). The Bid Security shall be denominated in Pakistani Rupees. The Bid Security of the Successful Bidder shall be returned once the Construction Period Performance Bond is provided.

The PQA shall return the Bid Security of all other Bidders after the Successful Bidder has signed the Implementation Agreement or in the event the PQA has rejected all Bids. The Bid Security may be forfeited if the Bidder withdraws its Bid during the period of bid validity or, if it is the successful Bidder, fails to fulfill the obligations specified in Sections B.8 and F.6.

F.5.2 Construction Period Performance Bond

1. Upon the signing of the Implementation Agreement, the Successful Bidder is required to provide the following:

- A Construction Period Performance Bond to ensure the completion of the construction of the Project in accordance with the Bid Offer, amounting to USD 1,000,000, in equivalent PKR, issued by a Karachi-based branch of a Pakistani scheduled bank having a minimum AA rating. The Performance Bond shall be the guarantee for the completion of the construction of the Project and its Successful Commissioning in accordance with the timelines provided in this RFP and the Implementation Agreement, and the payment of

Liquidated Damages that the Successful Bidder may be required to pay pursuant to the Implementation Agreement. The Performance Bond shall be valid until Successful Commissioning of the Project, renewed periodically before expiry as per the Implementation Agreement.

F.5.3 Concession Period Performance Bond

Upon achieving Successful Commissioning of the Project (as prescribed in the Implementation Agreement), the successful Bidder shall provide to PQA a Performance Bond to ensure payment of the MGAP. The Performance Bond shall have a face amount of USD 3 (Three) million, equivalent in PKR, at the exchange rate notified by the National Bank of Pakistan as the selling side rate on the date of encashment of the Performance Bond. The Performance Bond shall be the guarantee for the payment of the MGAP pursuant to the Implementation Agreement. The Performance Bond shall be valid and/or continuously renewed by the Bidder before expiry until the end of the Concession Period or the Renewed Concession Period as per the Implementation Agreement

F.6 Award and Notice to Proceed

The PQA shall recommend to the Board of Directors of PQA the name of the successful Bidder who submitted the most advantageous / highest evaluated Bid. Thereafter: -

1. The PQA shall promptly notify all Bidders of the Bidder submitting the highest-evaluated Bid. As stipulated in this RFP, the PQA shall then request the Successful Bidder to negotiate and execute an Implementation Agreement. Accordingly, the Successful Bidder is required to negotiate and execute the agreements within a time period specified in this document.
2. If the Successful Bidder and PQA fail to agree or execute the Implementation Agreement, the PQA may, at its discretion, announce the next highest evaluated Bidder as the Successful Bidder, subject to the right of the PQA, in view of the PPRA Rules, to reject all remaining Bids.
3. PQA shall issue a Letter of Intent (LOI) to the Successful Bidder stipulating fixed conditions and other requirements of PQA and will request the submission of a firm-up bid.
4. The Draft Implementation Agreement between PQA and the Successful Bidder may be finalized on mutually agreed terms & conditions for practicable implementation of the Project.
5. The draft negotiated Implementation Agreement shall then be submitted to the Board of Directors of PQA for approval and award.
6. The selected Bidder will then establish an SPV company for the development of the Project. This SPV Company shall be set up under the laws of Pakistan.
7. After receiving the approval, the PQA shall sign the Implementation Agreement, Agreement to Lease, and Indenture of Lease and thereafter issue to the Successful Bidder a notice to proceed with the Project.

PART III TECHNICAL PROPOSALS FORMS

Form-T-01

Letter of Technical Proposal

Bid Reference No: _____
[should be same as mentioned on Notice for Expression of Interest]

Name of Project/Infrastructure/Facility: _____
[mention name of the Project/Infrastructure/Facility]

To: _____
[Bidder to insert name and address of the Employer]

Sir/Madam,

1. Having examined the Bidding Documents including Instructions to Bidders, Bidding Data, Conditions of Contract, general design criteria, operation/maintenance requirements and Addenda Nos. (if any) for designing, execution, and operation/maintenance of the above-named Works, we, the undersigned, offer our Technical Proposal to design, execute, complete and operate/maintain such Works in conformity with the Conditions of Contract, general design criteria, operation/maintenance requirements and Addenda (if any).
2. We understand that all the Annexures/Appendices attached hereto form part of this Technical Proposal.
3. As security for due performance of the undertakings and obligations of this Bid, we submit herewith a Bid Security in the amount of Rupees _____ (Rs. _____) in the form of Pay Order / Bank Draft drawn in your favour.
4. We agree to abide by this Bid for the period of 120 (One Hundred Twenty) days from the date fixed for receiving the same and it shall remain binding upon us and may be accepted at any time before the expiration of that period or any extended period as per Bidding Documents.
5. Unless and until a formal Agreement is prepared and executed, this Bid, together with your written acceptance thereof, shall constitute a binding contract between us.
6. We do hereby declare that the Technical Proposal is made without any collusion, comparison of figures or arrangement with any other Bidder for the Works.

We understand that you are not bound to accept the Technical Proposals you may receive.

Dated this _____ day of _____ 20 _____

Signature: _____

in the capacity of _____ duly authorized to sign Bids for and on behalf of

(Name of Bidder in Block Capitals)

(Seal)

Address: _____

Witness:

Signature: _____

Name: _____

Address. _____

Occupation _____

FORM-T-02
Company Background.

*[To be completed by the
Bidder]*

FORM-T-03
Methodology and Understanding
*[To be completed by the
Bidder]*
as per the evaluation criteria

FORM-T-04
Related experience of firm with details as per Evaluation
Criteria
[To be completed by the Bidder]

Details of Contracts of Similar Nature and Complexity

Name of Bidder or Partnership of a joint venture

Use a separate sheet for each contract.

1.	Number of contracts	
2.	Name of contract	
3.	Country	
4.	Name of Employer	
5.	Employer address	
6.	Nature of works and special features relevant to the contract for which the Bidder wishes to bid	
7.	Contract role (check one) Sole developer Management Developer Sub-Developer Partnership in a joint venture	
8.	Value in specified currencies at completion, or at date of award for current contracts,	
9.	* Total Contract Amount: _____ (Rs. Million)	
10.	* Sub-Contract Amount (if the role was sub developer): _____ (Rs. Million)	
11.	* Responsible Contract Amount (if the role was Partnership in a joint venture): _____ (Rs. Million) _____ (percentage of share) %	
12.	Rs. Million	
13.	Date of award	
14.	Date of completion	
15.	Contract/subcontract duration (years and months) ____ years ____ months	
16.	Specified requirements ¹	

FORM-T-05
Annual accounts for last Three years
[To be completed by the Bidder]

Financial Capability

Name of Applicant or Partnership of a joint venture

Bidders, including each Partnership of a joint venture, should provide financial information to demonstrate that they meet the requirements of the proposed project. Each Bidder or Partnership of a joint venture must fill in this form. If necessary, use separate sheets to provide complete banker information. A copy of the audited balance sheets and statement of profit and losses should be attached.

Banker	Name of banker		
	Address of banker		
	Telephone	Contact name and title	
	Fax	e mail	

Summarize actual assets and liabilities in Rs. Million equivalent (at the rates of exchange current at the end of each year) for the previous five years.

Financial information in Rs. Million	Actual: previous three years				
	1.	2.	3.	Total	Three-Year average
1. Total assets					
2. Current assets					
3. Total liabilities					
4. Current liabilities					
5. Sales - Turnover					
6. Ordinary Profits					
7. Profits before taxes					
8. Profits after taxes					
9. Net Worth (Total Assets Minus Total Liabilities)					
Specified proposed sources of financing to meet the cash flow demands of the Project, net of current commitments for other contracts.					

Source of financing	Amount (Rs. Million)
1.	
2.	
3.	
4.	

Attach audited financial statements for the last three years (for the individual Bidders or each Partnership of a joint venture). Firms owned by individuals, and Partners, may submit their balance sheets certified by a registered accountant, and supported by copies of tax returns, if audits are not required by the laws of their countries of origin. In accordance with the evaluation criteria, bidders should indicate the past three years' average net worth and annual turnover as well.

FORM-T-06

List of staff to be deputed for the project with experience

[To be completed by the Bidder]

PERSONNEL CAPABILITIES

Name of Bidder

For specific as per Data Sheet positions essential to contract implementation, Bidders should provide the names of at least two candidates. The data on their experience should be supplied in separate sheets using one Form for each candidate.

	Title of position
	Name of prime candidate
	Name of alternate candidate
	Title of position
	Name of prime candidate
	Name of alternate candidate
	Title of position
	Name of prime candidate
	Name of alternate candidate
	Title of position
	Name of prime candidate
	Name of alternate candidate

CANDIDATE SUMMARY

Name of Bidder

Position		Candidate Prime Alternate
<i>Candidate information</i>	1. Name of candidate	2. Date of birth
	3. Professional qualifications	
<i>Present employment</i>	4. Name of Employer	
	Address of Employer	
	Job title of candidate	Years with present Employer

Summarize professional experience over the last 10 years, in reverse chronological order. Indicate particular technical and managerial experience relevant to the Project.

From	To	Company / Project / Position / Relevant technical and management experience

FORM-T-07

Detail program and schedule of works.

[To be completed by the Bidder]

FORM-T-08
Litigation History.
[To be completed by the Bidder]

FORM-T-08

LITIGATION HISTORY

Name of Bidder or Partner of a joint venture

Bidders, including each of the Partner of a joint venture, should provide information on any history of litigation or arbitration resulting from contracts executed in the last 5 years or currently under execution. A separate sheet should be used for each Partnership of a joint venture.

<i>Year</i>	<i>Award FOR or AGAINST Applicant</i>	<i>Name of client, cause of litigation, and matter in dispute</i>	<i>Disputed amount (current value, Rs. Million)</i>

FORM--T-09

**COMMITMENT TO PROVIDE THE PLANNING &
DEVELOPMENT STUDIES/REPORTS/DOCUMENTS
IF PQA AWARD THE CONCESSION OF THE
PROJECT**

[To be completed by the Bidder]

COMMITMENT OF BIDDERS ON FOLLOWING DOCUMENTS

1.	Detailed Feasibility Study (DFS)
2.	Detailed Engineering Design Package
3.	Marine Engineering & Structural Rehabilitation Assessment
4.	Geotechnical Investigation Report*
5.	Bathymetric & Dredging Studies*
6.	Environmental & Social Impact Assessment (ESIA)
7.	Hazardous Material Handling & Waste Disposal Plan
8.	Ship Recycling Environmental Compliance Plan
9.	Power Evacuation & Utility Infrastructure Study.
10.	Construction Methodology & Sequencing Plan.
11.	Detailed Project Execution Schedule (Primavera based or equivalent).
12.	Procurement Strategy & Long Lead Equipment Plan.
13.	Project Financing & Financial Close Plan.
14.	Bank Support Letters & Equity Commitments.
15.	Risk Assessment & Mitigation Framework.
16.	Insurance & Liability Management Plan.
17.	Health, Safety & Environment (HSE) Master Plan.
18.	Emergency Response & Disaster Management Plan.
19.	Quality Assurance / Quality Control (QA/QC) Framework.
20.	Operations & Maintenance (O&M) Strategy.
21.	Technology Transfer & Local Capacity Development Plan.
22.	Traffic Management Plan, LNG Turning Basin Safety Study (with simulation), Emergency Response Plan (considering the close proximity of LNG & FOTCO terminals), Tug & Monsoon Navigation Protocols, Energy Security Contingency Plan, and a comprehensive compliance matrix against IMO/ILO standards.
23.	Carbon Credit / Green Compliance Strategy, Climate Study
24.	Real-Time Ship Maneuvering Simulation Study (with Full-Mission Simulations)
25.	Vessel Traffic Management and Channel Capacity Study, Navigational Study
26.	Qualitative/Quantitative Risk Assessment (QRA) for Hazardous Adjacency, HAZID/HAZOP
27.	Dead-Ship Towage and Marine Salvage Risk Assessment
28.	Hydrodynamic Interaction and Dynamic Mooring Analysis
29.	Emergency Response and Disaster Management Plan (ERDMP)
30.	Energy Security and Critical Infrastructure Contingency Plan
31.	Marine Environmental Impact Assessment (EIA)
32.	IMO Hong Kong Convention and ILO Compliance Audit
* Bidder may use the existing studies; however, PQA does not take responsibility of the correctness and authenticity of the studies	

FORM--T-10

**PREPARATION OF A PRE-FEASIBILITY STUDY
BASED ON SITE ASSESSMENT, SCOPE OF WORK,
AND THE CAPACITIES OF VARIOUS PROJECT
COMPONENTS SPECIFIED IN THE RFP, INCLUDING
DETAILED FINANCIAL AND FINANCIAL ANALYSIS.**

[To be completed by the Bidder]

PART IV FINANCIAL PROPOSALS FORMS

Letter of Financial Proposal

Bid Reference No: _____
[should be same as mentioned on Notice for Expression of Interest]

Name of Project/Infrastructure/Facility: _____
[mention name of the Project/Infrastructure/Facility]

To: _____

Gentleman / Madam,

1. Having examined the Bidding Documents including Instructions to Bidders, Bidding Data, Conditions of Contract, general design criteria, operation/maintenance requirements, our Technical Proposal and Addenda Nos. _____ (if any) for designing, execution, and operation/maintenance of the above-named Works, we, the undersigned, offer our Financial Proposal to design, execute, complete and operate/maintain such Works in conformity with the Conditions of Contract, general design criteria, operation/maintenance requirements, our Technical Proposal and Addenda (if any).
2. We understand that all the Annexures/Appendices attached hereto form part of this Bid.
3. We undertake, if our Bid is accepted, to commence the Works and to complete the whole of the Works comprised in the Contract within the time stated in submitted Bid.
4. We agree to abide by this Bid for the period of 120 (One Hundred Twenty) days from the date fixed for receiving the same and it shall remain binding upon us and may be accepted at any time before the expiration of that period.
5. Unless and until a formal Agreement is prepared and executed, this Bid, together with your written acceptance thereof, shall constitute a binding contract between us.
6. We do hereby declare that the Financial Proposal is made without any collusion, comparison of figures or arrangement with any other Bidder for the Works.
7. We understand that you are not bound to accept the highest or any Financial Proposal you may receive.

Dated this _____ day of _____ 20 _____

Signature: _____

in the capacity of _____ duly authorized to sign Bids for and on behalf of

(Name of Bidder in Block Capitals)
(Seal)

Address: _____

Witness:

Signature: _____

Name: _____

Address. _____

Occupation _____

FORM-COM-02
BIDDER INVESTMENT COMMITMENT OFFER
TO PQA

Sr. No.	Financial Item	Bidder Offer
1	Total Project Investment Commitment	_____
2	Financial Plan / Structure, Debt & Equity	_____ _____
3	Implementation Period	_____ _____ ²

² The Implementation Period shall not exceed twenty-four (24) months. Any increase in the Implementation Period beyond twenty-four (24) months must be reasonably and properly justified by the Developer.

FORM-COM-03
BIDDER FINANCIAL OFFER TO PQA

BIDDER FINANCIAL OFFER TO PQA

Number of Years From the commencement of the commissioning of the Project	PQA Expected Minimum Revenue Generated by the Project	The minimum Guaranteed Annual Payment (MGAP) Offered by the bidder per year (In USD Million)	Number of Years multiply by MGAP offered (in USD)
Year 1–8	3% of gross revenue OR minimum USD 18 million per year (whichever is higher)	_____	
Year 9–18	5% of gross revenue OR minimum USD 28 million per year (whichever is higher)	_____	
Year 19–28	6% of gross revenue OR minimum USD 33 million per year (whichever is higher)	_____	
Total Amount of MGAP of the year 1-28.		_____	

Note 01: Bid offering MGAP for any period of Concession Period less than the stipulated the MGAP for any period will be rejected.

Note 02: Bid offering Highest Total MGAP for the entire Concession Period will be declared most advantageous /highest evaluated bid for purposes of awarding of Contract.

Appendixes

Appendix-01 INTEGRITY PACT

Integrity Pact

(To be filled with Selected PARTNER)

**DECLARATION OF FEES, COMMISSION AND BROKERAGE ETC. PAYABLE
BY THE SUPPLIERS OF GOODS, SERVICES & WORKS IN CONTRACTS
WORTH RS. 10.00 MILLION OR MORE**

Contract No. _____ Dated _____ Contract Value: _____ Contract Title:

..... [Name of Supplier] hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from Government of Pakistan (GoP) or any administrative subdivision or agency thereof or any other entity owned or controlled by GoP through any corrupt business practice.

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

[name of Supplier] certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in rest of or related to the transaction with GoP and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.

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

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

Name of Buyer:
Signature:
[Seal]

Name of Seller/Supplier:
Signature:
[Seal]

Appendix-02 Sample of Concession Contract

(To be provided by PQA/Consultant)

IMPLEMENTATION AGREEMENT

THIS IMPLEMENTATION AGREEMENT (this “**Agreement**”) is made on this day of 2026 between the **Port Qasim Authority**, established under the Port Qasim Authority Act, 1973 (Act XLIII of 1973) and having its headquarters at Port Muhammad Bin Qasim, Karachi (hereinafter referred to as the “**PQA**”, which expression shall include its successors-in-interest and assigns) of the one part.

AND

[_____], a company incorporated under the Companies Act, 2017, having its registered office at [_____] (hereinafter referred to as the “**Company**”, which expression shall include its successors-in-interest and assigns) of the other part.

WHEREAS:

- (A) PQA is desirous of developing The World’s First-Class Green Ship Repair & Dismantling Yard at Port Qasim, Karachi, comprising the revival, rehabilitation and redevelopment of the existing Iron Ore & Coal Berth (“**IOCB**”) and adjoining land measuring approximately one hundred (100) acres located at Port Qasim, Karachi, the particulars of which are provided in Schedule 4 to this Agreement (the “**Project Land**”), into an integrated Green Ship Repair Yard, Ship Dismantling & Recycling Facility, Scrap Handling & Processing Facility and ancillary maritime-industrial infrastructure (the “**Project**”) on Build, Operate and Transfer (“**BOT**”) basis for which purpose PQA invited Expressions of Interest, Prequalification Applications and Proposals from bidders and issued the Prequalification & Request for Proposal (“**RFP**”) for the Sea to Steel (S2S) Project dated [X] 2026 (hereinafter referred to as the “**Guidelines**”).
- (B) Along with the Project, PQA is also open to facilitating the Company in establishing a Green Power Steel Plant on land to be procured by it from the Ministry of Industries and Production (“**MoIP**”) and/or Pakistan Steel Mills (“**PSM**”) (the “**Green Power Steel Plant**” or “**GPSP**”). The Company may, subject to the terms of this Agreement, and at its sole risk and cost, without any representation, assurance or obligation of PQA, pursue the GPSP with MoIP/PSM.

- (C) _____ (hereinafter referred to as the “**Sponsor(s)**”) submitted its bid in response to the RFP on ____ [Month] 2026 for design, finance, construction, management, maintenance and operation of the Project as defined hereinafter.
- (D) PQA reviewed the Proposal submitted by the Sponsor vide letter No. _____ dated _____, 2026 and their letter dated _____ and subsequently PQA issued a Letter of Intent (“**LOI**”) No. _____ dated _____, 2026 which was accepted by the Sponsor vide their letter No. _____ dated _____, 2026.
- (E) The Sponsor incorporated the Company on _____ 2026 as a special purpose vehicle under the laws of Pakistan to carry out the Project.
- (F) PQA and the Company desire to enter into this Agreement so that the Project (as hereinafter defined) may be implemented in a manner which reflects close cooperation and mutual understanding between the Parties with a view to reviving underutilized maritime and industrial infrastructure at Port Qasim, establishing Pakistan as a regional hub for environmentally sound ship repair and ship recycling and promoting sustainable and internationally compliant industrial development consistent with the objectives set out in the Guidelines.

NOW IT IS HEREBY AGREED AS FOLLOWS:

Article 1 - Interpretation and Definitions

In this Agreement:

- 1.1. Expressions defined in Article 1.6 shall bear the respective meanings set out therein;
- 1.2. The headings of Articles, Clauses and Schedules are for convenience only and shall be ignored in construing this Agreement;
- 1.3. The singular includes the plural and vice versa;
- 1.4. References to Articles, Clauses and Schedules are, unless the context otherwise requires, references to Articles and Clauses of, and Schedules to, this Agreement; and
- 1.5. References to any agreement, enactment, ordinance, statute, rule, statutory notification or regulation include any amendment thereof or any replacement in whole or in part.
- 1.6. Definitions**

- (a) **“Affiliates”** means any other person or entity that, directly or indirectly, controls, is controlled by, or is under common control with, the Company, the Sponsor(s) and includes (without limitation) the Company’s holding company or parent company, any subsidiary of the Company or of any such holding or parent company, any group or sister company, and/or any associated company or associated undertaking of the Company; for this purpose the expressions "subsidiary", "holding company" and "associated company" / "associated undertaking" bear the respective meanings ascribed to them under the Companies Act, 2017 (as amended, re-enacted or replaced from time to time).
- (b) **“Agreement”** means this Implementation Agreement between PQA and the Company, including the Guidelines and the following Schedules, which shall form an integral part thereof:

Schedules:

1. Implementation Schedule
2. Project Execution Guidelines
3. Project Scope
4. Site Plan
5. Proforma of Certificate of Successful Commissioning
6. Land Lease
7. Form of Construction Period Performance Bond
8. The Financial Model
9. Preliminary Financing Plan
10. Letter of Intent
11. The Proposal
12. Consents
13. Schedule / Formula Revenue Sharing and Minimum Guaranteed Annual Payment to PQA by the Company
14. Draft of Security Manual
15. Draft of Terminal Operation Manual
16. Draft of Accident Prevention and Safety Manual
17. Draft of Emergency Manual
18. Schedule of Charges to be paid to PQA by the Company
19. Draft of Environmental Impact Assessment
20. Schedule of Depreciation of Assets
21. Form of Concession Period Performance Bond
22. PSM Land Procurement and Green Power Steel Plant Arrangements

- (c) **“Agreement to Lease”** means the agreement to lease in PQA’s standard form set out in Schedule 6, to be entered into between PQA and the Company as a step preliminary to the Indenture of Lease, in accordance with Article 6.
- (d) **“Annual License Fee”** means the fee to be paid by the Company to PQA for the use of IOCB under the IOCB License in advance, at the rate of annual land rent (inclusive of increments) applicable to the IOCB area under the PQA Land Allotment Policy;
- (e) **“Berthing Basin”** means the area of the IOCB’s berth pocket as more particularly identified in the Site Plan attached as Schedule 4 to this Agreement.
- (f) **“Build, Operate and Transfer” or “BOT”** means the contractual arrangement under which the Company shall, at its own cost, risk and responsibility, design, finance, insure, construct, test, commission, complete, operate, manage, and maintain the Project, for the duration of the Concession Period or any extended Concession Period, upon the expiry of which, the Company shall transfer the Project Assets to PQA in accordance with Article 3.25, in good working condition, fair wear and tear excepted, which shall be verified by way of an inspection to be carried out by a neutral and independent consultant appointed by the Parties on terms to be mutually agreed between the Parties.
- (g) **“Certificate of Successful Commissioning”** means the certificate to be issued by PQA under Article 3.28 in the form contained in Schedule 5.
- (h) **“Company Consultant”** means a consultant experienced in terminal and port design and engineering and appointed by the Company under intimation to PQA from time to time to carry out investigations and to perform such other engineering and consultancy services for various components of the Project as the Company may require.
- (i) **“Completion Date”** means twenty-four (24) months from the Date of Signing.
- (j) **“Concession”** shall have the meaning as set forth in Article 3.1(a).
- (k) **“Concession Period”** means the duration of the concession as set out in Article 3.25.
- (l) **“Concession Period Performance Bond”** means the unconditional and irrevocable bond, bank guarantee, or standby letter of credit (as the Company may elect, subject to PQA’s prior written approval of the form used) to be issued by a Karachi-based branch of a scheduled bank of Pakistan having a credit rating of at least AA, in the amount of USD 3,000,000 (US Dollars Three Million) or its

PKR equivalent, furnished by the Company to PQA upon Successful Commissioning of the Project in the form set out in Schedule 21, valid for the Concession Period, in accordance with Article 3.18.

- (m) **“Consents”** means all undertakings, authorizations, approvals, consents, agreements, permits and/or decisions required from GOP or any Relevant Authority under the laws of Pakistan necessary for the implementation of the Project in accordance with this Agreement and any other agreements and documents entered into or made in implementation thereof or in relation therewith.
- (n) **“Construction Period”** means the period from the Date of Signing to the Completion Date.
- (o) **“Construction Period Performance Bond”** means the unconditional and irrevocable bond, bank guarantee, or standby letter of credit, as the Company may elect, subject to PQA's prior written approval of the form used, to be issued by a Karachi-based branch of a scheduled bank of Pakistan having a credit rating of at least AA, in the amount of USD 1,000,000 (US Dollars One Million) or its PKR equivalent, furnished by the Company to PQA upon signing of this Agreement, to be periodically renewed before expiry and remaining in effect until Successful Commissioning, in the form set out in Schedule 7, in accordance with Article 3.17.
- (p) **“Consultants”** means the PQA Consultant and the Company Consultant.
- (q) **“Contractors”** means all contractors engaged by the Company in the performance of the Project, including contractors under the Engineering Procurement and Construction Contract(s) (and their respective subcontractors) in their respective capacities as such and their respective successors and permitted assigns as notified from time to time by the Company to PQA.
- (r) **“Cost of Project”** means the Project cost or any part thereof, for the purposes of the Performance Guarantee, which shall be deemed to include the estimated valuation at the time of signing of this Implementation Agreement of the direct labour, materials, manufactured goods, machinery, equipment and other facilities to be included and / or incorporated in the capital / civil works at site but such costs shall exclude:-
 - (i). Administration expenses incurred by the Company;
 - (ii). Professional fees and out-of-pocket expenses;

- (iii). Salaries, travelling, out-of-pocket expenses of Company-appointed resident staff at Site unless / where the works are carried out by direct labour;
 - (iv). Interest on capital construction and costs of raising monies required for the Project;
 - (v). Cost of land and way leaves; and
 - (vi). Working capital.
- (s) **“Date of Effectiveness”** means the Date of Signing.
- (t) **“Date of Signing”** means the date first mentioned above, indicated in the Agreement.
- (u) **“Day”** means a calendar day of the Gregorian Calendar.
- (v) **“Dispute”** bears the meaning attributed thereto in Article 16.
- (w) **“Dollar”, “USD” or “\$”** means the lawful currency of the United States of America.
- (x) **“Engineering, Procurement and Construction Contracts” or “EPC Contracts”** means the agreements to be entered into between the Company and the EPC Contractors for the design, engineering, procurement, construction and erection of works and equipment, completion, testing and commissioning of the various facilities for the Project.
- (y) **“Expert”** means qualified / experienced individual person(s) in the relevant field of contracts, finance, engineering, design, construction, commissioning, ship recycling, steelmaking, evaluating and operation of the Project, appointed by the Company, as recommended by the Company Consultant and with PQA’s agreement, or failing such appointment by the Company, by PQA in its sole discretion, as prescribed in Article 16 of this Agreement.
- (z) **“Financial Closing”** means after the signing of the Financing Agreements for the Project, the fulfillment of all the conditions precedent to the first disbursement of funds thereunder.
- (aa) **“Financial Model”** means the model contained in Schedule 8 to this Agreement.
- (bb) **“Financing Agreements”** means the agreement or agreements and documents (to be) entered into between the Company and / or certain local and foreign Lenders for the purpose of providing the funds necessary to complete the

Project, including any and all agreements and documents providing for security for such financing.

- (cc) **“Financing Plan”** means the schedule of the cost of the Project, including interest during construction, financial costs, working capital, equity subscriptions, overall capital, etc., as contained in Schedule 9.
- (dd) **“GOP”** means the Federal Government of the Islamic Republic of Pakistan.
- (ee) **“GOS”** means the Provincial Government of Sindh.
- (ff) **“Green Power Steel Plant”** or **“GPSP”** means the green power steel manufacturing, melting and rolling facility to be established, financed, constructed, owned and operated by the Company on the PSM Land, in accordance with the arrangements set out in Schedule 22.
- (gg) **“Gross Revenue”** means the aggregate gross revenue derived by the Company or its Affiliates, from the Project, before costs, expenses and taxes, including but not limited to revenue from Ship Repair Operations, Ship Dismantling & Recycling Activities, Scrap Handling & Processing, marine and industrial services, and utilities and ancillary commercial activities and the gross revenue derived from the Green Power Steel Plant’s operations, in consideration of PQA’s facilitation for the same and the GPSP’s integration with the Concession, all as more particularly set out in Schedule 13. Provided that any portion of Gross Revenue derived from sales to related party(ies) or Affiliates shall be computed on an arm’s length basis, which shall be not less than the higher of actual consideration and prevailing open-market price of the particular good and service.
- (hh) **“Guidelines”** shall have the meaning ascribed in Recital A.
- (ii) **“Implementation Schedule”** means the timetable for the implementation of the Project set forth in Schedule 1.
- (jj) **“Indenture of Lease”** means the Indenture of Lease as per PQA’s land allotment policy to be entered into between PQA and the Company, in the form contained in Schedule 6.
- (kk) **“Indicative Capacity”** means the indicative, non-binding capacity targets of the Project referred to in Article 3.2, namely dismantling of approximately 120,000 – 150,000 (one hundred twenty thousand to one hundred fifty thousand) light displacement tons of offshore/marine structures per annum, manufacture and sale of approximately 1,000,000 (one million) tons of green steel per annum

(subject to agreement between PSM and the Company for establishment of the Green Power Steel Plant), and trading of approximately 100,000 (one hundred thousand) tons of scrap per annum, it being agreed that PQA does not guarantee any minimum throughput and that the actual capacity of the Project shall be determined and designed by the Company based on its own studies and assessments.

- (ll) **“IOCB”** means the existing PQA’s Iron Ore & Coal Berth at Port Qasim, forming part of the Site, to be rehabilitated, upgraded, maintained and operated by the Company as part of the Project in accordance with the Project Scope, together with the associated berthing basin and back-up area.
- (mm) **“IOCB License”** means the license granted by PQA to the Company for the use of the IOCB, co-extensive with, and continuing for the duration of, the Concession Period or any Renewed Concession Period, granted on the terms prescribed in Article 6, and subject at all times to the co-use rights of PQA, PSM, and any third party permitted under Article 3.1 in respect of the IOCB.
- (nn) **“Land Lease”** means the Agreement to Lease and the Indenture of Lease to be entered into between the PQA and the Company in the form of Schedule 6 for leasing of the Project Land to the Company.
- (oo) **“Laws of Pakistan”** means all laws of Pakistan or, where applicable, of any political or administrative subdivision thereof and all rules, regulations and notifications made pursuant thereto.
- (pp) **“Lenders”** means (i) the parties who have made or will make available to the Company credit in the form of loan(s), export credit(s) or other financing agreement(s), to finance the Project pursuant to the Financing Agreements and (ii) parties who, from time to time make other credit facilities available to the Company, together, in each case, with their respective successors and assigns.
- (qq) **“Letter of Intent” or “LOI”** shall have the meaning ascribed in Recital D.
- (rr) **“Manual” or “Manuals”** shall mean the manuals referred to in Articles 9.2 and 14, as the case may be.
- (ss) **“Minimum Guaranteed Annual Payment” or “MGAP”** means the minimum guaranteed annual amount payable by the Company to PQA under Article 21 and Schedule 13, irrespective of the actual performance of the Project, which shall be a fixed minimum US Dollar amount (denominated in USD, but to be paid in PKR), in each case for the relevant period as set out in Schedule 13. The rate

of exchange of USD to PKR shall be the National Bank of Pakistan's Selling Rate on the date of payment

- (tt) **"Month"** means a month according to the Gregorian Calendar.
- (uu) **"National Environmental Quality Standards"** means the standards established under the Environmental Protection Act, 1997 to control the emission of effluent, waste, air pollution and noise pollution.
- (vv) **"Navigational Channel"** means the navigable channel providing access to and from Port Qasim, including the approach to the Terminal (excluding the Berthing Basin defined in Article 1.6(e)) as maintained, marked by buoys, and promulgated to a specified depth by PQA from time to time, and as more particularly identified in the Site Plan attached as Schedule 4 to this Agreement.
- (ww) **"New Jetty"** means the new jetty which may be designed, financed, constructed, commissioned, operated and maintained by the Company at its own cost, upon terms and conditions to be agreed upon by and between PQA and the Company and not otherwise, in the event that co-use arrangements over the IOCB jetty impact the Company's operations, and which shall, from the date of its commissioning, be transferred to PQA under such terms and conditions as agreed upon by the Parties in either a separate agreement or an amended version of this Agreement.
- (xx) **"Notices"** shall have the meaning ascribed in Article 17.
- (yy) **"On-shore Land"** means the land at the time of signing of this Implementation Agreement above the high-water mark, excluding estuaries of rivers, arms and inland waters of the sea, shoals perpetually covered by the sea / water or islands and reefs not naturally connected with the mainland.
- (zz) **"Operations Manual"** means the manual to be developed by the Company and approved by PQA during the construction of the Terminal and before the Completion Date to govern the operation of the Terminal and containing the particulars described in Article 14 of this Agreement.
- (aaa) **"Party" or "Parties"** means each of the PQA and the Company, hereinafter referred to individually as a "Party" and collectively as the "Parties".
- (bbb) **"Person"** includes a body corporate, a company, a firm, an association of persons, a trust and all other bodies whether or not incorporated.
- (ccc) **"Port"** means Port Muhammad Bin Qasim, Karachi, Sindh, Pakistan.

- (ddd) **“PQA Act”** means the Port Qasim Authority Act, 1973 (XLIII of 1973) as amended from time to time.
- (eee) **“PQA Charges”** include license fee, peripheral development charges, land rent, maintenance charges, transfer fee, transfer surcharge, amalgamation fee, change in trade fee, bifurcation fee, permission to mortgage fee, conversion fee, sub-letting fee, additional trade (industrial plot), change in constitution or name of company fee, sub-lease fee, row charges, fire charges, conservancy charges, survey/demarcation fee, temporary/open space fee, office/building structure fee, completion certificate fee and all port dues, pilotage, towage, berthing and mooring fees, wharfage and all other dues and charges pursuant to PQA Act/Regulations notified/promulgated from time to time, charges of utilities and other common services. The current scale of PQA charges is more particularly set out in Schedule 18 of this Agreement. For the avoidance of doubt, these shall be charged by PQA in addition to the payment of the MGAP and/or the Revenue Sharing Percentage (as applicable) by the Company.
- (fff) **“PQA Consultant”** means an engineering consulting firm with relevant experience appointed by PQA from time to time for vetting of design, quality audit, effective monitoring and providing all technical support and/or advice required for proper and timely implementation of the Project to PQA and notified by PQA in writing to the Company. The remuneration of the PQA Consultant shall be paid by the Company to the PQA, in addition to any other amounts payable under this Agreement (including without limitation the MGAP), as per Schedule 18. In case of any future expansion, addition or development in the Terminal, the Company shall also pay the agreed fee to the PQA Consultant; provided that the Company has been mandated to carry out such expansion, addition or development and not under any other circumstance.
- (ggg) **“PQA Engineer”** means Director (PSP), PQA or any engineer, consultant or other duly authorized representative appointed by PQA Representative from time to time and notified in writing to the Company to act as PQA Engineer.
- (hhh) **“PQA Representative”** means the Director General (Technical) PQA or any other nominee duly appointed and notified in writing by the PQA to the Company from time to time.
- (iii) **“Project”** means the revival, rehabilitation, conversion, up-gradation, reclamation and development of the Site (including the revival, rehabilitation and expansion of the IOCB Berth) into an integrated Green Ship Repair Yard, Ship Dismantling & Recycling Facility, Scrap Handling & Processing Facility and associated marine and industrial infrastructure, the development of the Green Power Steel Plant, and the design, financing, construction, commissioning,

procurement, supply, completion, insurance, operation and maintenance of the Terminal by the Company on BOT basis, in accordance with the Project Scope, and all activities incidental thereto.

(jjj) **“Project Assets”** The Project Assets shall include, but not be limited to, the following:

- (a) The Project Land, inclusive of the rights of way.
- (b) All construction on the Project Land and the Site, including:
 - (i). The IOCB Berth, inclusive of the IOCB jetty, modifications / alterations / extensions / additions thereof, with fenders, bollards, mooring equipment, floating dry dock and marine repair facilities;
 - (ii). Various structures for operation, central control building, dismantling yard, scrap yard, workshops, parking area, gate & security office, etc.;
 - (iii). All equipment / materials installed for the Project, including cranes, unloaders / loaders, conveyors, scrap processing and shredding equipment, plate cutting and material handling equipment, storage facilities, fencing, dust and emission suppression / control systems, environmental protection systems, and all auxiliary equipment;
 - (iv). Infrastructure viz. roads and pavements, networks of electricity, water, sewerage, firefighting, telecom, etc.; and
 - (v). The New Jetty, if it is developed by the Company after obtaining the requisite approval through negotiations with PQA, together with its associated berthing basin, back-up area, fenders, bollards, mooring and marine equipment and all appurtenances thereto; provided that transfer of the New Jetty on BOT basis shall be governed by separate terms and conditions agreed upon between the Parties through either a new agreement or through an amendment to this Agreement.
- (c) Furniture & fixtures at the above Terminal, including office furniture, computers, air conditioners, various office fixtures & equipment, etc.
- (d) Vehicles.
- (e) Stores & spares.

- (f) Any capital purchases during the Concession Period.
- (kkk) **“Project Land”** means excluding the IOCB area the area of approximately one hundred (100) acres of land situated at Port Qasim to be leased by PQA to the Company together with any ancillary structure on, through, above or below the ground on which or on any part of which the Project is to be developed, and all easements, rights of way and access from public highways, railways and the sea, which may be required to be reclaimed/developed by the Company at its sole expense, all as more particularly described and shown in the “Site Plan” in Schedule 4 of this Agreement, and excludes the PSM Land.
- (III) **“Project Scope”** means the scope of work of the Project as set forth in Schedule 3.
- (mmm) **“Project Technology”** means all technology, software, firmware, systems and intellectual property used in, or reasonably necessary for, the design, construction, operation, maintenance, management or monitoring of the Project and the Terminal, including: (a) all application, operating and embedded software, source code, object code, databases and configurations; (b) all industrial control, automation, SCADA, terminal/yard-management, environmental-monitoring and safety systems; (c) all patents, registered and unregistered designs, copyrights, trade secrets, know-how, technical information, engineering and as-built drawings, process descriptions, operating and maintenance manuals, standard operating procedures and technical documentation; and (d) all licenses, sub-licenses and rights to use any of the foregoing owned by third parties, in each case to the extent used in connection with the Project; but excluding any background intellectual property of the Sponsor or a third party that is not required for the continued operation, maintenance or management of the Project.
- (nnn) **“PSM”** means Pakistan Steel Mills Corporation (Pvt.) Limited.
- (ooo) **“PSM Land”** means the area of approximately 125 (one hundred and twenty-five) acres of land to be procured by the Company from the Ministry of Industries and Production / PSM for the establishment of the Green Power Steel Plant, as more particularly described in Schedule 22. For abundant clarity, PQA shall not be obligated to ensure the aforesaid procurement and shall only provide reasonable assistance to the Company in procuring the same.
- (ppp) **“Relevant Authority”** includes the GOP, the GOS or any department, authority, instrumentality or agency of GOP or GOS and, without limitation, shall include the Ministry of Maritime Affairs, the Pakistan Navy / Maritime Security Agency,

the Chief Inspector of Explosives, the City District Government Karachi (CDGK), Karachi Water and Sewerage Board (KWSB), Water and Power Development Authority (WAPDA), K-Electric, Pakistan Railways (PR), Pakistan Telecommunications Company Limited (PTCL), National Telecommunication Corporation (NTC), Federal Board of Revenue (FBR), Sui Southern Gas Company Limited (SSGCL), the State Bank of Pakistan (SBP), and any other Relevant Authority with jurisdiction either over navigational safety or hazardous operations at or around the Site or otherwise.

- (qqq) **“Revenue Sharing Percentage”** means the percentage of Gross Revenue payable by the Company to PQA as set forth in Schedule 13 and Article 21.
- (rrr) **“Rupee” or “Re.” or “Rupees” or “Rs” or “PKR”** means the lawful currency of Pakistan.
- (sss) **“Sanctions Authority”** refers to any national or international body that could have placed any sanctions on the Company, the Sponsor(s), or its Affiliate(s) under any law applicable to the Company and/or the Sponsor(s), such as UNSC or international financial institutions;
- (ttt) **“Scrap Handling & Processing”** means the collection, sorting, cutting, shredding, baling, storage, handling and sale or transfer of scrap metal and other recovered materials generated from Ship Dismantling & Recycling Activities or otherwise received at the Terminal.
- (uuu) **“Security Package” means:**
- (i) this Agreement;
 - (ii) the Land Lease;
 - (iii) the Engineering, Procurement and Construction Contract(s) (the **“EPC Contracts”**);
 - (iv) any of the Company’s assets and/or liabilities;
 - (v) Consents;
 - (vi) the Company’s insurance policies;
 - (vii) the security to be established in favour of the Lenders under or pursuant to the Financing Agreements; and
 - (viii) any form of security to be taken over the documents listed in this definition.
- (vvv) **“Ship Dismantling & Recycling Activities”** means the beaching, berthing, breaking, dismantling and environmentally sound recycling of end-of-life vessels and offshore structures, at the Terminal, including the removal, handling and disposal of hazardous materials.

- (www) **"Ship Recycling Facility Plan"** means the Ship Recycling Facility Plan to be developed by the Company for the design, development and operation of the Facility in compliance with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (entered into force on 26 June 2025) (**"Hong Kong Convention"**), the International Labour Organization (**"ILO"**) Standards, which shall be approved by the relevant authorities (as required), which may include PQA and the Sindh Environmental Protection Agency and any other notified standards of PQA in relation to the berthing of any end-of-life unit or dead-ship, verification of the inventory of any hazardous materials (as notified or amended from time to time).
- (xxx) **"Ship Repair Operations"** means the repair, refit, retrofit, conversion, maintenance, dry-docking and related technical services provided by the Company to vessels, offshore structures and marine equipment at or from the Terminal, including hull, mechanical, electrical, structural and outfitting works, but excluding Ship Dismantling & Recycling Activities.
- (yyy) **"Site"** means the Project Land, i.e., an area of approximately 100 (one hundred) acres at Port Qasim, and the IOCB Berth (including the berthing basin) and the adjoining land, together with any ancillary structure on, through, above or below the ground on which or on any part of which the Terminal is to be built and operated, all as more particularly described and shown in the "Site Plan" in Schedule 4 of this Agreement, and excludes the PSM Land.
- (zzz) **"Successful Commissioning"** shall have the meaning as set forth in Article 3.28.
- (aaaa) **"Terminal" or "Facility"** means the Green Ship Repair Yard, Ship Dismantling & Recycling Facility, Scrap Handling & Processing Facility and associated marine and industrial infrastructure to be designed, developed, and operated by the Company in compliance with the Hong Kong Convention and ILO standards on and about the Site by reclamation and development of the Project Land and conversion, upgradation and development of the IOCB Berth, the construction, commissioning and operation of the New Jetty (if the same is developed by the Company), including berths, fenders, cranes, floating dry dock / marine repair facilities, back-up area, causeway / trestle, ancillary structures, buildings, scrap yard, fencing, environmental protection and dust / emission control systems, services, facilities and equipment for ship repair, ship dismantling and recycling, scrap handling, processing and dispatch, as per the Project Scope defined in Schedule 3 of this Agreement and the approved Ship Recycling Facility Plan, but excludes the Green Power Steel Plant which is separately defined.
- (bbbb) **"Turning Basin"** means the designated water area adjacent to or forming part of the Navigational Channel within Port Qasim used for the turning and

maneuvering of vessels en route to or from the Berthing Basin, maintained to a promulgated depth by PQA from time to time, and as more particularly identified in the Site Plan attached as Schedule 4 to this Agreement.

(cccc) **“Year”** means a year according to the Gregorian Calendar.

Article 2 - Execution of Agreement

- 2.1. (a) This Agreement shall become effective on the Date of Signing.
- (b) PQA and the Company shall enter into the Agreement to Lease on the Date of Signing and execute the Indenture of Lease after satisfactory compliance with the terms and conditions of the Agreement to Lease.
- (c) The Company shall make the payment of the PQA Charges under the Land Lease under Article 6 within 45 (forty-five) days of the Date of Signing.
- 2.2. Before the Date of Signing, the following events will have taken place:
- (a) A preliminary financing plan will have been provided by the Company to PQA.
- (b) Construction Period Performance Bond as per Schedule 7, effective from the Date of Signing, will have been furnished by the Company to PQA.
- (c) Board resolutions of each of the Parties for entering into this Agreement shall have been provided to the other Party.
- 2.3. The following events will have taken place after the Date of Effectiveness:
- (a) Indenture of Lease is executed by the Parties within sixty (60) days of the Date of Effectiveness, and vacant possession of the Project Land is given in accordance with the terms of the Indenture of Lease within ninety (90) days of the execution of the Indenture of Lease.
- (b) Financing Agreement(s) are executed by the Company within nine (9) months of the Date of Effectiveness;
- (c) EPC Contract(s) are signed by the Company within nine (9) months of the Date of Effectiveness and expressly before financial closing
- (d) Insurance Policies are obtained by the Company under this Agreement prior to commencement of any operations / mobilization on the Project Land and / or the Site; and

(e) The Consents, as mentioned in Schedule 12, are obtained by the Company within twelve (12) months from the Date of Effectiveness.

2.4. If the abovementioned events do not take place within the time periods stipulated in Article 2.3 above, due to no fault on part of PQA, PQA shall be entitled to terminate this Agreement, after furnishing a written notice of thirty (30) calendar days to cure such defect(s) and thereafter be entitled to encash the Construction Period Performance Bond.

Article 3 – Terms Governing the Grant of License, Right and Concession

3.1 (a) PQA hereby grants to the Company the effective concession right and license (the “**Concession**”).

- (i) to design, finance, insure, construct, develop, test, commission, complete, operate, manage and maintain the Terminal at the Site (including the rehabilitation, upgradation, operation and maintenance of the IOCB Berth) on Build, Operate and Transfer (BOT) basis in accordance with the Project Scope and the terms and conditions contained in this Agreement, and a No-Objection to establish, finance, construct, own, operate, manage and maintain the Green Power Steel Plant on the PSM Land integrated with the Project (subject to successful negotiations between PSM and the Company);
- (ii) to demand, collect and retain revenue from Ship Repair Operations, Ship Dismantling & Recycling Activities, Green Power Steel Plant Operations, Scrap Handling & Processing, and other Services provided at or from the Terminal and the Green Power Steel Plant (subject to successful negotiations between PSM and the Company), in accordance with the provisions of this Agreement.

(b) The use of the IOCB Berth and its ancillary facilities shall be under the IOCB License (not under a PQA lease) hereby granted on a non-exclusive basis and subject to the priority right of PSM under the office memorandum of MoIP dated 20.01.2026. PQA reserves the right, in its sole discretion, to permit PSM and /or any third party to use the IOCB and its ancillary facilities. The rehabilitation, development, operation, maintenance and financing of the IOCB Berth and its associated facilities shall, notwithstanding such non-exclusive PSM/ third-party use, remain the responsibility of the Company. The Company shall consult and coordinate with PSM and PQA to work out the co-use arrangements of the IOCB Berth. The Company shall be entitled to use the IOCB jetty for its operations throughout the Concession Period. During the Concession Period, the Company may, at its own cost, risk, and expense, expand and upgrade the IOCB in accordance with the Project Scope and the co-use arrangements under this Article 3.1, in the following manner:

- (i) The Company may expand the berthing capacity of the IOCB through dredging, to allow for the placement of ships on both sides of the IOCB Berth, provided that such expansion remains outside the Navigational Channel and Turning Basin;
 - (ii) The Company may develop without obstruction to shipping a floating dry dock positioned offshore, with one side anchored eastward at sea, to be accessed via small craft berthing / auxiliary marine access, provided that the floating dry dock remains outside the Navigational Channel and Turning Basin;
 - (iii) The use of the IOCB jetty after expansion shall remain subject to priority usage of PSM unless otherwise agreed between the Company, PSM and MoIP in writing; and
 - (iv) Where the co-use arrangements for the IOCB jetty (before or after the expansion of the IOCB) result in a capacity constraint arising, which materially and/or adversely affects the Company's operations and throughput, the Company may engage in negotiations with PQA and, upon receiving PQA's approval in writing, on such terms and conditions agreed in any separate agreement or through an amendment to this Agreement, decided between PQA and the Company at that time, develop a New Jetty. At the Date of Effectiveness, the New Jetty shall not form part of the Project or Project Scope, and the Company shall therefore have no right or obligation to develop the New Jetty, save as expressly provided in this Article 3.1(b)(iv). If the Company is permitted to develop the New Jetty on BOT basis, and the same is developed by the Company, the Company shall, with effect from the commissioning of the New Jetty, use the same for its operations provided that the Company shall transfer the New Jetty as per the terms and conditions agreed upon by PQA and the Company through either a separate agreement or an amendment to this Agreement. The Company's right to request approval for developing the New Jetty is without prejudice to its right to seek a shared MGAP payment arrangement under Article 20.5, subject to a written agreement with PSM and MoIP (as applicable).
- (c) The Company shall not have the right to handle at the Terminal any cargo, vessel or material for which exclusive handling rights have already been granted by PQA to other terminals within Port Qasim.
- (d) The Company shall, with the consent of PSM and in consultation with PSM and the Ministry of Industries and Production, rehabilitate or dismantle the existing equipment (including unloaders, conveyor belt and other accessories) owned by PSM and installed at the IOCB, at its own cost, which equipment may be collected by PSM as per the terms of its consent. PQA shall facilitate the Company in this consultation but shall not be obliged to ensure that such consent is granted by PSM.

- (e) PQA does not guarantee, and shall not be deemed to have guaranteed, any minimum throughput or capacity of the Project. The Indicative Capacity referred to in Article 3.2 is provided for planning purposes only, and the actual capacity, design and throughput of the Project shall be determined by the Company on the basis of its own studies, assessments and co-use arrangement(s) with PSM and/or MoIP as prescribed in Article 3.1(b)(iv) above.
- 3.2
- (a) The Terminal and the Green Power Steel Plant shall be constructed and developed in accordance with the Project Scope as set out in Schedule 3 and the Implementation Schedule (Schedule 1).
 - (b) The Company has, on the basis of its own studies, assessments and commercial judgement, indicated that the Project is anticipated to achieve the following capacities (the "**Indicative Capacity**"):
 - (i) dismantling approximately 120,000 – 150,000 (one hundred twenty thousand to one hundred fifty thousand) light displacement tons of offshore/marine structures per annum;
 - (ii) manufacturing and selling approximately 1,000,000 (one million) tons of green steel per annum (subject to successful negotiations between PSM and the Company); and
 - (iii) trading approximately 100,000 (one hundred thousand) tons of scrap per month, in each case as the Indicative Capacity, it being agreed that the actual design capacity of the Project shall be as determined by the Company pursuant to Article 3.1(e), [with provision for further enhancement as mutually agreed.
 - (iv) All work in the construction of the Project shall be undertaken by the Company in a manner that does not unreasonably interfere with the Port's operations, the safety of navigation, or pose an unreasonable threat to human safety or health or to the environment, including due regard to the proximity of LNG and other hazardous cargo terminals at Port Qasim. In this regard, the Company shall, prior to construction of the Terminal, conduct simulation studies through the Consultant to ensure safety, which simulation studies shall be approved by the PQA Consultant. Construction of the Terminal and the Green Power Steel Plant shall be undertaken by the Company as per Schedule 1.
- 3.3
- The Company shall allow inspection of the construction, operation and maintenance of the Project at any time by PQA or its duly authorized representatives / PQA Consultant and by GOP / other relevant Government officials pursuant to their responsibilities under the Laws of Pakistan. The Company shall cooperate with all such inspection personnel

and shall provide them such access, facilities, services and information as they reasonably may require in the performance of their responsibilities, however, this shall not be deemed to diminish or reduce the right of the Company to design, construct, maintain, manage, and operate the Project without any interference or interruption.

- 3.4 Terminal operations will be governed by the Port Qasim Authority Regulations, 1981, published in the Extraordinary Gazette of Pakistan dated October 17, 1981, and an Operations Manual which shall be developed during construction of the Terminal and completed not later than the Completion Date.
- 3.5 The Terminal and the Green Power Steel Plant, constructed and developed by the Company, shall conform to the standards of the Hong Kong Convention-compliant Ship Recycling Facility, Pakistan Environmental Protection Agency and the Sindh Environmental Protection Agency. The Company shall obtain a No-Objection Certificate from the Sindh Environmental Protection Agency prior to constructing its facilities and operating the Terminal. The Company, during the process of constructing its facilities and later on during the operation of the Terminal, will comply with all Laws of Pakistan and regulations as well as rules and bye-laws framed thereunder or by PQA consistent with the notified statutory and international law standards including International Maritime Dangerous Goods (IMDG) Code and International Maritime Organization (IMO) regulations related to the protection of the environment and to discharge from the premises any trade or other effluent, the Basel Convention for import of end-of-life tonnage and to the standards notified in any other international convention applicable in and/or ratified by Pakistan from time-to-time.
- 3.6 Before the Date of Effectiveness, the Company shall have submitted to PQA a Financing Plan describing the financial structure of the Project, sources and amounts of both debt and equity, and the schedule upon which financing shall be secured.
- 3.7 The Company shall take all measures necessary to identify and prevent hazards to human safety and health, property and the environment consistent with the Laws of Pakistan that may arise from any activity concerning the construction, operation or maintenance of all or any part of the Terminal.
- 3.8 Neither the rights stipulated in Article 3.1 nor any right or privilege afforded hereby, except as provided in Article 12.2, shall be assigned or transferred by the Company without the prior consent of PQA, which consent shall not be unreasonably withheld.
- 3.9 The Company shall not amend or supplement any document approved by PQA without the consent of PQA.
- 3.10 PQA shall arrange passage, berthing, sailing and shifting of vessels to be handled at the Terminal as per the Terminal's operating policy approved by PQA.

- 3.11 PQA shall use its best endeavours to provide for the safe movement of all vessels through the Berthing Basin and to and from the Terminal as per this Agreement.
- 3.12 PQA shall be responsible for the provision of all necessary pilotage, tugs, mooring launches, dead-ship towage and other services against payment of the PQA Charges. Assistance for firefighting shall be provided on request.
- 3.13 Design, drawings of all civil, electrical and mechanical works of the Project, documents and schedules and any later additions or alterations thereto prepared by the Company shall be subject to the PQA Engineer's approval for compliance with the Project Scope. The PQA Engineer shall endeavour, within fourteen (14) days of receipt of such plans or alterations thereto, to return them to the Company as compliant or with detailed remarks indicating any non-compliance with the Project Scope, and in case these are not returned approved within twenty-eight (28) days as aforesaid, these shall be deemed to have been approved by PQA. PQA's approval shall signify compliance with design intent only, while the Company shall ensure that all features of the Project are in accordance with accepted international practices, standards and specifications and shall be responsible for the structural integrity of the Project as set out in this Agreement.
- 3.14 The construction of the Project shall be monitored by the PQA Engineer and/or the PQA Consultant to ensure that the quality specifications and the Implementation Schedule are being followed.
- 3.15 The Company shall pay to PQA all charges as specified in Schedule 18.
- 3.16 The Company shall, on the Date of Signing, provide to PQA a Construction Period Performance Bond as set forth in Schedule 7, in accordance with the definition thereof in Article 1.6.
- 3.17 The Company shall, upon Successful Commissioning of the Project, provide to PQA the Concession Period Performance Bond as set forth in Schedule 21, in accordance with the definition thereof in Article 1.6. The Construction Period Performance Bond shall be returned by PQA to the Company after issuance of the Certificate of Successful Commissioning as defined in Article 1.6(g) and after the furnishing of the Concession Period Performance Bond by the Company to PQA as per Article 3.18
- 3.18 Completion of the Project will be on Successful Commissioning under Article 3.28, by the Completion Date. Upon achieving Successful Commissioning, the Company shall furnish to PQA the Concession Period Performance Bond.
- 3.19 (a) The data and various documents / reports, etc., handed over to PQA or the Company, as the case may be, will be kept strictly confidential.

- (b) All reports and drawings provided to PQA by way of evidence of compliance with Schedule 3 shall first be submitted in draft form. Construction drawings shall be provided once PQA has completed its review and approval for compliance with Article 3.21(e). "As-Built" drawings shall be submitted within three months after the Completion Date.
 - (c) Subsequent to the Date of Effectiveness, the Company shall submit to PQA monthly reports on the progress of work in the mutually agreed form, up to the Completion Date.
 - (d) Each of the Company and PQA shall exercise all reasonable skill, care and diligence in the discharge of their duties and, in so far as any of their duties are discretionary, shall act fairly between PQA, the Company and concerned third parties. Neither the Company nor PQA shall take any action which may seriously jeopardize the Project or may lead to unnecessary disputes, arbitration or litigation between third parties and PQA / the Company.
 - (e) Documents / design / drawings / schedules requiring PQA review and approval for compliance with the Project Scope will be submitted to PQA in accordance with the Implementation Schedule. PQA shall endeavour, within fourteen (14) days of receipt, to return them to the Company as compliant with the Project Scope and design intent or with detailed remarks indicating any non-compliance, and in case these are not returned approved within twenty-eight (28) days as aforesaid, these shall be deemed to have been approved. The Project Execution Guidelines (Schedule 2) sets out more detailed procedures to deal specifically with PQA compliance reviews, and both Parties shall be bound by the said procedures.
- 3.20 PQA will provide all available hydrographic and soil data regarding the Site and Navigational Channel to the Company within seven (7) days from the date of notice given by the Company requesting such data; the Company may give such notice at any time on or after the Date of Effectiveness. PQA will also assist the Company at its request by collecting any other hydrographic data that may be required for the detailed design of the Project and that can be collected by PQA through its own resources / owned equipment within a reasonable period, subject to the payment of charges by the Company. However, the Company will be responsible for verifying the data provided and PQA will not provide any warranty for reliance on the provided data.
- 3.21 Dredging, Depth Maintenance and Wreck Removal
- (a) The Company shall, at its own cost, risk and expense and without recourse to PQA, carry out all capital dredging of the Berthing Basin (including the berth pocket of the IOCB Berth) required to achieve a depth of 12.5 meters below chart

datum, or such other design depth as is set out in the Project Scope (Schedule 3) and the approved designs ("**Design Depth**"), and shall achieve the Design Depth prior to Successful Commissioning. The Company acknowledges that PQA makes no representation or warranty as to the existing depths, siltation rates or subsoil conditions of the Berthing Basin, and that the Company has satisfied itself in this regard through its own studies, surveys and assessments.

- (b) Throughout the Concession Period, the Company shall, at its own cost and expense, carry out all maintenance dredging required to maintain the Berthing Basin at the Design Depth, and the berth pocket and approaches of the New Jetty (if the New Jetty is developed) to their design depths as set out in the Project Scope (Schedule 3) and the approved designs, and shall likewise maintain the required dredged depth of the approach from the toe line of the Turning Basin up to the Berthing Basin. The Company shall conduct periodic hydrographic surveys of the Berthing Basin at intervals of six (6) months and shall provide the results thereof to the PQA Hydrography Department for verification.
- (c) PQA shall be responsible for the maintenance of the Navigational Channel and the Turning Basin to their promulgated depths, as notified by PQA from time to time. For the avoidance of doubt, PQA shall not be obligated to deepen the Navigational Channel or the Turning Basin beyond their promulgated depths; any such deepening required on account of the Company's design, vessels or operations shall be subject to the mutual agreement of the Parties and, unless otherwise agreed in writing, shall be at the Company's cost.
- (d) All dredged material, spoil and debris arising from the works described in this Article shall be disposed of by the Company only at the spoil ground(s) designated by the PQA Hydrography Department, subject to payment of the applicable PQA Charges and in compliance with the applicable Consents and environmental standards under Article 3.
- (e) The Company shall, at its own cost and expense, remove any wreck, sunken craft or debris lying within, or subsequently entering, the Berthing Basin, Turning Basin or Navigational Channel to the extent it obstructs or endangers the safe berthing, mooring or movement of vessels at the IOCB Berth or the New Jetty (if the New Jetty is developed); provided that where such wreck or debris is attributable to a vessel using the IOCB Berth under Article 3.1(b) at the instance of PSM or a third party, the Company shall be entitled to recover its reasonable removal costs from the owner of such vessel, and PQA shall not be obligated to facilitate the Company in this regard.

- 3.22 It shall be the Company's responsibility to obtain all the requisite permissions / licenses from the relevant authorities, including the Government of Pakistan / Government of Sindh and their respective authorities, agencies and departments, e.g., the Ministry of Industries and Production, PSM, Pakistan Navy / Maritime Security Agency, Environmental Protection Agency, Chief Inspector of Explosives, KWSC, K-Electric, SSGCL, Electrical Inspector, Pakistan Customs, and Pakistan Railways, etc., and PQA shall undertake reasonable endeavours to facilitate the Company in obtaining the same.
- 3.23 The Concession for the Project, as mentioned in Article 3.1, is granted by PQA to the Company for a period of thirty (30) years on BOT basis, such period to run from the Date of Signing (the "**Concession Period**"). The Indenture of Lease shall be granted by PQA to the Company for 30 (thirty) years from the Date of Signing and shall be extended on mutually agreed terms and conditions for such further period as is required to equal the Concession Period. The Concession Period and Indenture of Lease may be extended for a further period of thirty (30) years on mutually agreed terms and conditions (the "**Renewed Concession Period**"). Negotiations to arrive at such mutual agreement shall commence five (5) years prior to the expiry of the first thirty (30) year term and shall be completed within a period of two (2) years thereafter, i.e., at least three (3) years before the expiry of the Concession Period or any Renewed Concession Period (the "**Extension Deadline**"). In the event no mutual agreement can be arrived at, then this Agreement shall terminate at the end of the Concession Period or any Renewed Concession Period and the Project Assets and Project Technology (excluding, for the avoidance of doubt, (i) the PSM Land and any assets thereon which shall be governed by the arrangements referred to in Schedule 22, including but not limited to the Green Power Steel Plant, and (ii) the New Jetty, the transfer of which shall be governed by terms and conditions in a separate agreement or by an amended version of this Agreement which governs the New Jetty, if the same is developed) shall be transferred by the Company to PQA for a consideration of One Pak Rupee (PKR 1) only. At the time of such transfer, the Project Assets shall be in good working condition, fair wear and tear excepted, which shall be verified by way of an inspection to be carried out by a neutral and independent consultant appointed by the Parties on terms to be mutually agreed between the Parties. Alternatively, PQA shall also be entitled to advertise the grant of a concession/license for operating the Project to any new developer prior to the expiry of the Concession Period, or any Renewed Concession Period, after the Extension Deadline has passed.

The Company shall submit in English a copy of the Audited Annual Report, inclusive of Financial Statements, to PQA every year.

- 3.24 The Company shall provide the following facilities:

- (a) Suitably furnished, equipped and maintained office space at the Site for the use of the PQA Consultant and his staff during the Construction Period;
 - (b) One new state-of-the-art hydrographic survey boat capable of operating in all weather conditions in the PQA Navigational Channel, equipped with multi-beam, side scan, DGPS and all allied equipment, detailed specifications provided by PQA Hydrography Department and software, inclusive of registration with Mercantile Marine Department GOP and all leviable taxes and duties;
 - (c) upon the Date of Effectiveness, provide PQA five (5) brand new 1300cc motor vehicles to be used by PQA, to enable its employees in carrying out their functions related to the Terminal, as well as the incidental Port Operations;
 - (d) arrange capacity building initiatives at its cost, which shall include training programmes and seminars along with boarding and lodging for designated PQA employees, for 48 man-days (8 man-days every 5 years) over the course of the Extended Term, at international ports and terminals; and
 - (e) Training of PQA officials on multi-beam and allied equipment.
- 3.25 The Company will bear expenses for foreign visits by PQA representatives / PQA Consultants who will be required to inspect or test equipment and plants to be used for the Project. All travel-related expenses, including airfare, boarding and lodging, shall be paid for by the Company as per GOP entitlement.
- 3.26 **“Successful Commissioning”** will occur when:
- (a) The Company provides its Consultant's certificate to the PQA Engineer that the work included in the Project Scope (Schedule 3) has been functionally completed in all respects and the Terminal is capable of performing in accordance with Schedule 3. For the avoidance of doubt, the establishment, construction, development and/or operation of the New Jetty (which may be undertaken only in accordance with, and subject to the conditions of, Article 3.1(b)), shall not be considered part of the Project Scope for the purpose of issuance of the Certificate of Successful Commissioning.
 - (b) Within thirty (30) days of the date of the Consultant's Certificate, PQA shall, subject to the approval of the PQA Engineer/PQA Consultant of the Consultant's Certificate and Article 4.1 below, issue the Certificate of Successful Commissioning in the form of Schedule 5 or give their reasons as to why the Certificate of Successful Commissioning cannot be issued. The Company shall review the reasons and address them to the satisfaction of PQA to enable the Terminal to perform as aforesaid in accordance with Schedule 3.

- (c) In the event the Company does not agree with the reasons for not issuing the “Certificate of Successful Commissioning” as advanced by PQA, the Company shall forthwith agree to appoint an Expert to inspect the Terminal. The date on which the Expert certifies the capability of the Terminal to perform in accordance with the performance parameters of the Terminal specified in Schedule 3 shall be the date of Successful Commissioning of the Terminal, and the Expert’s certificate shall be deemed to be the Certificate of Successful Commissioning issued as contemplated in this Agreement. The cost and expenditure on the appointment and services of such Expert shall be borne solely by the Company.

Article 4 – Consents

- 4.1. The Company shall make all applications (whether initial or renewal applications) for any Consents required to the appropriate Relevant Authority and shall diligently pursue all such applications. For the avoidance of doubt, Consents include all navigational and safety No Objection Certificates (NOCs) required for the construction and operation of the Project, including those from the Ministry of Maritime Affairs, Pakistan Navy / Maritime Security Agency, the Chief Inspector of Explosives, and any other Relevant Authority with jurisdiction over navigational safety or hazardous operations at or around the Site. The Company shall be solely responsible for procuring and maintaining the Consents throughout the Concession Period and shall submit evidence thereof to the PQA Consultant from time to time upon PQA’s request. The procurement, validity, adequacy and currency of such NOCs shall be to the satisfaction of the PQA Consultant, and evidence of the same to the PQA Consultant’s satisfaction shall be a condition to the issuance of the Certificate of Successful Commissioning under Article 3.28. In this regard, PQA shall use its reasonable endeavours to assist in expediting the said applications with the Relevant Authorities if and when requested by the Company.
- 4.2. The PQA shall promptly issue or cause to be issued all permits, consents and approvals under the PQA Act or otherwise within its power and jurisdiction necessary for the Company to construct, equip, operate, maintain and expand the Terminal in accordance with the Project Scope and this Agreement. Any delay solely attributable to PQA in issuing any such permits, consents and approvals shall extend the time of performance by the Company of any obligation imposed on the Company.
- 4.3. The PQA, without any mandatory obligation shall, whenever and wherever necessary, facilitate the Company in the performance of its obligations to design, insure, procure, construct and complete, own, operate and maintain the Terminal.

- 4.4. With the approval of PQA, the Company may construct, or cause to be constructed, and maintain its office on the Site. Such offices will be constructed and maintained in compliance with applicable health and safety standards. Construction and maintenance of the residential accommodation at the Site for the employees of the Company and/or its Contractors will not be allowed. However, non-residential rest places for operational staff for up to 24 hours/day stay shall be allowed.
- 4.5. The PQA will provide berthing facilities to the Company and its Contractors from its existing berths and moorings at the Port for the purposes of unloading, handling and storage of all plant, equipment, goods, vehicles and cargo imported in connection with and related to the construction, operation and maintenance of the Terminal, subject to payment of PQA Charges and subject to availability of berths/moorings.

Article 5 - Insurance, Indemnities and Risk Management

5.1. Indemnities

- (a) The Company will bear responsibility for any loss of or damage to berths, PQA's services, the IOCB and PSM's equipment thereon or any other property, death or injury to any person (or any claim against PQA in respect thereof) suffered during the design, construction, operation or maintenance of the Project and/or the Terminal resulting from any negligent act or omission of the Company, its agents, employees and/or its Contractors without recourse to the PQA and will hold the PQA, its officers, employees, directors and management, fully indemnified in respect thereof and against all actions, proceedings, claims, liabilities, demands, costs and damages which may be levied or made against PQA relating to the foregoing, save to the extent such loss or damage is caused by PSM and/or any third party in their co-use of the IOCB under Article 3.1 and is not attributable to any negligent act or omission of the Company, its agents, employees and/or its Contractors.
- (b) Subject to the PQA Act, the PQA will bear responsibility and shall indemnify the Company for any loss of or damage to property, death or injury to any person (or any claim against the Company and/or its Contractors in respect thereof) suffered during the design, construction, operation or maintenance of the Project and/or the Terminal resulting from any negligent act or omission of PQA, its agents and servants or the failure of PQA to take reasonable steps in mitigation thereof. The said indemnity shall not extend to any loss, damage, death or injury (or any claim in respect thereof) to the extent that it was caused by any negligent act or omission of the Company and/or its Contractors or the failure of the Company and/or its Contractors to take reasonable steps in mitigation thereof. Provided

that such indemnity shall be limited to the value of the monthly instalment of the MGAP, in which month the incident occurs.

- (c) The indemnities set out in Articles 5.1(a) and 5.1(b) shall not extend to indirect or consequential loss or damage.
- (d) Each Party shall promptly notify the other Party of any claim or proceeding in respect of which it is entitled to be indemnified under this Article 5.1. Such notice shall be given as soon as reasonably practicable, but in any event within 15 (fifteen) days after the relevant Party becomes aware of the same.
- (e) The Company shall be entitled to claim and recover from PSM and/or any third party permitted by PQA to co-use the IOCB (including the IOCB jetty) under Article 3.1, the full amount of any loss, damage, cost or expense, in any form, suffered or incurred by the Company (whether to the IOCB, the IOCB jetty, the New Jetty, if the same is developed, the Project Assets or otherwise) that is caused by or arises out of such co-use by PSM and/or such third party, or their respective agents, employees, contractors or vessels and is not attributable to any negligent act or omission of the Company, its agents, employees and/or its Contractors. For the avoidance of doubt, PQA shall not be obligated to facilitate the Company in this regard.

5.2. Insurance

- (a) From the commencement of the works till the Completion Date and during operation of the Terminal, the Company shall take full responsibility for keeping the Terminal in good order and condition and in conformity in every respect with the requirements of this Agreement, save and except in the case of Force Majeure.
- (b) Without limiting its obligations and responsibilities under the two sub-clauses (a) of Articles 5.1 & 5.2 above, the Company shall insure in the joint names of PQA and the Company against all loss or damage from whatsoever cause arising (other than Force Majeure as defined in Article 13.1 and subject to normal insurance policy conditions) for which the Company and PQA are legally liable under the terms of this Agreement and in such manner that PQA and the Company are both covered from the commencement of the works to the Completion Date and during operation of the Terminal.
- (c) The Company shall insure against the following, but not limited to, identifiable risks:
 - (i). All loss or damage to the works for the time being executed to the estimated current contract value thereof or such additional sum as may

be specified thereto by the Company, together with the material for incorporation in the work at their replacement value.

- (ii). All loss and damage to the construction plant and other items brought onto the Site by the Company to the replacement value of such construction plant and other items.

Such insurance shall be effected with a PACRA AA rated insurance company for which the panel of insurance companies, along with terms of insurance, would require prior approval of PQA, such approvals not to be unreasonably withheld. The Company shall provide to PQA or PQA's representative the policy or policies of insurance and the receipt for payment of the current premiums.

- 5.3. (a) The insurance to be taken out by the Company as per the obligation imposed under Article 5.2(c)(i) at its cost during the construction phase will be:

- (i). Marine Cargo Insurance;
- (ii). Contractors All Risk Insurance;
- (iii). Workmen's Compensation and Employer's Liability Insurance;
- (iv). Third Party Liability Insurance;
- (v). Motor Insurance; and
- (vi). Environmental Liability / Pollution Legal Liability Insurance, having regard to the hazardous materials handling risks associated with ship dismantling and recycling.

(b) The insurance to be taken out by the Company as per the obligation imposed under Article 5.2(c)(ii) at its cost to cover the operation of the Terminal and the Green Power Steel Plant will be:

- (i). Property All Risk Insurance;
- (ii). Machinery Insurance;
- (iii). Ship Repairers' Legal Liability, extended to expressly include liability arising from vessels laid-up, dead-shipped, or otherwise without operative propulsion or power while under the care, custody or control of the Company for dismantling or recycling, including liability for damage caused by such vessels breaking free of their moorings, drifting, listing, or sinking;
- (iv). Workmen's Compensation and Employer's Liability Insurance;
- (v). Third Party Liability Insurance;
- (vi). Motor Insurance;
- (vii). Burglary Insurance;
- (viii). Environmental Liability / Pollution Legal Liability Insurance;
- (ix). Wreck Removal and Marine Salvage Insurance;
- (x). Mooring and Berth Infrastructure Insurance; and

(xi). Business Interruption / Delay in Start-Up Insurance.

(c) The Third-Party Liability Insurance will be arranged by the Company in such a manner that obligations imposed on PQA under Article 5.1(b) will be covered by the insurance.

(d) The following cross-liability clause shall be made a part of the policies:

“In the event of claims being made by reason of (i) personal and/or bodily injuries suffered by any employee or employees of one insured hereunder for which another insured hereunder is or may be liable, or (ii) damage to property belonging to any insured hereunder for which another insured is or may be liable, then this policy shall cover such insured against whom a claim is made or may be made in the same manner as if separate policies have been issued to each insured hereunder, except with respect to the limits of insurance”.

(e) The Company shall require, as a condition of accepting any vessel for dismantling, dead-shipping, or recycling at the Terminal, that the vessel owner or its agent provide evidence of adequate hull, machinery and/or marine insurance (or, in the case of a vessel under tow or without such cover, that the Company's own insurance under this Article 5.3 responds to the vessel while at the Terminal), and that mooring arrangements for any such vessel conform to the standards set out in the Manuals referred to in this Agreement.

5.4. Neither Party to this Agreement shall have any liability to pay compensation or damages to the other (howsoever a cause of action or damages to the other may be framed and including, without limitation, liability in negligence) except pursuant to, or for breach of this Agreement; provided that this provision is not intended to constitute a waiver of any rights of one Party against the other in respect of matters unrelated to (i) this Agreement or (ii) any activity contemplated by this Agreement.

5.5. The Company, at its sole cost and expense, shall obtain and maintain during the term of this Agreement, the insurance set forth in Article 5.3 during the periods mentioned therein. Subject to the PQA's insurance rights herein, the PQA acknowledges that the Lenders may be required to be designated as the loss payees, beneficiaries or additional insured under such policies, as the case may be, and the Company may designate the Lenders as loss payees under the insurance policies and/or assign the insurance policies in favour of the Lenders. The Company shall not be in breach of its obligations hereunder if and to the extent that any particular insurance is unavailable for reasons other than any negligence or default by the Company.

Article 6 - Land Lease and the IOCB License

- 6.1. PQA (as lessor) and the Company (as lessee) shall enter into the Agreement to Lease for the Project Land prior to the grant of the Indenture of Lease. PQA (as lessor) and the Company (as lessee) shall, on the Date of Signing, execute the Agreement to Lease for the Project Land in PQA's standard form set out in Schedule 6, whereby PQA agrees to grant, and the Company agrees to take, the lease of the Project Land; on the terms of the Indenture of Lease
- 6.2. The Agreement to Lease shall:
- (a) Confer on the Company the right to be granted the Indenture of Lease, and to take vacant possession of the Project Land, upon satisfaction of the conditions set out in Article 2 and payment of the amounts due under Article 6.6(b);
 - (b) Entitle the Company to enter upon the Project Land for survey, design, geotechnical investigation and mobilization before execution of the Indenture of Lease, at the Company's risk and cost;
 - (c) Remain in force until superseded by the Indenture of Lease, and be assignable to, and capable of being charged in favour of, the Lenders in accordance with Articles 12.1 and 12.2; and
 - (d) Require the Parties to execute and register the Indenture of Lease in the form set out in Schedule 6 after satisfactory compliance with the terms and conditions of the Agreement to Lease, in accordance with the PQA Land Allotment Policy, on such date as the Parties may agree in writing.
- 6.3. The IOCB License granted under Article 3.1(b) shall:
- (a) Be co-extensive with, and continue for the duration of, the Concession Period or any Renewed Concession Period;
 - (b) Not be capable of termination separately from this Agreement, and shall terminate only upon, and simultaneously with, the expiry or termination of this Agreement in accordance with its terms, unless otherwise mutually agreed in writing between the Parties; and
 - (c) Be subject at all times to the co-use rights of PQA, PSM, and any third party permitted under Article 3.1(b) in respect of the IOCB, and to the Company's related obligations thereunder.
- 6.3.1 The Company shall pay to PQA for the use of IOCB under the IOCB License in advance an Annual License Fee at the rate of annual land rent (inclusive of increments) applicable to

the IOCB area under the PQA Land Allotment Policy. Furthermore, the Company shall pay to PQA in advance the annual maintenance charges, being part of the PQA charges, applicable to the IOCB area under the PQA Land Allotment Policy.

- 6.3.2 The Company shall indemnify PQA against all actions, proceedings, claims, liabilities, demands, costs and damages which may be levied or made against PQA relating to the IOCB.
- 6.4. Upon the satisfactory compliance with the terms and conditions of the Agreement to Lease, the Company and PQA shall enter into the Indenture of Lease, on the terms and conditions set forth in Article 6.6 and in the form set out in Schedule 6, which shall be PQA's standard form of Indenture of Lease prescribed under the PQA Land Allotment Policy. The parties shall cause completion with all due dispatch of such formalities as are incidental to the execution and registration of the Agreement to Lease and the Indenture of Lease granted by PQA in the format as attached in Schedule 6.
- 6.5. The Company shall bear all stamp duty, registration and related charges on both the Agreement to Lease and the Indenture of Lease. In the event of any conflict between the Agreement to Lease and this Agreement, this Agreement shall prevail, and upon its execution, the Indenture of Lease shall supersede the Agreement to Lease.
- 6.6. Notwithstanding, anything contained herein or the scheme and arrangements devised by or for PQA in connection with the grant of leases of its property, it is agreed between the Parties that the Land Lease shall incorporate the following terms and conditions and, accordingly, PQA shall ensure that appropriate actions, steps and measures are taken to give effect to the same as the paramount terms and conditions of the Land Lease:
- (a) The Indenture of Lease shall be such that it remains valid for the period of the Concession and shall be for a period of thirty (30) years from the signing of the Indenture of Lease and shall be automatically extended up to the end of the Concession Period or any Renewed Concession Period (subject to mutual agreement between the Parties in writing in accordance with Article 3.25). Further extension of thirty (30) years shall be applicable, provided that mutual agreement in writing regarding extension of the Concession Period has been reached under Article 3.25. In the event the parties fail to agree to the terms of extension, the Implementation Agreement/Indenture of Lease shall terminate under Article 3.25.
 - (b) The Company shall pay to PQA Charges more particularly described in Schedule 18, as applicable in the circumstances in respect of the various areas of land included in the Land Lease. Such rent and other charges as applicable in the circumstances, shall be payable by the Company to PQA as of the dates on which

vacant possession of the various portions of land is taken by the Company from PQA.

- (c) All the interests and rights of the Company under the Land Lease shall be assignable and transferable in favour of the Lenders or their nominees, and charges and mortgages over the said interest and rights of the Company may also be created in favour of the Lenders or their nominees with the consent of PQA which shall not be unreasonably withheld as stated under clause 12.1 and 12.2 of this Agreement. For any assignment and transfer and / or creation of charges or mortgage as aforesaid any fees, duties, taxes or charges shall be payable by the Company in respect of any of the said matters to the Relevant Authority as applicable. All such assignments/transfers/charges/ mortgages shall be duly recognized by PQA and registered with the applicable Relevant Authority. In the event of such assignment, transfer, charge or mortgage, the Land Lease shall not terminate, (unless the Lenders otherwise agree), until all moneys secured and outstanding to the Lenders are repaid notwithstanding the termination of this Agreement. The Indenture of Lease shall terminate in any event on the date of its expiry unless renewed in accordance with (a) above.
- (d) The Company for the Concession Period and renewal thereof shall exclusively be the owner of the buildings, structures and constructions raised by it on the Site and all facilities established by it. Further, the Company shall not mortgage, charge, pledge, or otherwise encumber, nor purport to create any security or third-party interest over the freehold, ownership or reversionary rights of PQA in the Project Land and IOCB or any part thereof. The Company excluding IOCB shall, however, be entitled to mortgage, charge, assign or otherwise create security over its leasehold rights, title and interest in and to the Project Land and the buildings, structures, plant, machinery and other assets constructed, installed or established by it, in each case in favour of the Lenders or their nominee(s), with the prior written consent of PQA which shall not be unreasonably withheld.
- (e) The Company shall have the right and entitlement to use the Project Land and/or rights attached with it and/or the infrastructure related thereto for its use and enjoyment, including for the construction, management, maintenance and operation of the Terminal and all ancillary and incidental facilities, the provision of non-residential accommodation for its employees, etc., in accordance with the terms and conditions of the Land Lease and this Agreement.
- (f) The Project Land leased to the Company and the IOCB shall be provided to the Company on an “as is, where is” basis. The Company acknowledges that the Site as a whole comprises both (i) the Project Land, and (ii) the IOCB, which require different measures of site preparation and rehabilitation. Accordingly, the

Company shall, at its own cost and expense and without recourse to PQA, undertake:

- (i). In respect of the Project Land, all filling, levelling, grading, reclamation and site-preparation work required for the Project; and
- (ii). In respect of the IOCB, all revival, rehabilitation, upgradation, structural strengthening, repair and refurbishment work.

6.7. The PSM Land shall not form part of the Land Lease or the Site under this Agreement. The Company shall procure the PSM Land directly from the Ministry of Industries and Production / PSM on such terms as may be agreed between the Company and PSM / the Ministry of Industries and Production, and PQA shall provide reasonable assistance to the Company in procuring the same, all as more particularly set out in Schedule 22.

6.8. Throughout the term of the Indenture of Lease, and any subsequent extensions thereto, PQA will, commencing on the date of issue of the Certificate of Successful Commissioning, provide the following services at On-shore Land at the nearest point to the Site:

(a) Access Road

Maintain, in accordance with PQA's prevailing maintenance standards and policies, the asphalt access road from the existing PQA access road to the Terminal in reasonably good order; provided that, where any part of the access road is situated within the Site or otherwise under the control of the Company, the Company shall, at its own responsibility and expense, arrange for any construction, development or refurbishment of such part.

(b) Potable Water

At the nearest point to the Site, supply of potable fresh water on payment of the PQA's normal charges for water subject to availability or any suspension / breakdown or short supply from the main source. Twenty-four hours continuous water supply is not guaranteed. The Company shall construct storage tanks of adequate capacity to store water in its own area for its use. Water sold to third parties by the Company shall be subject to PQA's approval.

(c) Foul Effluent - Sewage

Provide, operate and maintain in good order at On-shore Land at the nearest point to the Site a system if available, able to accept effectively sewage which has

been treated by the Company according to National Environmental Quality Standards for effluent discharge, produced by the work force.

(d) Electric Power, Telephone, Gas and other utilities

The Company shall at its own responsibility and expense, arrange for power supply, telephone, gas and other utilities.

Article 7 - Construction Phase

- 7.1. The Company shall engage the Contractor(s) with relevant experience to design, engineer, construct, test, start up and commission the Project in accordance with the Project Scope and this Agreement, international practices, standards and specifications and notify PQA accordingly.
- 7.2. The Company shall cause the Contractor(s) to adhere to the Implementation Schedule.
- 7.3. The Company's Project Execution Guidelines (as per Schedule 2) will be provided to the Contractor(s), and the Company shall require strict compliance with the Implementation Schedule from the Contractor(s). The Contractor(s) may utilize their own project management system; however, the Contractor(s) will be required to demonstrate compliance with the timely output of such system information with the Company's system and cooperate with the Company to establish an interface procedure between the two systems. The minimum output will be:
 - (a) Overall Project Schedule
 - (b) Milestone Schedule
- 7.4. During the Construction Phase, PQA shall ensure:
 - (a) Co-ordination of the movement of crafts / vessels around the Site;
 - (b) Access to an existing PQA berth for unloading plant, equipment and materials for construction purposes;
 - (c) The provision of a PQA berth on a priority basis for use by the Company for loading barges and work boats on payment of PQA Charges;
 - (d) Allocation of an area in the vicinity of the construction Site for the disposal of dredged material or other spoil and debris; and

- (e) Temporary allocation of suitable and adequate area for Contractor(s) as close to the construction Site as possible for the construction purpose at the request of the Company as per applicable PQA Charges, subject to availability of access road to the boundary road of the Site, presently available or established by the Company at its own cost and expense.

Article 8 – Immigration and Controls

- 8.1. The Company shall make applications to the Relevant Authorities as per their procedures, in respect of all foreign nationals seeking to enter Pakistan on behalf of the Company or its sub-contractors for the purposes of the Project. In making such application, the Company shall comply with all Laws of Pakistan applicable thereto. PQA shall, if requested, promptly assist in expediting all work permits, employment passes, dependent's passes, visas and other permits, if necessary, for foreign nationals involved in the Project. In the event any permits, "no-objections" or approvals are required from PQA, PQA will grant such permits, "no-objections" and approvals promptly and shall not unreasonably withhold or delay such permits, "no-objections" or approvals.

Article 9 - Safety and Security, Emergency and Hazards

- 9.1. PQA shall provide all such security personnel as are appropriate for the protection and security outside of the Site within the Port area. From time to time, the Company may itself provide or request additional security forces from GOP or GOS or private security services to meet unusual security requirements under the exclusive control and direction of GOP or GOS with the consent of PQA. No such provision or request by the Company shall preclude a claim under any of the provisions of Article 13 by the Company, nor shall the provision of security forces by the GOP or the GOS be deemed of itself to be an admission or agreement by PQA that Force Majeure has occurred.
- 9.2. All other provisions related to the security requirements of the Site and at and around the Terminal and in respect of the vessels using the Terminal, including accident prevention policies and procedures, hazardous materials handling and ship dismantling safety protocols, will be detailed in a security manual and an accident prevention and safety manual (the "**Manuals**" and each of them a "**Manual**") which will specify and incorporate the respective responsibilities and obligations of PQA and the Company, their servants and agents, employees and personnel, the Contractors and their representatives, which will be jointly developed by PQA and the Company by the Completion Date.
- 9.3. The responsibilities and obligations of PQA and the Company in connection with the prevention of emergency situations, spills and in relation to dealing with such emergency situations or spill hazards will be included in the Manuals.

- 9.4. (a) The Company's internal security arrangements and policies will be included in the Manuals.
- (b) The Company will fence the area comprising the Site, which area will be out of bounds for any unauthorized personnel. Unauthorized persons and cargo will also not be allowed entry at the Site or Port area without proper authorization from the Company who, in turn, will obtain the necessary clearance from PQA and the customs authorities.
- (c) The Company will endeavor to ensure that no contraband or drugs are allowed anywhere on the Terminal. No person with arms and explosives, except authorized security guards, shall be allowed at the Terminal.
- 9.5. PQA and the Company are responsible for accident prevention and safety in their respective areas of jurisdiction. The policies and administration of the Company's safety program covering accident prevention and safety procedures will include the coordination of such procedures with PQA. Measures for fire protection, handling of hazardous materials, industrial hygiene, requirements for personnel protective equipment, life-saving equipment, machinery guarding procedures, crane operation, offshore personnel transfer, gas accumulation and explosion will be covered in the Manuals.
- 9.6. Emergency handling procedures designed to mobilize employees in a planned manner to respond immediately to emergency situations arising out of vessel casualty, medical casualty, casualties arising out of damage to the Port and the Terminal by incidents such as fire, explosion, aircraft disaster, adverse weather, natural disasters, man overboard and driving accidents are of general applicability to both PQA and the Company and will be detailed in the Manuals.
- 9.7. The PQA shall have a primary role to play in any emergency situation through its control and communications center (referred to as the **"Control Tower"**). The PQA will be responsible for communicating timely warnings regarding the emergency, initiation of emergency shut down procedures and spill contingency plans as set out in the Manuals.
- 9.8. The Company will be responsible for firefighting within the Terminal. Both the PQA and the Company will organize their own teams and procedures for dealing with various types of medical casualties, fatalities, serious and non-serious injuries, methods of dealing with accidents arising out of natural, accidental and criminal causes. The Company will document and publicize evacuation contingency procedures. In addition, a station bill indicating clearly the emergency duties of all personnel will be posted prominently at the Terminal as set out in the Manuals.

- 9.9. The alarm types and systems to be used by PQA and the Company will be coordinated through the Control Tower. PQA and the Company will develop a joint program and routine for emergency drills as set out in the Manuals.
- 9.10. Use of mobile phones, walkie-talkies, pager systems etc., will be permitted at the Terminal by PQA unless restricted or forbidden by GOP or any Relevant Authority.

Article 10 - Custom Duties and Import Controls

- 10.1. The Company shall have no liability whatsoever in respect of payment of any import license fees, customs duties, iqra surcharge, octroi or other GOP/GOS levy/ tax / cess whatsoever charged or levied on the goods, materials or other products handled and / or transmitted through the Terminal which are not owned by the Company.
- 10.2. The Company shall be liable for all payments of any import license fees, custom duties, surcharge, octroi or other GOP / GOS levies / taxes / cess whatsoever charged or levied in respect of assets, equipment, machinery and any other items of any kind whatsoever, for the permanent or temporary use or inclusion in the Terminal or the Green Power Steel Plant whether or not owned by the Company.
- 10.3. PQA shall not assume any tax liability legally attributable to the Company and the Company shall not assume any tax liability legally attributable to PQA.

Article 11 - Foreign Exchange and Transfer of Funds

- 11.1. The foreign currency exchange and transfer abroad of all funds shall be governed by the State Bank of Pakistan under the Foreign Exchange Regulation Act, 1947, as amended from time to time, and rules and the regulations made thereunder and the applicable Laws of Pakistan.
- 11.2. Without prejudice to Article 11.1, wherever any sum payable by one Party to the other under or in connection with this Agreement is denominated in, or determined by reference to, a currency other than Pakistani Rupees, that sum shall, for the purpose of payment, be converted into Pakistani Rupees at the National Bank of Pakistan Selling (TT) Rate prevailing on the date of actual payment. This Article 11.2 applies to all amounts payable under this Agreement, including, without limitation, the PQA Charges, the Revenue Sharing Percentage, the Minimum Guaranteed Annual Payment, and any compensation or Transfer Value payable on termination of this Agreement, save where this Agreement expressly provides otherwise.

Article 12 – Assignment, Transfer and Lenders Rights

- 12.1. Neither Party may assign or transfer this Agreement or its rights or obligations hereunder without the prior written consent of the other Party which consent shall not be unreasonably withheld.
- 12.2. Notwithstanding Articles 3.1, 3.10 and 12.1, the Company may assign, transfer or create any security/charge(s) over its rights and interests, under or pursuant to (a) this Agreement, (b) any other agreement, document or instrument included within the Security Package, (c) its leasehold interest in and to the Project Land, (d) the Terminal (excluding the IOCB), (e) the movable property and intellectual property of the Company, (f) and any other rights and assets of the Company, subject to the consent of the PQA which shall not be unreasonably withheld. The holder of any security created under this Article 12.2 shall not be prevented or impeded by PQA from enforcing such security/charge in accordance with its terms. The mortgage of the Site, being owned by the PQA, shall not be permitted, but the leasehold rights of the Company and its assets created over and on the Site as aforesaid shall be permitted to be mortgaged, assigned, charged, secured, etc., as provided herein.
- 12.3. The Parties recognize and acknowledge that the Lenders, while considering the grant of financial assistance, would rely on the provisions of this Agreement, in particular those which are intended to confer certain rights, interests and benefits upon them. PQA shall not take any discriminatory action which materially and adversely affects the interests of the Lenders under this Agreement and the Financing Agreements. Unless the Lenders otherwise agree, the security/charge so created (including, without limitation, the leasehold interest in respect of the Project Land under the Land Lease and any security by way of assignment, mortgage or charge created thereon) shall survive the termination of this Agreement until the repayment in full of all obligations of the Company under the Financing Agreements.
- 12.4. The Company shall ensure that no Change of Control of the Company occurs without the prior written consent of PQA. For the purposes of this Article 12.4, "**Change of Control**" means any transaction or series of transactions as a result of which the Sponsor (together with its Affiliates) ceases to directly or indirectly hold, legally and beneficially, at least [51]% of the voting shares and voting rights of the Company, or otherwise ceases to have the power to direct or cause the direction of the management and policies of the Company, whether through ownership of voting securities, by contract, or otherwise. The Sponsor shall maintain, and shall procure that the Company maintains, the shareholding referred to in this Article 12.4 throughout the Concession Period and during any Renewed Concession Period. Any proposed Change of Control shall remain subject to PQA's prior written consent under this Article 12.4, but not to the minimum-shareholding restriction

in this sentence. Nothing in this Article 12.4 shall restrict any assignment, transfer or creation of security permitted under Article 12.2.

Article 13 - Force Majeure

13.1. In this Agreement "**Force Majeure**" means with respect to any Party, any event or circumstances or combination of events or circumstances beyond the reasonable control of such Party and which materially and adversely affects the performance by such Party of its obligations or the enjoyment by such Party of its rights under or pursuant to this Agreement; provided that either Party may not invoke such material and adverse effect, in the event that such adverse effect has occurred due to the failure of such Party to perform its obligations under this Agreement. Without limitation to the generality of the foregoing, the following events and circumstances to the extent that they satisfy the above requirements shall be deemed to be events of Force Majeure:-

- (i) any material effect of the natural elements, including lightning, fire, earthquake, tsunami, flood, storm, cyclone, typhoon or tornado;
- (ii) explosion resulting from an act of war;
- (iii) epidemic or plague;
- (iv) act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, civil commotion, act of terrorism or sabotage.
- (v) radioactive contamination or ionizing radiation;
- (vi) any event or circumstances of a nature or having an effect analogous to any of the foregoing, but not including (i) any change in law; (ii) any event or circumstance arising in relation to any use, access, co-use or shared use of the IOCB Berth and its ancillary facilities by PQA, PSM, and/or any third party as permitted under Article 3.1(b) of this Agreement, and (iii) any failure of the Company to agree, coordinate, or implement co-use arrangements between the Company and PSM and/or such third party.

13.2. Notice of Force Majeure

- (a) The Party claiming Force Majeure shall give notice to the other Party of any event of Force Majeure as soon as reasonably practicable, but not later than seven (7) working days after the date on which such Party knew or should reasonably have known of the commencement of such event of Force Majeure. Notwithstanding

the above, if the event of Force Majeure results in a breakdown of communications rendering it not reasonably practicable to give notice within the applicable time limit specified herein, then the Party claiming Force Majeure shall give such notice as soon as reasonably practicable after the reinstatement of communications, but not later than one (1) working day after such reinstatement.

- (b) The Party claiming Force Majeure shall give notice to the other Party of (i) the cessation of the relevant event of Force Majeure, and (ii) the cessation of the effects of such event of Force Majeure on the enjoyment by such Party of its rights or the performance by it of its obligations under this Agreement as soon as practicable after becoming aware of each of (i) and (ii) above but, in each case subject, mutatis mutandis, to the second sentence of Article 13.2(a) within seven (7) working days after becoming so aware.
- (c) A Party shall not be excused pursuant to Article 13.4 for any failure or delay in complying with its obligations under or pursuant to this Agreement until the notice mentioned in Article 13.2(a) shall have been given, provided, however, that, if the said notices shall have been given within the period mentioned in Article 13.2(a), such Party shall be excused for such failure or delay pursuant to Article 13.4 from the commencement of the relevant event of Force Majeure.

13.3. Mitigation

The parties shall use their reasonable endeavours to mitigate the effects of any event of Force Majeure affecting the enjoyment by each of them of their rights or the performance by them of their respective obligations under this Agreement and shall consult with each other with a view toward resolving the condition created by such Force Majeure in a mutually satisfactory manner.

13.4. Consequence of Force Majeure

Except as provided in Article 13.2(c), a Party shall not be liable for any failure or delay in complying with its obligations under or pursuant to the Agreement to the extent that such failure has been caused, or materially contributed to, by one or more event(s) of Force Majeure or its or their effects or by any combination thereof, provided however, that no relief shall be granted to a Party pursuant to this Article 13.4 to the extent that such failure or delay would have nevertheless been experienced by such Party had such event of Force Majeure not occurred. A Party affected by an event of Force Majeure shall not have any liability to the others for any liquidated damages obligations in respect of which such liquidated damages would be payable pursuant to this Agreement. Other than the

obligations set forth herein or for breaches of this Agreement, and without prejudice to the parties' rights to indemnification pursuant to Article 5, a Party shall not bear any liability for any loss or expense suffered by the other as a result of an event of Force Majeure. The Parties agree that following the Completion Date or 24 (twenty-four) months from the Date of Effectiveness, if there occurs a Force Majeure Event, the Concession Period shall be extended for a period equal to the number of days such Force Majeure was in effect.

- 13.5. If the event of Force Majeure has caused the construction or operation of the Terminal, to cease as the case may be, for a period of thirty (30) consecutive days then PQA and the Company shall consult with each other with a view towards resolving the condition created by any such an event of Force Majeure in a mutually satisfactory manner. If PQA and the Company do not agree on any mutually satisfactory action within a period of ninety (90) days thereof then if such Force Majeure event still prevails PQA or the Company may terminate this Agreement by giving written notice to the other Party, whereupon, subject to the provision of Article 15, this Agreement shall immediately terminate. Until this Agreement is so terminated nothing herein shall excuse the Company and PQA from fulfilling their respective obligations hereunder which are not materially affected by the said event of Force Majeure.

Article 14 - Operations

- 14.1. Operation of the Terminal will be governed by an Operation Manual which will be developed by the Company and approved by PQA by the Completion Date. This Operations Manual will recognize the existence of the Port Qasim Authority Regulations, 1981, published in the Extraordinary Gazette of Pakistan, dated October 17, 1981 and International Maritime Organization (IMO), GOP, PQA and other Relevant Authorities' statutes, rules & regulations and practices applicable for goods and materials handled at the Terminal and attempts to elaborate on the policies already being followed and define new provisions / modifications to the existing provisions that will be necessitated on account of the berthing Terminal. The Operations Manual will also describe the detailed methodology of the operation of the Terminal and the interfaces of the Company's procedure with PQA's operational procedures and regulations.
- 14.2. The Navigational Channel will be defined, marked by buoys, and maintained by PQA. PQA will provide Pilots' Operations Room Officer (ORO) and navigational assistance to vessels through the Navigational Channel to the berth. The procedure for navigation through the Navigational Channel, the equipment requirements of the vessels, and the responsibilities of the pilots will be incorporated in the Operations Manual after agreement with PQA. Relevant clauses will be communicated to the clients well in time. If a vessel does not have equipment that conforms to the minimum standards to be set out in the Operations

Manual, or is otherwise unsuitable or unacceptable for repair, dismantling or recycling at the Terminal, PQA / the Company shall have the right not to accept the vessel for unloading.

- 14.3. In case of detention of any vessel due to non-payment of PQA Charges, judicial arrest, or immobilization of a vessel for repairs, PQA / the Company will endeavor to ensure that the vessel is removed from the Terminal.
- 14.4. Subject to operational exigencies, PQA will use the principle of first come, first serve basis to provide the use of Navigational Channel, pilotage and tugage, etc. to all ships destined for and arriving at the outer anchorage of Port Qasim including but not limited to the vessels berthing at the Terminal, the existing terminals and any other future terminals that PQA may setup itself or through the Private Sector.

Article 15 - Termination and Compensation

- 15.1. The right to Build, Operate & Transfer (BOT) and IOCB License granted by PQA to the Company pursuant to Article 3.1 of this Agreement shall only be terminable in accordance with the specific provisions of this Agreement, including in particular, but not limited to, Articles 2.4, 3.25, 6.6(a), 13.5, 15 and 18.26. Prima facie, the termination of this Agreement is not foreseen. However, if an event entitling either Party to terminate this Agreement does occur, the matter of compensation will be settled according to the rules as provided hereinafter.
- 15.2. In the event of this Agreement being terminated prior to the expiry of the Concession Period, the Parties shall, for the purposes of matters of compensation or Transfer Value provided hereinafter on such termination, immediately appoint an Expert acceptable to both Parties in accordance with the mechanism described in Article 16, whose costs shall be borne equally by the Parties. Any determination made by the Expert in respect of the compensation or Transfer Value shall be final and binding on the Parties, save for manifest error or fraud, and subject to Article 16 only on those grounds. If any Party disagrees with the determination of the Expert, it shall be entitled to initiate dispute resolution proceedings under Article 16 of this Agreement.
- 15.3. If the provisions of Article 13.5 become applicable, PQA shall have the option, by three (3) months' written notice within one year of termination of this Agreement, of taking over or assigning or transferring the Terminal for the unexpired part of the Concession Period against compensation payable by PQA to the Company, based upon the Transfer Value of the Terminal at the time of termination determined by the Expert appointed under Article 15.2 above. The Expert shall, for the purposes of Transfer Value of the Terminal, without taking into account the value of the Project Land, Site and IOCB Berth (excluding ancillary structures erected and equipment installed by the Company), include, relating to the Terminal, the debts, liabilities, depreciation, dilapidation, defect(s),

damage and destruction and other factors/events, and, without regard to the value of the business carried on in the Terminal as a going concern, base the Transfer Value of the Terminal on a non-functional and vacant basis. If PQA does not exercise its option or make the due compensation to the Company within the stipulated period of two (2) years under Article 15.7 of this Agreement, the Company shall be entitled to assign and transfer the Terminal for the unexpired part of the Concession Period under Article 12 to a third party, subject to the approval of PQA, which approval will not be unreasonably withheld.

- 15.4. If the provisions of Article 18.26(a) become applicable (Company Events of Default), there shall be no compensation amount payable by PQA to the Company. In the event of termination of this Agreement due to a Company Event of Default, PQA shall be entitled to take over possession and control of the Project, and the Company shall transfer the Project Assets to PQA immediately upon such termination under this Clause 15.4.
- 15.5. If the provisions of Article 18.26(b) (PQA Events of Default) become applicable, the Company shall be paid under this Article 15.5, in addition to the net worth, a fee in the amount of a mutually agreed percentage of the said net worth. In case PQA is not willing to take over the Terminal as explained above, the Company will be entitled to assign its rights under this Agreement to a third party for the unexpired part of the Concession Period under Article 12, subject to the approval of PQA, which approval will not be unreasonably withheld.
- 15.6. In the event this Agreement is terminated on or after Successful Commissioning and commencement of operations of the Terminal, a joint survey and audit will be carried out immediately thereafter of all movable and immovable assets of the Company, and a Transfer Value will be determined by the Expert, without taking into account the value of the Project Land, Site and IOCB Berth (excluding ancillary structures erected and equipment installed by the Company), being the net value of the total assets, and PQA will pay such Transfer Value to the Company. However, no such payment of Transfer Value will be made by PQA if the Agreement is terminated on or after Successful Commissioning due to a Company Event of Default. In case PQA is not willing to take over the Terminal as explained above, the Company will be entitled to assign its rights under this Agreement to a third party under Article 12, subject to the approval of PQA, which approval will not be unreasonably withheld.
- 15.7. In any event of termination of this Agreement after Successful Commissioning, until either the compensation amounts or Transfer Value as the case may be are paid within two years of termination to the Company or appropriately secured to be paid, the Company shall continue to own, manage and operate the Terminal and be entitled to receive all charges and other payments under this Agreement; provided that the Company shall, during this period, continue to pay the MGAP to PQA; provided further that the Company shall not

be entitled to continue to own, manage, and operate the Terminal in the event of termination of this Agreement before Successful Commissioning.

- 15.8. In the event of a failure to agree on the compensation or Transfer Value amounts hereunder, the Dispute shall be resolved pursuant to Article 16 of this Agreement.

Article 16 - Resolution of Disputes

- 16.1. If any dispute or difference of any kind whatsoever (the "**Dispute**") shall arise between PQA and the Company in connection with or arising out of this Agreement, the parties shall immediately notify the other Party ("**Notice of Dispute**") and attempt to settle such Dispute in the first instance within fifteen (15) days of issuance of the Notice of Dispute by mutual discussions between the Company and PQA.
- 16.2. Any Dispute of a financial or technical nature shall, if not resolved by mutual discussions under Article 16.1, be referred to and determined by an Expert in accordance with this Article 16.2 before any reference to arbitration under Article 16.3(c).
- (a) Either Party may notify the other Party of the Dispute and require the appointment of an Expert within fifteen (15) days from the date of such notice ("**Notice of Nomination of Expert**"). The Expert shall be nominated by the Company, as recommended by the Company Consultant, within the aforesaid fifteen (15) day period. The Expert shall be a suitably qualified and independent person, having no interest or duty conflicting with the subject matter of the Dispute (the "**First Nomination**").
 - (b) If PQA accepts the First Nomination, it shall, within fifteen (15) days of receipt of the Notice of Nomination of Expert, issue a notice to the Company recording its acceptance of the First Nomination, and the Expert shall formally be appointed for the determination of the Dispute ("**Notice of Appointment of Expert**").
 - (c) However, if PQA rejects the First Nomination on reasonable grounds (including, but not limited to, bias or other technical inability of the nominee to act as an Expert), it shall issue a notice to the Company within fifteen (15) days of receipt of the Notice of Nomination of Expert, rejecting the First Nomination and requesting the nomination of another Expert ("**Notice of Rejection of Nominee**"). Thereafter, the Company shall nominate another Expert, as recommended by the Company Consultant, within fifteen (15) days of receipt of the Notice of Rejection of Nominee (the "**Second Nomination**").
 - (d) In the event of either: (i) the Company failing to make the First Nomination under Article 16.2(a); (ii) the Company failing to make the Second Nomination under Article 16.2(c); or (iii) PQA rejecting the Second Nomination, in each case, within the

stipulated period of appointment or rejection, then PQA shall be entitled to appoint the Expert itself in its sole discretion.

- (e) The Expert shall act as an expert and not as an arbitrator. The Expert shall determine the Dispute in accordance with this Agreement and the Laws of Pakistan, shall have the power to determine the procedure (including whether to receive oral submissions), and shall give each Party a reasonable opportunity to make written submissions. The Expert shall issue a reasoned written determination within thirty (30) days of accepting the appointment, or such other period as the Parties may agree or the Expert may reasonably require.
- (f) In respect of any Dispute which this Agreement expressly provides shall be referred to an Expert, the Expert's determination shall, in the absence of manifest error or fraud, be final and binding on the Parties. In respect of any other Technical/Financial Dispute, the Expert's determination shall likewise be final and binding unless, within thirty (30) days of the determination, a Party refers the Dispute to arbitration under Article 16.3(c).
- (g) The costs of the expert determination shall be borne equally by the Parties, or as the Expert may otherwise determine, having regard to the conduct and outcome of the determination; each Party shall bear its own costs of participating.
- (h) The obligations of the Parties to continue performance during a Dispute (Article 16.3(d)) shall apply equally during any expert determination under this Article.

16.3. (a) If the Dispute cannot be settled by mutual discussions within the fifteen (15) day period specified above or any other extended period (mutually agreed in writing), or by expert determination under Article 16.2, then the Dispute shall be finally settled under the provisions of Article 16.3(c). An attempt to settle a Dispute by mutual discussions and/or expert determination as provided for above shall be a condition precedent to proceeding to arbitration under Article 16.3(c) or any other action / remedy under law.

- (b) This Agreement shall be governed by and construed in accordance with the Laws of Pakistan.
- (c) Any Dispute arising out of or in connection with this Agreement or even the termination thereof shall (regardless of the nature of the Dispute) be referred to arbitration by two arbitrators, one to be appointed by each Party and an Umpire appointed jointly by the arbitrators before entering upon the reference in accordance with the Pakistan Arbitration Act, 1940 and any amendment or re-enactment thereof. The venue of the arbitration proceedings shall be the city of

Karachi in Pakistan, and the arbitration proceedings shall be held in the English language. Arbitration as aforesaid shall be a condition precedent to any other action under law.

- (d) Notwithstanding any provisions under (a), (b) and (c) above during the pendency of a Dispute (i) the Company undertakes to continue the construction, development, operation and maintenance of the Terminal and (ii) PQA undertakes to continue to perform its services and obligations, in either case without any stoppage / impediment.

Article 17 – Notices

17.1. All notices or other communications (together the "**Notices**") to be given or made hereunder shall be in writing, be addressed for the attention of the person indicated below and shall either be delivered personally or sent by registered post, courier or fax. All Notices given by fax shall be confirmed in writing delivered or sent as aforesaid, but the failure to so confirm shall not vitiate the original Notice. The addresses for service of parties and their respective fax numbers shall be:

- (a) In the case of the PQA:

Address: Port Qasim Authority
P.O. Port Qasim
Karachi - 75020

Fax No.: (+92-21) 3473 0108

Attention: PQA Representative

- (b) In the case of the Company:

Address: _____

Fax No.: _____

Attention: Chief Executive Officer

Or such other addresses and fax number as either Party may previously have notified to the other Party upon actual delivery or receipt thereof at the address for service mentioned above.

Article 18 - Miscellaneous

18.1. All additions, amendments and variations to this Agreement shall be binding only if in writing and signed by duly authorized representatives of the Parties.

18.2. (a) This Agreement represents the entire understanding between the Parties in relation to the subject matter hereof and will supersede the Guidelines, the Proposal and the LOI insofar as any of their provisions are inconsistent with or contrary to the provisions of this Agreement.

(b) In the event of any conflict, the provisions of the main body of this Agreement shall take precedence over the provisions set forth under the Schedules.

18.3. No waiver by either Party of any default by the other in the performance of any of the provisions of this Agreement:

(a) shall operate or be construed as a waiver of any other or further default whether of a like or different character; and

(b) shall be effective unless executed in writing by an authorized representative of such Party.

The failure by either Party to insist on any occasion upon the performance of the provisions of this Agreement or time or other indulgence granted by one Party to the other shall not thereby act as a subsequent waiver of such breach or acceptance of any variation.

18.4. This Agreement shall not be terminated except in the circumstances expressly set out in this Agreement.

18.5. Each of the parties 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 construction, operation, maintenance, management and financing of the Project and any other information which is of a confidential nature and shall not (save as required by law or appropriate regulatory authorities or to prospective lenders to, or investors in, the Company or to the professional advisors of the parties hereto or of such lenders or investors as aforesaid or to the Contractors) 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.

- 18.6. The provision of Article 18.5 shall not apply to:
- (a) any information in the public domain otherwise than by breach of this Agreement;
 - (b) information in the possession of the receiving Party thereof before divulgence as aforesaid, and which was not obtained under any obligation of confidentiality; and
 - (c) information obtained from a third party who is free to divulge the same, and which is not obtained under any obligation of confidentiality.
- 18.7. The Company shall make arrangements for the appointment of a firm of independent chartered accountants as auditors that shall be chosen by the Company from a panel of names provided by PQA, which shall include (if they are operating in Pakistan), not by way of limitation, Fergusons (PwC), KPMG and EY.
- 18.8. The Company shall, as soon as available but in any event within one hundred and eighty (180) days after the end of each financial year, furnish to PQA in English two (2) copies of its complete financial statement for such financial year (which are in agreement with its books of accounts and prepared in accordance with accounting principles which are generally accepted in Pakistan and consistently applied), together with an auditors' report thereon, all in accordance with the requirements of the Companies Act, 2017.
- 18.9. The Company shall, within fourteen (14) days of any decision pertaining to the change of its management, directors, or chief executives becoming effective, report any such change in the appointment of its Chief Executive, Directors, Chief Financial Officer and Secretary to PQA.
- 18.10. The Company and PQA each declare and affirm that they have not paid/received nor has it undertaken to pay/receive any commission, bribe, pay-off or kick-back and that it has not in any other way or manner paid/received any sums, whether in PKR or foreign currency and whether in Pakistan or abroad, or in any other manner given or offered or taken to give/receive any gifts and presents in Pakistan or abroad, to any person or company to procure this Agreement. The Company and PQA undertake not to engage in any of the said or similar acts during the term of this Agreement.
- 18.11. This Agreement may be executed in four (4) counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

- 18.12. PQA shall appoint the PQA Consultant for carrying out the duties assigned by PQA from time to time. The cost of services of the PQA Consultant shall be borne by the Company, as provided for in Schedule 18. A tripartite agreement shall be executed between PQA, the PQA Consultant and the Company. The Company shall pay to PQA a Consultant / PQA Project Management Unit (PMU) fee at the rate(s) set out in Schedule 18. In case of any expansion of the existing Terminal, the Company shall also pay the agreed fee to the PQA Consultant.
- 18.13. Except as may otherwise be provided, PQA shall in all matters be represented by the PQA Representative and the Company shall from time to time be advised in writing of the PQA Representative.
- 18.14. The PQA Representative shall carry out such duties in issuing decision, certificates and orders as are specified in this Agreement to be performed by PQA.
- 18.15. The PQA Representative may from time to time in writing delegate to the PQA Engineer any of the powers and the authorities vested in him and shall furnish to the Company a copy of all such written delegation of power and authorities.
- 18.16. The PQA Engineer shall perform all such duties as are required to be performed under this Agreement. He shall not, except as expressly provided in the Agreement amend any work involving delay in completion or cause any extra payment by PQA or make any variation of/or in the Project Scope as described in Schedule 3.
- 18.17. (a) This Agreement shall in all respects be read and construed and shall operate as a contract, in conformity with the Laws of Pakistan and, subject to Article 16, the courts at Karachi shall have jurisdiction for adjudicating any dispute arising hereunder.
- (b) The Company undertakes to abide by all laws, rules, regulations in force in Pakistan and the bye-laws, orders, directives, instructions and ordinances issued thereunder by the competent authority from time to time unless otherwise exempted from any such laws and regulations.
- (c) The Company shall keep PQA indemnified against all penalties and liabilities of any kind arising wholly and directly as a result of a breach by the Company, or its contractors, agents, employees etc. as the case may be, of any Law of Pakistan or applicable regulations or bye-laws.
- 18.18. The language shall be English according to which this Agreement is to be construed and interpreted.

- 18.19. From the commencement of the Project till the expiry of the Land Lease, the Company shall take full responsibility of the care thereof in accordance with the provisions of this Agreement.
- 18.20. All fossils, coins, articles of value or antiquity and structures and other remains or things of geological or archaeological interest discovered on the Site of the Project shall be deemed to be the absolute property of PQA. The Company shall take reasonable precautions to prevent workmen or any other persons from removing or drawing any such article or thing and shall immediately upon discovery thereof and, before removal, acquaint PQA of such discovery.
- 18.21. The Company shall save harmless and indemnify PQA from and against all claims and proceedings for or on account of infringement of any patent rights, design, trademark or name or other protected rights in respect of any construction plant, machinery or material etc. used by the Company for or in connection with Project or any of them and from and against all claims proceedings, damages cost charges and expenses whatsoever in respect thereof in relation thereto.
- 18.22. All operations necessary for the execution of the Project shall, so far as compliance with the requirement of the Project reasonably permit, be carried on so as not to interfere unnecessarily or improperly with the convenience of the public or the access to use and occupation of public or private roads and footpaths to or of properties in the PQA area whether in the possession of PQA or of any other person. PQA shall take all necessary measures to facilitate all such operations by the Company and its Contractors as may be appropriate for the execution of the Project.
- 18.23. The Company shall use every reasonable means to prevent any of the highways or bridges communicating with or on the routes to the Site from being damaged by moving special load or otherwise or injured by any traffic. The Company shall be responsible for any such damage to highway or bridge due to moving construction plant, machinery, material and equipment for the Project and the Company shall indemnify PQA in respect of all claims demands proceedings, damages, costs, charges and expenses in relation thereto if such damage has been caused by the negligence of the Company or its Contractor. Where the nature of the work is such as to require the use by the Company of water borne transport the foregoing provisions of this Article 18.23 shall be construed as though highway included a lock, dock sea wall or other structure related to a waterway.
- 18.24. The Company shall, in accordance with the requirements of PQA, afford all reasonable access for carrying out their work to any other contractors/ companies employed by PQA and their workmen and to the workmen of PQA who may be employed near the Site for any work not included in this Agreement or ancillary to the works herein in case it is

essential for such persons to access through or upon the Site in accordance with the provisions of Article 9.4.

- 18.25. If the Company shall fail to achieve Successful Commissioning of the Project in time pursuant to Article 3.20 and 3.28 hereof, as a result of default attributable to the Company and not attributable to any act or omission of PQA, then the Company, without prejudice to PQA's minimum guaranteed revenue, shall be liable to pay, till either of (i) Successful Commissioning of the Project or (ii) termination in accordance with Article 15 (as applicable), liquidated damages for every day of delay, such damages not exceeding the total amount of MGAP payable by the Company to PQA for each day of the delay, or in the event of termination, the total amount of MGAP which has accrued till the date of such termination (the "**Liquidated Damages**"), which are a reasonable pre-estimate of the loss to be suffered by PQA due to the default by the Company. If PQA is of the view that liquidated damages have become due and payable by the Company, PQA shall issue an invoice to the Company, and such invoice shall set out the factual basis upon which such liquidated damages are claimed. The Company shall make payment of such liquidated damages within two weeks of receipt of the said invoice. If the Company wishes to dispute the invoice for liquidated damages, it shall do so by notice in writing within two weeks of receipt of the invoice. Any dispute regarding liquidated damages shall be resolved pursuant to Article 16 of this Agreement. Upon the Company failing to pay or dispute the invoice for liquidated damages within two weeks of receipt thereof, PQA may, without prejudice to any other method of recovery, invoke encashment of the Construction Period Performance Bond, to the extent of the amount specified in the invoice for liquidated damages, for the recovery of such liquidated damages. The recovery of such damages shall not relieve the Company from the obligation to complete the Project or from any other of its obligations and liabilities under this Agreement.
- 18.26. The following events shall constitute Company Events of Default ("**Company Events of Default**") or PQA Events of Default ("**PQA Events of Default**"), as the case may be, entitling either PQA to terminate this Agreement in accordance with Article 15.4, or the Company to terminate this Agreement in accordance with Article 15.5.
- (a) If the Company shall have:
- (i). abandoned the Project / Terminal for more than sixty (60) days without sufficient cause;
 - (ii). a final receiving order made against it;
 - (iii). made a general arrangement with or assignment in favour of the Company's creditors detrimental to the interests of PQA.
 - (iv). filed petition for winding-up;

- (v). gone into liquidation;
- (vi). committed a serious breach of the environmental laws, rules, or regulations of Pakistan or lost a material Consent;
- (vii). breached the provisions of Article 12.4 of this Agreement by permitting a Change of Control without the prior written consent of PQA;
- (viii). failed to achieve Financial Closing within twelve (12) months from the Date of Effectiveness;
- (ix). failed to deliver or renew the Concession Period Performance Bond and/or the Construction Period Performance Bond, as the case may be, as and when required;
- (x). become subject to a petition, order, or resolution for its winding-up, dissolution or administration under the Companies Act, 2017;
- (xi). a receiver, manager, administrator, provisional manager, liquidator or similar officer appointed over it or over any material part of its assets or undertaking;
- (xii). entered into or proposed any arrangement, compromise or composition with, or assignment for the benefit of, its creditors that is detrimental to the interests of PQA;
- (xiii). Given any representation or warranty which proves to have been untrue, inaccurate or misleading in any material respect when made or deemed repeated, or committed any fraud, fraudulent misrepresentation, material misstatement or deliberate concealment in the Bid Information;
- (xiv). committed a material breach of the co-use arrangements for the IOCB Berth;
- (xv). assigned all or any of its rights under this Agreement without the consent of PQA in violation of the provisions of this Agreement; or
- (xvi). fails to make payment of PQA Charges or under Article 21 the MGAP and/or the Revenue Sharing Percentage or any part thereof.

PQA shall be entitled, upon giving 60 (sixty) days' notice to the Company, to terminate this Agreement under Article 15, unless the Company remedies or rectifies the situation before the aforesaid 60 (sixty) days elapse. In the event of such termination, the Company, shall be liable to pay to PQA such dues, charges / rates payable by the Company to PQA under this Agreement as may have accrued up to date. In this regard, PQA shall be entitled, without further notice, to demand,

draw upon, and encash the Concession Period Performance Bond or the Construction Period Performance Bond, to the extent of the unpaid amount, together with any interest accrued thereon at 1-month KIBOR + 3%

(b) If the PQA:

- (i) is subject to any material breach under this Agreement;
- (ii) has transferred, pursuant to law, either (a) the rights/obligations of PQA hereunder or (b) all or substantially all of the assets or undertakings of PQA.

(except in the case of amalgamation or restructuring or transfer, as the case may be, which does not legally affect the ability of the restructured entity or transferee, as the case may be, to perform its obligations under this Agreement or any other agreement relating to the Project);

Then the Company shall be entitled, upon giving 60 (sixty) days' notice to PQA, to terminate this Agreement under Article 15, unless PQA remedies or rectifies the situation before the aforesaid 60 (sixty) days elapse.

18.27. Without prejudice to Article 18.25, Article 18.26, or any other right or remedy of PQA, if the Company fails to pay any MGAP or any other amount due to PQA on its due date, and such failure continues for fifteen (15) days after written notice from PQA:

(a) PQA shall be entitled, without further notice, to demand, draw upon, and encash the Concession Period Performance Bond or the Construction Period Performance Bond, to the extent of the unpaid amount, together with any interest accrued thereon at 1-month KIBOR + 3%.

(b) Within fifteen (15) days of any drawing on the Concession Period Performance Bond or Construction Period Performance Bond, the Company shall reinstate, top up, or procure a fresh bond such that the full-face value of the relevant Performance Bond is restored.

18.28. (a) Since the Site and all the area of PQA is classified as a restricted area, the Company shall acquaint itself with the provisions of the Official Secrets Act, 1923 as applicable in Pakistan or any statutory modification or re-enactment thereof and other security provisions prevailing in the area in which it is working and shall abide by and conform with such provisions. The Company will further ensure and be responsible for ensuring that its agents, employees or sub-contractors or their agents or employees are made acquainted with and abide by all such provisions.

- (b) All drawings on which port facilities are depicted, issued to the Company or the Contractors as well as photographs of structures shall remain the property of PQA and may be retained by them only with the express approval of PQA. The taking of photographs except as provided for under this Agreement is forbidden. Intimation and copy of photographs taken shall be forwarded to PQA.
- (c) PQA shall supply to the Company the details of the procedures to be adopted for ensuring compliance with the provisions of this Article 18.28.
- (d) Subject to Article 18.6, the Company/PQA and its employees will keep in strict confidence all Project details. The Company/PQA or its employees will not disclose whole or any part of the Project to any unauthorized person or persons. The Company will, to the best of its knowledge, ensure that the antecedents of persons employed by it are clear of blemish.
- (e) PQA shall issue passes to allow admission of the Company's personnel, persons associated with the Company, its agent, the Contractors and their employees and other work people to the Site or any part thereof and the Company shall, on demand by PQA submit list of its employees, the Contractors and their employees employed on the work and shall satisfy PQA as to the genuineness of such personnel. Passes shall remain the property of PQA and shall be returned at any time on demand by the Company. The Company shall not bring on Site any unauthorized person, i.e., persons without a pass.
- (f) Correspondence between PQA and the Company shall not be divulged to or passed onto unauthorized third parties.

Article 19 - Overriding Provisions

19.1. PQA represents and warrants to the Company that as of the Date of Signing:

- (a) it is duly created pursuant to the PQA Act, is existing and has complied fully with the requirements of said Act in so far as is material to the Company and the transaction contemplated hereunder, and has complied fully with all other applicable Laws of Pakistan;
- (b) this Agreement has been fully authorized, executed and delivered by it and constitutes its legal, valid and binding obligations;

- (c) this Agreement has the approval of the PQA/Relevant Authority and the execution, delivery and performance of this Agreement does not and will not constitute a violation of any statute, judgment, order, decree or regulation or rule of any court, governmental authority or arbitrator of competent jurisdiction applicable or relating to it, its assets or its business; and
- (d) as of the date of the grant of the Land Lease to the Company, PQA shall have good marketable and completely unencumbered title to the Project Land, which does not include PSM land, including all easements and rights of way ancillary thereto, through, along or below the ground or water, free and clear of any charge or encumbrance of any kind and has the power to grant the Land Lease.

19.2. The Company represents and warrants to PQA that as of the Date of Signing:

- (a) It is duly incorporated and validly existing as a company under the laws of Pakistan, and the Sponsor (and each member of the consortium) is duly incorporated and validly existing under the laws of its jurisdiction of incorporation; each has the corporate power and all material authorizations to own its assets, carry on its business and enter into and perform this Agreement;
- (b) The execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action; this Agreement has been duly executed and delivered by the Company and constitutes its legal, valid and binding obligations, enforceable in accordance with its terms, and such execution, delivery and performance do not and will not violate or conflict with its constitutional documents, any applicable Law, or any judgment, order, decree, license, permit or agreement binding on it or its assets;
- (c) There is no litigation, arbitration, investigation or administrative or other proceeding pending or, to the best of its knowledge and belief, threatened against the Company, the Sponsor or any of their respective Affiliates before any court, tribunal, arbitrator or Relevant Authority which would or might materially and adversely affect the Company's ability to perform its obligations under this Agreement or the implementation of the Project; and no step has been taken or is pending or threatened for the winding-up, dissolution, administration, receivership, bankruptcy or insolvency of the Company or the Sponsor, nor is either unable to pay its debts as they fall due;
- (d) The Company has disclosed to PQA in writing complete and accurate particulars of its legal and beneficial ownership and control structure, including the identity of each direct and indirect shareholder and of each ultimate beneficial owner of the

Company and the Sponsor; no person holds any legal or beneficial interest in the Company that has not been so disclosed;

- (e) All information, representations, statements, documents and data submitted by or on behalf of the Company, the Sponsor or the consortium in the course of the EOI, prequalification, Technical Proposal and Commercial Proposal, and otherwise in connection with the award of the Project (together, the "**Bid Information**"), were, when submitted and as at the Date of Signing, true, accurate, complete and not misleading in any material respect, and the Company has not withheld any information that would render the Bid Information misleading. The Company acknowledges and agrees that any fraud, fraudulent misrepresentation, material misstatement or deliberate concealment in the Bid Information shall constitute an Event of Default under Article 18.26(a).
- (f) The Company has complied, and shall continue to comply, with the Public Procurement Regulatory Authority Ordinance, 2002 and the Public Procurement Rules, 2004 (as may be amended), and has duly executed the Integrity Pact required. Neither the Company, the Sponsor, nor any of their respective directors, officers, employees, agents or representatives has given, offered, promised or authorized, or shall give, offer, promise or authorize, any commission, gratification, bribe, finder's fee, kickback or other inducement to any person in connection with the award, execution or performance of this Agreement, in violation of the Integrity Pact, the Prevention of Corruption Act, 1947, the National Accountability Ordinance, 1999, or any other applicable anti-corruption or anti-bribery Law.
- (g) None of the Company, the Sponsor, their respective Affiliates, or any of their respective directors, officers or ultimate beneficial owners (each a "**Relevant Person**") is a person that is (i) designated on, or owned or controlled by a person designated on, any list of sanctioned persons maintained by the United Nations Security Council or by any other Sanctions Authority applicable to the Company, the Sponsor, PQA or the Lenders; or (ii) otherwise the target of any Sanctions. No Relevant Person has engaged, and the Company shall procure that no Relevant Person engages, in any transaction that would cause PQA or the Lenders to be in breach of any Sanctions.
- (h) Each Relevant Person is in compliance with all applicable anti-money-laundering and counter-terrorist-financing Laws, including the Anti-Money Laundering Act, 2010 and the Anti-Terrorism Act, 1997, and the funds to be applied by the Company towards the Project are not derived from, and do not represent the proceeds of, any unlawful activity.

- 19.3. PQA and the Company agree that if amendments, modifications or revision to this Agreement may become necessary or desirable to satisfy the requirements of the implementation of the Project, PQA and the Company shall promptly consult and take all action necessary under the circumstances in good faith to amend, modify and revise the Agreement.
- 19.4. (a) Prior to the commencement of operations of the Terminal the Company, in consultation with PQA, shall devise an information format for the purpose of providing PQA at regular intervals of at least one month, with reasonable statistics and information required by PQA for port management and planning and ordinarily produced by a ship repair / ship recycling / steel manufacturing operator in the course of its operations.
- (b) In the event that PQA, at the lawful direction of any Relevant Authority acting pursuant to any applicable Laws of Pakistan requires any additional information related to the Terminal or the Green Power Steel Plant, the Company shall, as far as possible, if the information is available to it, provide PQA with the information required.
- 19.5. The Company shall be responsible for the care, custody and security of all equipment and machinery brought upon the Site by the Company including the Terminal, the buildings, structures, facilities upon the Site and the Company shall also be exclusively responsible for fulfillment of its duties under the terms and conditions of employment of its employees. The Company shall be responsible for repairs and maintenance of all machinery/appliances at the Terminal, including the certification of the equipment and machinery if required. The Company shall also be liable for any damage to PQA's property resulting from the negligence of the Company after the takeover of the Site. The Company shall be responsible for the maintenance and repair of all works executed by it.
- 19.6. All consumption charges for utility services on Site, viz for electricity, potable water and telephone shall be payable by the Company within the due date of appropriate invoices from PQA and / or relevant utility provider.

Article 20 - Collection Arrangements

- 20.1. The Company shall be entitled to receive, for its own account, all revenue arising from Ship Repair Operations, Ship Dismantling & Recycling Activities, Scrap Handling & Processing, Green Power Steel Plant Operations and other services provided at or from the Terminal and the Green Power Steel Plant (the “**Competitive Services**”), subject to payment of the Revenue Sharing Percentage / MGAP to PQA under Article 21 and subject to Article 3.1(c). The Company shall be entitled to set, revise and charge the rates and tariffs for the Competitive Services at its own discretion, and shall notify PQA of its schedule of rates/tariffs for such services from time to time. Provided that nothing in this Article 20.1

shall apply to, or confer any right on the Company to set, charge or retain any rate, tariff or charge in respect of:

(a) any handling of cargo, or any use of the IOCB Berth or its ancillary facilities, by PSM and/or any third party, all of which shall be governed by Article 3.1(b). The use of IOCB by PSM shall be charged in accordance with, the PQA scale of rates and PQA Charges (including under S.R.O. No. 70(KE)/2010 dated 12 May 2010, as amended, substituted or notified by PQA from time to time. The charges for the use of IOCB by other third parties shall be in accordance with the terms and agreement between PQA and third parties such charges being payable to and recoverable by PQA directly in accordance with Article 20.3; and

(b) any cargo, vessel or material for which exclusive handling rights have already been granted by PQA to other terminals within Port Qasim, which the Company shall not handle, in accordance with Article 3.1(c).

20.2. The Company shall not have the right to handle at the Terminal any cargo, vessel or material for which exclusive handling rights have already been granted by PQA to other terminals within Port Qasim, in accordance with Article 3.1(c).

20.3. PQA Charges, including berthage on vessels using the Terminal and wharfage, will be according to the Land Allotment Policy of PQA and any other notified charges of PQA, to be collected by PQA directly. Charges payable by PSM and/or any third party for use of the IOCB Berth shall be collected by PQA in accordance with Article 20.1(a)

20.4. The Revenue Sharing Percentage set out in Schedule 13 shall not be reduced during the Concession Period. The increase of Revenue Sharing Percentage may be mutually agreed between the Parties in writing, effective from the date of such agreed increase, and Schedule 13 shall be amended accordingly.

20.5. Where, in any period, the use of the IOCB (including the IOCB jetty) by PSM and/or any third party, under Article 3.1, impairs or reduces the throughput of the Company or operations of the Company at the Project, as evidenced by the berth scheduling and operational records maintained under the Operations Manual or otherwise, PQA shall not be obligated to compensate the Company. However, in such an event, the Company may, subject to and in accordance with negotiations between the Company, PSM and/or the relevant third-party user(s), and PQA, seek to agree to an arrangement under which the payment obligation in respect of the MGAP is shared between the Company and PSM and/or such third-party user(s). Any such arrangement shall be expressly subject to the negotiations with, and prior written consent of, PQA. For the avoidance of doubt, nothing in this Article 20.5 obliges PQA, PSM or any third-party user(s) to enter into or conclude any such arrangement, and any failure to agree upon a shared MGAP payment mechanism, or PQA's decision to withhold its consent, shall not absolve the Company of its obligation

to pay the MGAP in full under Article 21. This Article 20.5 is without prejudice to the Company's right, in the event of a capacity constraint arising, to request approval for developing the New Jetty under Article 3.1(b).

Article 21 – Revenue Sharing and Payment of amount(s) under this Agreement

- 21.1. The Company shall pay to PQA a Revenue Sharing Percentage of Gross Revenue, or the Minimum Guaranteed Annual Payment, whichever is higher, in consideration for the grant of the Concession under this Agreement, calculated on the basis set out in Schedule 13 and this Article 21.
- 21.2. The Company shall ensure that any portion of the Gross Revenue derived from sales to related parties or Affiliates shall be computed on an arm's length basis, which shall not be less than the higher of actual consideration and prevailing open-market price(s) of the particular goods and services. For the purpose of verifying the foregoing, the Company shall prepare, procure, maintain and preserve complete and accurate records of all sales and supplies to Affiliates and related parties, in accordance with applicable accounting standards and in sufficient detail to enable verification of Gross Revenue, and shall retain such records throughout the Concession Period and for at least six (6) years thereafter.
- 21.3. PQA, and any auditor or adviser appointed by it (including the PQA Consultant), shall be entitled, on reasonable prior notice and at reasonable times, to inspect and audit such records and the Company's related books and accounts for the purpose of verifying Gross Revenue and the computation of the Revenue Sharing Percentage / MGAP under this Article 21. The Company shall provide all reasonable access, facilities and information required.
- 21.4. Any dispute concerning the computation of Gross Revenue derived from sales to Affiliates or related parties, the sufficiency of the records, or the conduct or findings of an audit under this Article shall be referred to and determined by an Expert to be appointed in accordance with Article 16, whose determination shall, in the absence of manifest error, be final and binding on the Parties.
- 21.5. The Revenue Sharing Percentage of Gross Revenue or the corresponding Minimum Guaranteed Annual Payment for a particular time period (from the date of Successful Commissioning), whichever is higher, shall be payable by the Company to PQA, commencing from the date of Successful Commissioning of the Project, shall be as follows, or as set forth in Schedule 13, or any increment thereof under Article 20.4:

Period (from Successful Commissioning)	Revenue Sharing Percentage of Gross Revenue	Minimum Guaranteed Annual Payment (whichever is higher)
Year 1–8	3% of gross revenue	USD_____ million per year
Year 9–18	5% of gross revenue	USD_____ million per year
Year 19–28	6% of gross revenue	USD_____ million per year

- 21.6. The Minimum Guaranteed Annual Payment shall be payable by the Company to PQA in advance, in equal monthly instalments (or as otherwise mutually agreed), with annual reconciliation against the Revenue Sharing Percentage of actual Gross Revenue for the relevant Year. Such annual reconciliation shall be verified and certified by a firm of chartered accountants of international standing [(being one of Deloitte, EY, KPMG or PwC, or their respective member firms in Pakistan),] appointed by the Company at its own cost, whose certificate as to actual Gross Revenue for the relevant Year and the resulting reconciliation shall, in the absence of manifest error, be final and binding on the Parties. Where the Revenue Sharing Percentage of actual Gross Revenue exceeds the Minimum Guaranteed Annual Payment already paid, the Company shall pay the additional amount to PQA within thirty (30) days of such annual reconciliation.
- 21.7. PQA does not guarantee any minimum throughput, revenue or profitability of the Project to the Company. The obligation of the Company to pay the Minimum Guaranteed Annual Payment under this Article 21 is absolute and unconditional and shall not be affected by the actual performance of the Project, save as otherwise expressly provided in this Agreement (including Article 13 on Force Majeure). For the avoidance of doubt, Article 20.5 does not reduce, suspend or qualify the Company's obligation to pay the MGAP.
- 21.8. Where any amount payable by the Company to PQA under this Agreement is denominated in a currency other than Pakistani Rupees, the amount payable shall be converted into Pakistani Rupees at the National Bank of Pakistan's Selling (TT) Rate prevailing as at the date of actual payment.

IN WITNESS whereof the Parties, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names at Karachi, Pakistan on the date first mentioned above.

SIGNATURE PAGES

PORT QASIM AUTHORITY

[NAME OF COMPANY]

.....
The Secretary
Dated: 2026

.....
Chief Executive Officer
Dated: 2026

In presence of:

In presence of:

.....
Director General (Technical)

.....
Witness No. 1

.....
Witness No. 2

.....
Witness No. 2

LIST OF SCHEDULES

Schedule	Title
Schedule 1	Implementation Schedule
Schedule 2	Project Execution Guidelines
Schedule 3	Project Scope
Schedule 4	Site Plan
Schedule 5	Proforma of Certificate of Successful Commissioning
Schedule 6	Land Lease
Schedule 7	Form of Construction Period Performance Bond
Schedule 8	The Financial Model
Schedule 9	Preliminary Financing Plan
Schedule 10	Letter of Intent
Schedule 11	The Proposal
Schedule 12	Consents
Schedule 13	Schedule / Formula Revenue Sharing and Minimum Guaranteed Annual Payment to PQA by the Company
Schedule 14	Draft of Security Manual
Schedule 15	Draft of Terminal Operation Manual
Schedule 16	Draft of Accident Prevention and Safety Manual
Schedule 17	Draft of Emergency Manual
Schedule 18	Schedule of Charges to be paid to PQA by the Company
Schedule 19	Draft of Environmental Impact Assessment
Schedule 20	Schedule of Depreciation of Assets
Schedule 21	Form of Concession Period Performance Bond
Schedule 22	PSM Land Procurement and Green Power Steel Plant Arrangements

SCHEDULE 1
IMPLEMENTATION SCHEDULE

Sr. No.	Task Name	Construction Period	Start Time	Completion Time				
1.	S2S Project							
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								

SCHEDULE 2
PROJECT EXECUTION GUIDELINES

SCHEDULE 3

PROJECT SCOPE

PROJECT: CONSTRUCTION OF THE WORLD'S FIRST-CLASS GREEN SHIP REPAIR & DISMANTLING YARD (SEA TO STEEL S2S)

1. Main Design Scope

- (a) Green Ship Repair Yard
- (b) Green Ship Dismantling & Recycling Facility
- (c) Floating Dry Dock / Marine Repair Facilities
- (d) Scrap Handling & Processing Facilities
- (e) Green Power Steel Plant (on PSM land)
- (f) Steel Melting / Recycling Units (at PSM land)
- (g) Material Testing & Certification Facilities
- (h) Supporting Marine Infrastructure
- (i) Utilities, Roads, Drainage & Ancillary Infrastructure
- (j) Environmental Protection & Hazardous Waste Management Systems
- (k) Renewable / Green Energy Components
- (l) Warehousing, Logistics & Industrial Support Facilities

2. Project Scope

- (a) Phase One: Project Planning & Design.
- (b) Phase Two: Financing of Equity and Debt
- (c) Phase Three: Construction & Operation

3. List of Main Equipment

Sr.	Equipment	Model/Specification	Unit	Quantity	Remarks
1.					
2.					
3.					
4.					
5.					
6.					
8.					

4. System Operational Process

5. Auxiliary Facilities

SCHEDULE 4
SITE PLAN

SCHEDULE 5
PROFORMA OF CERTIFICATE OF SUCCESSFUL COMMISSIONING

Date:

M/s [Name of the Company]

Registered/ Mailing Address

Fax #

Attn: Chief Executive Officer

Subject: CERTIFICATE OF SUCCESSFUL COMMISSIONING

1. We acknowledge receipt of your letter, _____ dated _____ enclosing the Certificate No. _____ dated _____ issued by your Consultant M/s _____ certifying that the work included in the Project Scope (Schedule 3) has been successfully completed in all respects and the Terminal is capable of performing in accordance with Schedule 3 of the Implementation Agreement (“**Agreement**”) between Port Qasim Authority (“**PQA**”) and [Name of Company] (“**Company**”).
2. We have taken due note of the fact that it has been demonstrated to the PQA Engineer and confirmed by the PQA Consultant that the Terminal is capable of performing in accordance with the Agreement for the Green Ship Repair & Dismantling Yard in accordance with Schedule 3, and that evidence of the Consents referred to in Article 4.1 has been submitted to the satisfaction of the PQA Consultant.
3. Based on the above, we hereby certify that the Terminal has been successfully commissioned on as contemplated in the Implementation Agreement between Port Qasim Authority and M/s [Name of the Company] for setting up of the Green Ship Repair & Dismantling Yard on BOT basis at Port Qasim, Karachi.

Yours sincerely,

PORT QASIM AUTHORITY

[Name]

[Designation]

[Seal]

SCHEDULE 6
LAND LEASE

PART A — AGREEMENT TO LEASE

AGREEMENT TO LEASE

By And Between:

PORT QASIM AUTHORITY

(As Lessor)

And

[Company Name]

(As Lessee)

Dated As Of:

[●] 2026

At:

Karachi, Pakistan

AGREEMENT TO LEASE

This Agreement to Lease (this “**Agreement**”) is made at Karachi, Pakistan on this [●] day of [●] 2026 (the “**Effective Date**”):

By And Between

Port Qasim Authority, incorporated and established under the Port Qasim Authority Act, 1973 (Act XLIII of 1973) (the “**Lessor**” which expression where the context so requires or deems shall include its successors in interest and assigns) of the one part;

And

[**Company Name**], a company incorporated under the Companies Act, 2017, vide certificate of incorporation No. [●] dated [●], whose registered office is situated at [●] (the “**Lessee**” which expression where the context so requires or deems shall include its successors in interest and assigns), through [●] S/O/D/O [●] holding CNIC No. [●], duly authorized through Resolution No. [●] dated [●] appended as Appendix-B hereto, of the other part.

The Lessor and the Lessee are together the "**Parties**" and each a "**Party**".

RECITALS

- A. WHEREAS the Lessor is the lawful owner of, and otherwise well and sufficiently entitled to, all that piece or parcel of land more particularly described in the Site Plan and hereinafter referred to as the "**Lessor's Property**", comprising the Project Land of approximately one hundred (100) acres or thereabouts, situated at Port Qasim, Karachi, as follows:

On the North

On the South

On the East

On the West

- B. AND WHEREAS the Lessee has presented to the Lessor an outline scheme for erecting a building and/or a structure and/or executing works for the establishment of Lessee's Property which is in accordance with the Lessor's own development plans for its estate and has at the request of the Lessee agreed;
- C. AND WHEREAS the Lessor agrees to grant to the Lessee a lease of the Lessor's Property, which is referred to in the first recital above and more particularly delineated and described and coloured pink on the plan annexed hereto as Appendix-C (hereinafter called the "**Premises**" subject to the terms and conditions contained in this agreement
- D. AND WHEREAS the Lessor, pending the grant of a lease to the Lessee in respect of the said premises initially only and thereafter for the purpose of erecting a building and/or structure and/or executing works in accordance with the terms of this Agreement only, such building and/or structure and/or works to be used solely for the purpose of Lessee's [●] when completed and for no other purpose whatsoever and the said use not to commence until the terms, stipulations and covenants of the Lessee contained in this Agreement have been fully satisfied and the lease granted as hereinafter provided.

NOW THEREFORE this Agreement witnesses as follows.

1. DATE OF AGREEMENT.

- 1.1. This agreement shall come into effect from the ____ day of the month of _____ and shall remain in force till the "Indenture of Lease" is executed and during which period the Lessee shall and is hereby permitted to enter upon, use and occupy the said Premises in the first instance as an allottee and thereafter for the purpose of erecting a building/construction thereon and executing works in terms of this Agreement and for no other purpose whatsoever.

2. PERIPHERAL DEVELOPMENT, RENTAL, MAINTENANCE AND OTHER CHARGES.

2.1. The Lessee hereby agrees with the Lessor as follows:

- (a) During the said period or any extended/renewed period thereof during which the Lessee remains in occupation of the Premises or any part thereof until the execution of the Indenture of Lease as hereinafter mentioned, to hold the same as the allottee or Lessee with no other right, title or interest in the premises except as expressly conferred by this Agreement on payment of Peripheral Development Charges, Annual Rental, Annual Maintenance and other charges as per letter No. _____ dated: _____ annexed as Appendix-A.
- (b) During such period, if any, when this Agreement is renewed or extended, the Lessee shall hold the Premises subject to the same covenants and stipulations contained herein, except in regard to rent.
- (c) **Costs and Charges.** To pay to the Lessor upon the signing hereof all its costs in preparing this Agreement and attached Indenture of Lease, including the fee for the demarcation of the Premises, legal fees, stamp duty, registration charges and fees in respect of approval of plans by the Lessor as the works proceed in accordance with the Schedule of Fees as laid down by the Lessor from time to time.
- (d) **Penalty for Delayed Payment.** Without prejudice to the other rights of the Lessor herein, if any payment due under this Agreement (whether legally demanded or not) is not received by the Lessor within thirty (30) days of the due date, then the Lessor shall be entitled to receive such money from the Lessee together with a penalty calculated as compound interest thereon at the rate of one per cent (1%) per annum above the Commercial Bank rate at the time the payment falls due, (with three monthly rests).
- (e) **Port Dues & Charges.** The Lessee will be required to pay any and all dues and charges levied or charged by the Lessor in its capacity as the Port Authority in respect of any services provided by the Port Authority or its agents or in respect of any ship or craft or cargo or any part thereof whatsoever which the Lessee may be working upon its own lease or use or which are within the Lessee's control for the time being or which the Lessee is entitled to control, own, use, lease or work upon, whether directly or indirectly, as may enter, use, pass repass, lie at, anchor in or be moored or moved or sunk in any of the waterways, backwaters or creeks below high water line. The Lessee shall also pay to the Port Authority such sums as it may levy upon them in respect of any services provided by the Port Authority or its agents or in respect of any ship or craft or cargo or any part thereof which may have been permanently or temporarily beached or otherwise placed or lie upon the foreshore or any other place outside the limits of the Premises. Such sums are to be recoverable as if they were rent due hereunder. Such rights and powers reserved to the Lessor hereunder are without prejudice to any rights, powers or privileges conferred upon it by statute, any other regulation or provision whatsoever or reserved to it elsewhere.
- (f) **Maintenance Charges.** The Lessor may charge, and the Lessee shall pay, all maintenance charges levied upon the Premises for providing such maintenance works and services in such proportion as the Lessor shall from, time to time, deem fit and proper to charge in regard to

the maintenance work carried out and the services provided for the common use of the Lessor, the Lessee and the Lessor's other Lessees upon its estate.

- (i). The maintenance charges shall be in addition to the service charges, such as fire fighting service, conservancy works, road and street cleaning and lighting, electricity supply, refuse collection, and other works together with all like and other things at present or hereafter provided.

3. SUBMISSION AND APPROVAL OF PLANS.

- 3.1. The Lessee further agrees to submit to the Lessor within three calendar months after taking possession of the Lessor's Land and from the signing of this Agreement or such other extended period as requested by the Lessee's plans, sections, elevations, calculations and specifications in quintuplicate in respect of the buildings, structures or things proposed to be erected, placed or put upon the Premises by the Lessee.
- 3.2. Upon the Lessor approving the building plans, the Lessee shall, within ninety (90) days or such other extended period, if requested by the Lessee, build and complete in fire-resistant materials the compound walls (beyond which no building or part thereof or erection or part thereof shall project) to the Lessor's satisfaction and shall commence within six (6) months or such other extended period as aforesaid and diligently proceed to erect on the Premises and complete within twenty-four (24) months or such other extended period as aforesaid from the date of the Lessor's permission as aforesaid the construction of a building having a total floor area as per the plans approved by the Lessor and the other works in conformity with the permission given by the Lessor and in accordance with the working documents and develop the Premises fit for immediate use and occupation, and in a substantial and workmanlike manner with the best materials of their several kinds at the requisite time available. Notwithstanding anything herein contained, the Lessee shall be responsible for the stability of all of the works carried out upon the Premises and shall, whenever required by the Lessor, supply a certificate from the licensed architect, engineer or surveyor of the Lessee as to the stability of the works or any part thereof and/or as to the soundness of any material or materials.
- 3.3. **Statutes & Bye-Laws.** The Lessee shall carry out the whole of the works in accordance with any relevant statutes, bye-laws, regulations or rules governing the works as laid down/prescribed by the Lessor and/or any competent authority or body, subject to the Lessee having obtained the necessary approvals or consents.
- 3.4. **Workers' Accommodation.** The Lessee shall not allow labourers, workmen or others to live upon the Premises except if specifically approved by the Lessor and even then only in an area or areas approved by the Lessor and in accommodation constructed to the Lessor's satisfaction specifically for that purpose.
- 3.5. **Sanitation.** The Lessee shall comply with all bye-laws, rules and regulations laid down in any way relating to health and sanitation which may be in force from time to time or at all times and to the Lessor's satisfaction, the Lessee shall provide sufficient toilet accommodation for the labourers and workmen and other persons employed upon the Premises. The Lessee shall ensure that adequate, suitable, watertight, and sanitary drainage and sewerage works are carried out and maintained in

good repair and condition. The Lessee shall within thirty (30) days after receiving notice from the Lessor, carry out all necessary repairs, improvements or such other works as the Lessor may deem fit, and in default of the Lessee complying with such notice, the Lessor may, at its discretion, forth with enter upon the Premises and take possession and close down all operations till the required repairs are carried out to the satisfaction of the Lessor.

- 3.6. **Prohibition of Alterations to Plans.** The Lessee shall not, without the consent in writing of the Lessor, erect or build or permit to be erected any buildings, structures or erections (except temporary structures or buildings duly licensed by the Lessor required in connection with the works and which shall be pulled down and removed on completion of the works), or display any sign or advertisement of any kind otherwise than in conformity with the working documents, nor make any alterations to the said building(s) and the Lessee shall pay to the Lessor a further fee as provided in this Agreement in respect of any alterations agreed to the plans and a further fee for any sign approved in accordance with the schedule of fees and rates authorised and published by the Lessor from time to time.
- 3.7. **Workmanship or Materials Not in Accordance.** The Lessee shall not take down and remove or repair and make good all work or materials which in the Lessor's opinion or that of any other competent authority is not in accordance with any statute or bye-law or regulation or with the working documents within fourteen (14) days or forthwith in the case of a dangerous structure, building or works after service of a notice by the Lessor to do so, notwithstanding that any licensed architect's or other certificate may have been submitted in pursuance hereof and the Lessor's decision shall be final and binding upon the Lessee.
- 3.8. **Nuisance, Pollution and Encroachment.** The Lessee shall not permit or suffer to be done in or upon the premises or any part thereof anything which may be or become a nuisance or annoyance to the Lessor or the Lessee or occupation of neighboring land or any other person whatsoever nor allow any dense smoke, offensive gas or particles to emit from the premises to pollute the atmosphere, nor encroach or allow others to encroach upon any other land than that within the boundaries of the Premises. The Lessee shall provide all requisite equipment, materials and things, and do all things necessary to prevent soiling, despoliation or pollution of the atmosphere, waterways, backwaters, foreshore or land within or outside the premises, but should any such soiling, despoliation or pollution occur, whether it arises through negligence or improper use or bona fide use or from any other cause, or should any such nuisance, annoyance, pollution or encroachment occur (of which the Lessor shall be the sole judge), then the Lessee shall do all necessary to abate the same and shall desist from all things causing or likely to cause anything in contravention of this sub-Clause.
- (a) Upon written notice from the Lessor of any contravention thereof, the Lessee shall forthwith execute all works called for and do all things necessary to prevent such contravention and, in default of this, the Lessor may execute all such works and do all things called for at the Lessee's cost and expense, recovering such money as though it were the rent reserved therein.
- (b) Should there be any encroachment in contravention hereof, the Lessor will be entitled to recover from the Lessee a sum equivalent to _____ per square meter per day of the area

covered by such encroachment and shall have the right to recover such sum without prejudice to any other right or action available to the Lessor under this agreement and/or under the law.

- 3.9. **Discharge of Any Trade or Other Effluent.** The Lessee shall not discharge from the Premises any trade or other effluent without the prior written authority of the Lessor and the Lessee shall comply from time to time and at all times and in all respects with such rules, regulations and requirements as are now or in the future may be laid down by the Lessor in its sole discretion in regard to trade and/or other effluent. The Lessee shall provide to the Lessor as often as the Lessor may require, samples and test reports of effluent being discharged from any machine process, building land or any other thing or place whatsoever and also shall furnish the Lessor with any bio-data required by it for analysis testing study or any other purpose. The Lessor shall have the right and liberty to enter upon the premises with or without notice during business or working hours and take away such samples and carry out such tests on or off the premises as the Lessor in its sole discretion may require.
- (a) The Lessee shall provide all plant equipment, drain chambers or other things and carry out any treatment or pre-treatment of trade or other effluent as the Lessor in its sole discretion may require. Should the Lessor be satisfied in any respect whatsoever that effluent being discharged on or from the premises is not in its opinion of a suitable nature, content, temperature, condition or quantity, or in any way does not comply with its rules or regulations, which it shall alone have power to lay down, then Lessor shall have the right to enter upon the Premises at and close down immediately the whole or any part of the Lessee's operation, process making, manufacturing or any or all activities thereon as it may at its sole discretion decide.
 - (b) Notwithstanding the foregoing, the Lessor shall not be in any way liable or responsible to the Lessee or any third party for any loss or damage which may arise or be incurred as a direct or indirect result of the exercise of its powers set out herein.
 - (c) The Lessee shall be solely responsible for any injury or damage caused to any person, property or thing arising out of the discharge of effluent on or from the premises and shall keep the Lessor indemnified against any claim or action arising therefrom. Toxic and other hazardous waste and effluents will be suitably treated by the Lessee prior to discharge into the sewerage/drainage system laid by the Lessor.
- 3.10. **Separate Agreement Regarding Disposal of Dangerous Substances.** The Lessee shall, where the Lessor deems it necessary, enter into a separate agreement regulating the discharge and/or disposal of dangerous or noxious substances, trade and/or other effluent couched in such terms and including such provisions and conditions as the Lessor alone may decide.
- 3.11. **Mineral Rights.** The Lessee shall not sell or dispose of any earth, clay, gravel or mineral of any kind from the premises or permit or suffer any of the same to be removed except so far as shall be necessary for the execution of the works. The ownership of all these things shall remain vested in the Lessor.
- 3.12. **Restriction as to User.** The Lessee shall not deposit, make up, manufacture or permit to be deposited, made up or manufactured upon the Premises any building or other material or thing,

nor carry out any work whatsoever except such as shall be actually required for the works and/or authorised under this Agreement.

- 3.13. **Duty of Care.** During the progress of the works on the Premises, the Lessee shall take all reasonable care to avoid damage to roads, including the footpaths, and on demand repay to the Lessor the reasonable costs as certified by the Lessor of making good any damage caused thereto or to the sewers, drains, pipes, cables and other works as may be thereon or thereunder or upon any other of the Lessor's land.
- 3.14. **Use and Provision of Infrastructure.** The Lessee shall not require the Lessor to provide any infrastructure or infrastructure element or elements, except roads, potable water supply, storm water drain and underground sewerage.
- 3.15. **All Risks Insurance.** On commencing the works, the Lessee shall insure the same and keep the same insured (whether completed or not) with a reputable insurance company in a sum to be approved in writing by the Lessor and sufficient to cover the cost of completely reinstating the same in their completed state in the event of total destruction (together with Architect's and Surveyor's fees and other expenses incidental thereto).
- 3.16. **General Extension.** Without prejudice to the provisions of this Agreement, the Lessor shall, if requested by the Lessee before expiry of the period prescribed in the Agreement, consider and if it considers it proper and necessary in the circumstances of the case, grant an extension of any period prescribed in this Agreement, provided that the extension of time is requested on the grounds of completing the building, structure or other things as specified in the working documents and/or making the necessary investment in the costs relating thereto provided. However, the Lessor may not consider such extension or renewal unless the Lessee has made substantial investments in the cost of the buildings, structures or other things in connection herewith. In the event the Lessor extends any period prescribed, the extension shall be subject to payment of all fees and/or charges in addition to the rent for the period prescribed by this Agreement during which the Lessee failed to fulfill its obligations. The question whether the Lessee has failed to fulfil its obligations will be determined by the Lessor in its sole discretion.
- 3.17. **Fire Precaution.** The Lessee shall comply with all orders or regulations issued by the Lessor or any competent authority in respect of fire precautions on or at the Premises.

4. **RIGHTS OF LESSOR**

- 4.1. It is hereby mutually agreed that until the Lessee has completely executed the works and performed the provisions of this Agreement, the Lessor shall possess the rights and power following that is to say:
 - (a) **Inspect and Enter to Carry Out Works.** The right for their officers, agents, servants or other authorized persons at all reasonable times to enter upon the Premises to view the state and progress of the works to inspect and test the materials and workmanship, and for any other purpose, including the laying, constructing, repairing or cleansing of any sewer drain, electricity or telephone cables and gas or water main from any adjoining land of the Lessor or roads and

the right as aforesaid upon default by the Premises or any part thereof or any building thereon for the purpose of protecting, repairing and maintaining the Premises or the works or removing any works in contravention of this Agreement at the expense of the Lessee, which expense shall be recoverable from the Lessee upon demand as if the same was rent in arrears.

- (b) **Light and Air.** The Lessee shall not be entitled to any right of access to light or air to the Premises or to any building erected or to be erected on the Premises which would restrict or interfere with the free use of any adjoining land for building or any other purpose.
- (c) **Validity of Notices.** Any notice, decision, direction, approval, authority or consent which may be given by the Lessor under this Agreement shall be valid and effectual if signed by such officer or agent as the Lessor may from time to time designate for the purpose and shall be deemed to have been validly served on or conveyed to the Lessee if posted at the Premises and has been certified as having been so posted by an employee of the Lessor and any such notice required to be served upon the Lessor shall be effected by the Lessee by sending the same by prepaid, registered post to the Lessor's chief officer where it shall from time to time be located.

5. **GRANT OF LEASE**

- 5.1. If the works shall have been completely finished to the reasonable satisfaction of the licensed architect of the Lessee and the amount of the estimate as set out in the Working Documents has been expended at the expiration of the said period or of such extended period (if any), as aforesaid, and the Lessee shall have performed and observed all the stipulations herein on his part contained other than such as may have been waived as aforesaid, then the Lessor shall grant and the Lessee shall accept and execute a counterpart of a good and sufficient lease of the Premises and the building erected thereon with its appurtenances for a term of ____ years from the date hereof at the exclusive yearly rent etc., as per Appendix-A and subject to review as set out in the form of lease hereinafter referred to.

6. **FORM OF LEASE**

- 6.1. Such lease shall be in the form which is annexed hereto and marked as the first schedule.

7. **ASSIGNMENT**

- 7.1. The Lessee shall not mortgage, transfer or assign any right, title or interest or part with possession of the Premises or part thereof without the prior consent in writing of the Lessor, which consent shall be at the absolute discretion of the Lessor and in the event of the Lessor granting consent, the Lessee shall be liable for payment of any fee that may be levied by the Lessor in connection with such consent, and shall continue to be liable for the performance of the several agreements, conditions and stipulations herein contained until grant of the lease hereinbefore referred to; provided always that any such consent shall not relieve the Assignee hereof from complying to and with the full provisions of this Agreement and any such grant shall be on such terms and conditions as the Lessor shall alone determine. Should any such mortgage or assignment be executed directly or indirectly by reconstitution or by any other means in breach hereof, this Agreement shall automatically stand terminated save in so far as any claim or claims or any other remedy open to the Lessor hereunder are concerned.

8. **INSOLVENCY OR BANKRUPTCY**

- 8.1. Should the Lessee, being a company, enter into or be taken into liquidation proceedings or commit any act of insolvency or bankruptcy, or should the Lessee, being an individual or a partnership, be adjudged insolvent or bankrupt or enter into any arrangement with his creditors, this Agreement shall terminate forthwith, and the Lessor shall be entitled to reenter and take possession of the Premises with notice, and shall have first charge and priority in respect of the Lessor's goods, chattels and assets thereon to the full extent of the Lessor's claim.

9. **REMEDY OF DEFECTS**

- 9.1. It is hereby agreed that any defects or any faults (other than normal timber shrinkage or hair cracks in plaster) which shall appear in the building within six (6) months from the date of issue of the certificate referred to in Clause (V) hereof or the completion of the building (which period of six (6) months is hereinafter called the "**Defect Liability Period**") and which are due to materials or workmanship not in accordance with this Agreement shall be specified by the Lessor in a Schedule of Defects, which they shall deliver to the Lessee not later than one month after the expiration of the Defect Liability Period and if, in the opinion of the Lessor the defects and faults mentioned in the said Schedule of Defects have in fact occurred due to materials or workmanship not in accordance with the working documents within a period of two months after receipt by the Lessee of such Schedule, the defects and other faults therein specified shall be made good by the Lessee entirely at his/its own cost and expense and in default, the Lessor shall have the right to: (a) repair it at the risk and cost of the Lessee, and (b) to recover such costs as incurred by the Lessor.

10. **AMENITIES**

- 10.1. Without prejudice to the generality of clause 9 hereof, the Lessee shall, throughout the term hereby granted, perform and observe the amenity covenants specified in the second schedule hereto annexed.

11. **THIRD PARTY LIABILITY**

- 11.1. The Lessee hereby agrees to indemnify and keep indemnified the Lessor from and against all liability in respect of loss, damage, actions, proceedings, suits, claims, demands, costs, damages, actions, proceedings, liability and expenses in respect of any injury to or of the death of any person or damage to any property, movable or immovable, the infringement, disturbance or destruction of any rights, easements or privileges or otherwise by reason of or arising in any way directly or indirectly out of the repair, state of repair, condition, existence, or use of the aforesaid Premises, works or buildings and to effect or cause to be effected, the necessary third-party and public liability insurance with an insurance company to be approved by the Lessor in the joint names of the Lessee and the Lessor to cover this indemnity, with effect from the date of this Agreement.

12. **BUILDING TO RUN WITH THE LAND**

- 12.1. Any building, structure or erection, or any service, or any road paving service or other permanent installation erected, laid, put, placed or formed in or on the Premises (Lessee's fixtures and fittings excepted) shall run with the land.

13. **LAW APPLICABLE**

13.1. All rights, obligations, and liabilities of the Parties shall be governed in accordance with the terms of this Agreement and the Transfer of Property Act 1882, the Port Qasim Authority Act 1973 and the rules framed thereunder, the Ports Act 1908, the Port Authorities Lands and Buildings (Recovery of Possession) Ordinance 1962, and the Port Qasim Authority Lands and Building (Recovery of Possession) Rules 1975. Magistrates conferred with jurisdiction thereunder shall have full power and jurisdiction to enforce any claim, right, liability or obligation of the Parties hereunder.

14. **UTILIZATION OF LAND BELOW HIGH WATER MARK ("HWM") AND WATERFRONT**

14.1. The utilisation plans for the land below the High Water Mark shall be submitted by the Lessee for prior approval of the Lessor, and usage of the Waterfront shall need specific permission on payment of such charges as may be levied by the Lessor.

14.2. Notwithstanding anything herein contained, the Lessee shall be responsible for the stability of all of the works carried out upon the Premises and shall, whenever required by the Lessor, supply a certificate from the licensed architect, engineer or surveyor of the Lessee as to the stability of the works or any part thereof and/or as to the soundness of any material or materials.

15. **MASTER CLAUSE**

15.1. Provided always that the lessor reserves the right to withdraw/cancel/revoke the allotment of the Lessee if the Lessee commits any breach or violates any of the terms & conditions agreed upon between the Lessee and the Lessor under this Agreement or any other agreement, or if, in the opinion of the Lessor, the purpose for which the allotment was accorded is not being fulfilled. It is further provided that Lessor also reserves the right to amend/modify the terms of this Agreement as and when considered necessary.

IN WITNESS WHEREOF, the Parties hereto have affixed their respective hands and seals to this Agreement on the day, month and year first above written.

LESSOR

LESSEE

Enclosures:

- (c) Appendix A — Allotment Letter / Transfer Letters
- (d) Appendix B — Authorization Letter
- (e) Appendix C — Site Plan
- (f) First Schedule — Indenture of Lease
- (g) Second Schedule — Schedule of Amenity Covenants

Witnesses:

WITNESS 1

WITNESS 2

Appendix A

Allotment Letter

Appendix B

Authorization Letter

Appendix C

Site Plan

First Schedule

Indenture of Lease

Second Schedule

Schedule of Amenity Covenants

1. The Lessee shall keep in good order and repair any hard standing provided for the parking of vehicles and any other land forming part of the Premises used for parking or otherwise not covered by authorized buildings.
2. The Lessee shall not stack or deposit boxes, cartons, crates, containers or other materials on any portion of the Premises used for access or parking purposes.
3. The Lessee shall not form any refuse dump or rubbish heap on the Premises, and to remove, not less frequently than once every three (3) days, all refuse, scrap, and packaging materials accumulated on or in the buildings or Premises, keeping unbuilt portions of the Premises clean and in good order; provided that this shall not prevent the orderly storage in neat and proper order upon any parts of the Premises as aforesaid or any material returnable packing cases, boxes or other protective covering used by the Lessee in connection with its operations.
4. The Lessee shall not use or permit the use of the Premises or any part thereof for the manufacture or storage of beers, wines, spirits or intoxicants.
5. The Lessee shall ensure that vehicles belonging to it, its servants, workmen or visitors do not cause an obstruction on any adjoining road, and ensure that vehicles belonging to the Lessee or other persons as aforesaid shall observe all regulations and instructions made or given by the Lessor with regard to the parking of vehicles on the said roads or in spaces reserved for the parking of vehicles.
6. The Lessee shall not, without the prior written consent of the Lessor, make any access way through the compound walls of the Premises.
7. The Lessee shall not, at any time, load or permit the loading of any part of the floor of any building, or any part of the roof of any building, standing on the Premises, to a weight in excess of that for which such floor or roof was designed, or in a manner which, in the opinion of the Lessor, would endanger such building or floor.

LESSOR

LESSEE

SCHEDULE 6
LAND LEASE

PART B — INDENTURE OF LEASE

INDENTURE OF LEASE

By And Between:

PORT QASIM AUTHORITY

(As Lessor)

And

[Company Name]

(As Lessee)

Dated As Of:

[●] 2026

At:

Karachi, Pakistan

INDENTURE OF LEASE

This Indenture of Lease (this “**Indenture**”) is made at Karachi, Pakistan on this [●] day of [●] 2026 (the “**Effective Date**”):

By And Between

Port Qasim Authority, incorporated and established under the Port Qasim Authority Act, 1973 (Act XLIII of 1973) (the “**Lessor**” which expression where the context so requires or deems shall include its successors in interest and assigns and such person for the time being entitled to the reversion immediately and expectant on the term hereby granted) of the one part;

And

[**Company Name**], a company incorporated under the Companies Act, 2017, vide certificate of incorporation No. [●] dated [●], whose registered office is situated at [●] (the “**Lessee**” which expression where the context so requires or deems shall include its successors in interest and assigns), through [●]

S/O/D/O [●] holding CNIC No. [●], duly authorized through Resolution No. [●] dated [●] appended as Appendix-B hereto, of the other part.

The Lessor and the Lessee are together the "**Parties**" and each a "**Party**".

RECITALS

- A. WHEREAS the Lessor is the lawful owner of, and otherwise well and sufficiently entitled to, all that piece or parcel of land more particularly described in the Site Plan and hereinafter referred to as the "**Lessor's Property**", comprising the land of approximately one hundred (100) acres or thereabouts, situated at Port Qasim, Karachi;
- B. AND WHEREAS the Lessor has entered into an Agreement to Lease with the Lessee dated the _____ day of _____ 2026 (hereinafter referred to as the "**Agreement to Lease**" a copy whereof is attached herewith as the first schedule) in respect of the aforesaid property under the Terms of which the Lessee entered upon the said property and built and completed the structure(s) building(s) and other works thereon in accordance with the plans and specifications and to the value duly approved by the Lessor and thus became entitled to a lease in respect of the said property.
- C. AND WHEREAS in consideration of the aforesaid and in consideration of the rent hereby reserved and the covenants to be performed and observed by the Lessee as herein contained, the Lessor does hereby demise unto the Lessee all that piece and parcel of land bearing No. _____ and measuring one hundred (100) acres or thereabouts, situated at Port Qasim, Karachi and within the jurisdiction authority of _____ police station within the Registration District and sub-district of Karachi more particularly delineated upon the plan annexed hereto and coloured pink, and bounded as follows:

On the North by _____

On the South by _____

On the East by _____

On the West by _____

(Hereinafter referred to as "**the Premises**") for use and enjoyment of the said demised Premises together with the building(s) and other works thereon and may as from the date hereof use the Premises for the purpose of and upon the terms set out in, the Implementation Agreement dated [●] 2026 (the "**Implementation Agreement**") entered into between the Lessor and the Lessee in respect of the Sea to Steel (S2S) Project, and no other purpose whatsoever except with the previous consent of the Lessor in writing AND TOGETHER IN COMMON with others having the like rights.

NOW THEREFORE, this Indenture witnesses as follows.

1. PASSAGE OF SERVICES

- 1.1. Subject to the approval of the Lessor in writing first being obtained, the Lessee shall have the right to uninterrupted passage, running water, night soil, gas, and electricity from and to the Premises through the gutters, pipes, sewers, drains, water courses, wires and cables laid, constructed or to be constructed, laid or to be laid, or erected in, under, upon or over adjoining or neighbouring land or property for the convenience of the Lessee and others subject to the Lessor's approval as aforesaid and to such conditions the Lessor may at the time or from time to time deem fit to impose, to make connections with such gutters, pipes, sewers, drains, water courses, wires and cables or any of them which may exist for the purpose of exercising such right, subject to making good any damage or disturbance caused to the adjoining land in the exercise of such right and upon paying such fees and charges to the Lessor as it may deem fit to charge.

2. LESSEE'S RIGHT OF ENTRY

- 2.1. Subject to the Lessor's approval as aforesaid, the Lessee shall have the right so far as may be necessary to enter on any adjoining or neighbouring land of the Lessor at such times for such purposes and subject to such conditions as may be authorised in writing by the Lessor or as may be agreed between the Parties concerned for the purpose of repairing, cleansing, maintaining and amending the walls and any other parts of the Premises and the roads, paths or ways, sewers, drains, gutters, water courses and pipes serving the premises, with the Lessee making good and reinstating any damage done to such land or buildings and fixtures, fittings, furniture and stock in trade therein and paying compensation for any interference with the user thereof and taking all precautions necessary to protect the said land and buildings and other things aforesaid and the occupiers thereof or the persons using the same and public from damage or injury during the course of the work and until the reinstatement of such land or buildings as aforesaid EXCEPT AND RESERVING to the Lessor and its successors in title and the Lessee's licensees and/or others deriving title or such right from the lessor, the following retained rights:

- (a) **Right of passage.** The free and uninterrupted right of passage and running of water, night soil, gas, electricity and other services as are now or may at any time hereafter be used and enjoyed from or to other buildings and land of the Lessor, its successors in title or their lessees or others as aforesaid through the gutters, pipes, sewers, drains, water courses, wires and cables in, under, upon or over the Premises TOGETHER with the right to lay, construct and maintain (or permit to be laid, constructed or maintained) in, under, upon or over the Premises such further gutters, pipes, sewers, drains, water courses, wires and cables, manholes, stopcocks, inspection chambers, and similar apparatus as may, in the opinion of the Lessor, be necessary or desirable during the term hereinafter referred to AND TOGETHER ALSO with the right for the Lessor and its agents and all other persons lawfully authorized with or without workmen and others at all reasonable times, but with fourteen days prior notice to the Lessee, except that no notice shall be required in the case of an emergency to enter upon the Premises or any part thereof for the purpose of laying, constructing, inspecting, maintaining, repairing, renewing any gutter, pipe, sewer, drain, water course, manhole, stopcock, wire cable inspection chamber, or similar apparatus, the Lessor or such other persons as aforesaid causing as little inconvenience as possible and making good all damage caused to the Premises by reason of the carrying out of any such works, but the Lessee shall not be entitled to make any claim or claims on the Lessor in respect of it exercising its right herein reserved.
- (b) **Light and air.** Full right and liberty at any time hereafter or from time to time to execute works and make erections upon or erect, rebuild or alter any buildings or erections on the land of the

Lessor adjoining or near to the Premises and to use such adjoining and neighbouring land in such manner as the Lessor may think fit, notwithstanding that the access of light and air for the time being appertaining to or enjoyed with the Premises or any part thereof or any building for the time being thereon may thereby be interfered with.

- (c) **Right to entry.** Full right at all reasonable times and on giving three days' notice to the Lessee, except that no notice shall be required in the case of an emergency to enter upon the Premises to view the state and condition of, and to excavate, build, erect, repair and maintain adjoining premises and adjoining roadways the work upon which shall otherwise be reasonably practicable, causing as little damage and inconvenience as possible, subject to making good all damage and disturbance so caused, but the Lessee shall not be entitled to make any claim or claims on the Lessor in respect of its exercising the right herein reserved.

3. **TERM OF YEARS AND RENTAL, PERIPHERAL DEVELOPMENT, MAINTENANCE AND OTHER CHARGES**

- 3.1. The Lessor shall hold the Premises unto the Lessee for the term of thirty (30) years from the date of signing of the Implementation Agreement, subject nevertheless to the provisions for re-entry hereinafter contained and the Lessee yielding and paying, during the said term, the annual rent, maintenance and other charges, etc., in advance as per letter No. _____ dated _____ annexed as Appendix-A, forming an integral part of this Indenture (Schedule of payments of land rent and maintenance is annexed at _____).
- 3.2. During the said period of lease during which the Lessee remains in occupation of the said Premises, the Lessee shall pay rental, development, maintenance and other charges as per letter No. _____ dated _____ annexed as Appendix-A. The maintenance charges mentioned in Appendix-A shall be deemed to be in respect of maintenance of the road, potable water supply, drains and sewers.
- 3.3. **Compensation for non-payment.** Without prejudice to the other rights of the Lessor herein, if any payment due under this Agreement (whether legally demanded or not) is not received by the Lessor within thirty (30) days of the due date, then it shall be entitled to receive such moneys together with a penalty calculated as compound interest thereon at one percent (1%) per annum above the Commercial Bank rate at the time the payment falls due (with three monthly rests) from the Lessee.
- 3.4. **Payment insurance premiums.** The Lessee shall also yield and pay unto the Lessor on demand by way of additional payment a sum equal to all such sums as the Lessor may from time to time pay for insuring and keeping insured the Premises against loss or damage by fire and other insurable risks in case the Lessee shall make default in insuring or keeping insured the Premises pursuant to the covenants hereinafter contained.

4. **PAYMENT OF RENTS AND CHARGES AND INSURANCE**

- 4.1. **Yearly rents.** The Lessee shall, during the continuance of the term hereby granted, pay the said yearly rents hereby reserved at the times and in the manner herein provided without any deduction whatsoever, including increased or revised rents as aforesaid, notwithstanding any dispute, action, litigation or claim which may be in contemplation or before any court of law or other tribunal.
- 4.2. **Other charges.** The Lessee shall from time to time and at all times during the said term, pay and discharge all rates, taxes, duties, charges, assessments and outgoings whatsoever which are now or

may at any time hereafter be assessed, charged, levied or imposed upon or payable in respect of the Premises or the use thereof or upon the Lessee and an apportioned part of any such moneys, together with a penalty calculated as compound interest thereon at one percent (1%) per annum above the Commercial Bank rate at the time the payment falls due (with three monthly rests) from the Lessee, if the Lessee fails to make such payment(s) by the due date(s).

- 4.3. **Port dues and charges.** The Lessee will be required to pay any and all dues and charges levied or charged by the Lessor in its capacity as the Port Authority in respect of any ship or craft or cargo or any part thereof whatsoever which the Lessee may be working upon under their own lease or use or which is within its control for the time being or which it is entitled to control, own, use, lease or work upon whether directly or indirectly, as may enter, use, pass, repass, lie at, anchor in, be moored, moved or sunk in any of the waterways, back waters or creeks below high water line. The Lessee shall also pay to the Port Authority such sums as it may levy upon it in respect of any ship or craft or cargo or any part thereof which may have been permanently or temporarily beached or otherwise placed or lie upon the foreshore or any other place outside the limits of the Premises. Such sums shall be recoverable as if they were rent due hereunder. Such rights and powers reserved to the Lessor hereunder are without prejudice to any right, power or privilege conferred upon it by statute or any other regulation or provision whatsoever or reserved to it elsewhere.
- 4.4. **Maintenance charges.** The Lessor may charge, and the Lessee shall pay, all maintenance charges levied upon the Premises in respect of the costs of providing such maintenance works and services in such proportion as the Lessor shall from time to time in its sole discretion deem fit and proper to charge in regard to the maintenance work carried out and the services provided for the common use of the Lessor the Lessee and the Lessor's other lessees upon its estate. The maintenance and other charges as per letter No. _____ Dated _____ (Annexure-A) shall be deemed to be in respect of maintenance of road, potable water supply, drains & sewerage. The maintenance charges shall be in addition to the cost of provision and maintenance of a fire-fighting service, conservancy works, road and street cleaning and lighting, gas and electricity supply, refuse collection and other work, together with all like and other things at present or hereafter provided.
- 4.5. **All-risk insurance.** The Lessee shall insure the Premises with an insurance company to be approved in writing by the Lessor in a sum to be approved in writing by the Lessor and keep the Premises so insured against loss or damage by fire, flood, tempest, storm, impact, explosion, earthquake, damage by aircraft or articles dropped there from, and all other insurable risks, to the full reinstatement value.

5. **COVENANTS**

- 5.1. **Repairing covenants.** Throughout the whole term, the Lessee will keep the Premises, all parts thereof, all authorised buildings and structures thereon, additions thereto, the compound walls thereof and all the fixtures, drains, night soil and other pipes and wires and sanitary and water apparatus thereof in good and substantial repair and condition.
- 5.2. **Amenity covenants and arboriculture.** Without prejudice to the generality of Clause 5.1 above, the Lessee will throughout the term hereby granted perform and observe the Amenity covenants specified in the second schedule hereto and shall carry out and maintain an arboricultural scheme approved by the Lessor within six (6) months of the date of this demise.

- 5.3. **Decoration covenants.** The Lessee shall paint, grain, varnish, whitewash and colour all of the external wood, plaster, cement, brick, stone, concrete and ironwork and other parts usually painted, grained, varnished, whitewashed or coloured on the Premises once in every fifth year at least of the said term and also on the last year howsoever determined with two coats of good quality paint or other suitable materials in a good and workmanlike manner and once in every seventh year at least of the said term, and also in the last year howsoever determined, paint, grain, paper, varnish, whitewash or colour in the manner in which all the inside parts of the Premises usually are painted, papered, varnished, whitewashed and coloured.

6. **YIELD UP OR RENEWAL OF LEASE**

- 6.1. The Lessee will, at the expiration or sooner determination of the said term, quietly yield up the Premises unless the Lease is renewed for another thirty (30) years on such terms and conditions as may be mutually agreed by the Parties. Should no new lease be granted, the Lessor may require the Lessee to clear the Premises at the Lessee's own expense of all or any buildings or structures or works or any part or parts thereof as the Lessor may deem fit and shall give notice in writing to the Lessee to that effect, such notice to be served upon the Lessee by registered post at least one (1) calendar month before the expiration or sooner determination of this lease, in which case the Lessee shall leave the Premises so cleared of buildings, structures or works, or such part or parts thereof as are specified in the notice and leave the Premises levelled and cleared of all obstructions, and clean and tidy at the date of such determination.
- 6.2. Should the Lessor decide in its sole discretion that any buildings, structures or works or part or part thereof shall remain upon the Premises after the date of determination, the Lessor shall give notice to that effect to the Lessee, the notice to be in writing and served upon the Lessee by registered post at least one (1) calendar month before the date of such determination, and if the Lessor so elects, the buildings, structures and works or part or part thereof being in such condition as specified in Clauses 5.1, 5.2, and 5.3 herein. In the event that the Lessor so requires the Lessee to leave such things as aforesaid, the Lessor shall pay to the Lessee a sum equivalent to the Lessor's own assessment of the estimated market value of any salvageable material after the deduction of the Lessor's estimate of the costs of reclamation, transport and sale of the salvageable material and leaving the Premises levelled, cleared, clean and tidy.

7. **INSPECTION AND NOTICE OF DISREPAIR**

- 7.1. The Lessee shall permit the Lessor and/or their officers or agents with or without workmen and others at reasonable business hours and after seven (7) days' notice in writing to enter upon the Premises and every part thereof to view the state and condition of the same, and if some fault, disrepair or breach of the repairing or decoration covenants shall be discovered, the Lessee shall carry out the repairs or other works as may be directed or required by notice in writing from the Lessor to remedy the breach.
- 7.2. **Compliance with notice of disrepair.** The Lessee shall, within two months after every such notice aforesaid, substantially repair and make good to the satisfaction of the Lessor, all defects, decays and wants or reparation to the Premises as directed and required as aforesaid at their own costs, absolutely, and in default in compliance with the said notice, the Lessor may enter and carry out or cause to be carried out such repairs at the Lessee's own cost. All costs incurred by the Lessor shall

be recoverable on demand or, in default of payment, be recoverable as if they were rent due hereunder.

8. **ALTERATION AND ADDITION**

- 8.1. The Lessee shall not at any time during the said term erect or permit to be erected any building, structure or erection or make any alteration or addition to any building, structure or erection whatsoever in or upon the Premises or any part thereof other than internal partitions and other internal works of a non-structural nature or make or change the existing external design or appearance of the Premises except upon such terms and conditions as the Lessor may decide in accordance with the plans, elevation sections, and specification previously submitted to and approved by the Lessor and upon payment of the Lessor's fee as laid down by it from time to time, nor shall the Lessee make any access to the adjoining roads without the prior consent in writing of the Lessor and in the event of a breach of this condition becoming apparent to the Lessor, then the Lessor shall thereupon be at liberty and at the Lessee's expense to remove all such unauthorised building, structure, erection, alterations and additions as may be found and recover the costs from the Lessee as if they were rent reserved herein.

9. **DANGEROUS STRUCTURES**

- 9.1. In the event that a building or structure or any part thereof shall be or become neglected or dangerous, the Lessor shall be at liberty to enter upon the Premises and, at the Lessee's expense, demolish, support, repair and/or rebuild, as in the opinion of the Lessor shall be necessary and recover the costs from the Lessee as if the same were rent reserved herein.

10. **SIGNS**

- 10.1. The Lessee shall not exhibit on the exterior of the walls, roofs or any part of the demised Premises or of any building or structure thereon any electric or illuminated sign, signboard or hanging sign, advertisement display card, sky sign or lettering, except such as may previously have been approved in writing by the Lessor and upon payment of the Lessor's fees as laid down by it from time to time in this connection and in default, the Lessor may enter and remove the same at the Lessee's cost as if the same were an unauthorised new building.

11. **CHANGE OF USE**

- 11.1. The Lessee shall not at any time during the said term use or permit or suffer to be used the Premises or any part thereof for any purpose other than that permitted under the Implementation Agreement, without the previous consent in writing of the Lessor, which consent, if granted, shall be on such terms and conditions as the Lessor alone shall decide.

12. **LIVING ACCOMMODATION**

- 12.1. The Lessee shall not allow labourers, workmen or others to live upon the Premises except if specially approved by the Lessor and even then only in an area or areas approved by the Lessor and in accommodation constructed to the Lessor's satisfaction specially for that purpose.

13. **MINERALS**

- 13.1. The Lessee shall not sell or dispose of any earth, clay, gravel or mineral of any kind from the Premises or permit or suffer any of the same to be removed. The ownership of all these things shall remain vested in the Lessor.

14. **NUISANCE AND POLLUTION**

- 14.1. The Lessee shall not permit or suffer to be done in or upon the Premises or any part thereof any thing which may be or become a nuisance or annoyance to the Lessor or the Lessees or occupiers of neighbouring land or any other person whatsoever nor allow any dense smoke, offensive vapours, gas or particles to emit from the Premises nor encroach or allow others to encroach upon any other land than that within the boundaries of the Premises. The Lessee shall provide all requisite equipment materials and things and do all things necessary to prevent soiling, despoliation or pollution of the atmosphere, waterways, backwaters, foreshores, beaches or land within or outside the Premises but should any such soiling, despoliation, or pollution occur, whether it arises through negligence or improper use or bona fide use or from any other cause or should any such nuisance or annoyance or encroachment occur, then the Lessee shall do all necessary to eliminate the same and shall desist from all things causing or likely to cause anything in contravention of this subclause, and upon written notice from the Lessor or any contravention thereof the Lessee shall forthwith execute all works called for and do all things necessary to prevent such contravention. In default of this, the Lessor may execute all such works and do all things called for at the Lessee's cost and expense, recovering such costs and expenses as though they were rent reserved herein.
- 14.2. Should there be any encroachment in contravention hereof, the Lessor will be entitled to recover from the Lessee a sum equivalent to _____ or such enhanced sum or as may be notified by the Lessor per square meter per day of the area covered by such encroachment and the Lessor shall have the right to recover such sum as provided herein.

15. **ASSIGNMENT**

- 15.1. The Lessee shall not mortgage, transfer or assign any right title or interest or part with possession of the Premises or part thereof without the prior consent in writing of the Lessor which consent shall be at the absolute discretion of the Lessor and in the event of the Lessor granting consent the Lessee shall be liable for payment of any fee that may be levied by the Lessor in connection with such consent and shall continue to be liable for the performance of the several agreements, conditions and stipulations herein contained until grant of the lease hereinbefore referred to PROVIDED ALWAYS THAT any such consent shall not relieve the Assignee hereof from complying to and with the full provisions of this Indenture and any such grant shall be on such terms and conditions as the Lessor shall alone determine. Should any such mortgage or assignment be executed directly or indirectly by reconstitution or by any other means in breach hereof, this Indenture shall automatically stand terminated save insofar as any claim or claims or any other remedy open to the Lessor hereunder are concerned.

16. **LAWS & SANITARY REGULATIONS**

- 16.1. The Lessee shall comply with all byelaws, rules and regulations laid down in any way relating to health and sanitation which may be in force from time to time or at all times and to the Lessor's satisfaction, the Lessee shall provide sufficient sanitary accommodation for the labourers and workmen and other persons employed upon the Premises. The Lessee shall ensure that adequate, suitable and watertight sanitary, drainage and sewerage works are carried out and maintained in

good repair and condition. The Lessee shall forthwith, after receiving notice from the Lessor, carry out all necessary repairs, improvements or such other works as the Lessor may deem fit and in default of the Lessee complying with such notice, the Lessor may at its discretion forthwith, enter upon the Premises and take possession and close down all operation thereon without prejudice to its other legal rights and remedies whether provided here in or not.

16.2. The Lessee shall, at its own cost, comply with all requirements of, made under or deriving validity from any Act or Order or any regulations made thereunder or any rule, regulation or requirement of the Lessor or any other competent authority which is now or may hereafter come in to force whether as to the Premises or any employment therein of any person or in connection with any fixture, machinery, plant, or chattel therein. The Lessee shall not do, omit to do, permit, suffer to be done or omitted to be done anything in or about the Premises whereby the Lessor may become exposed to the liability to pay any penalty, damages, compensation, costs, charges or expenses and shall keep the Lessor indemnified against all such liabilities.

16.3. Upon receipt of any notice, order, direction or other thing from a competent authority affecting or likely to affect the Premises, whether the same shall be served directly on the Lessee or the original or a copy thereof be received by any other person whatsoever, the Lessee will so far as such notice, order, direction or other thing or the Act, regulations, or other instrument under and by virtue of which it is issued or the provisions thereof, required the Lessee to do so, comply therewith at the Lessee's own expense and will forthwith deliver to the Lessor a copy of such notice order direction or other thing.

17. TOWN PLANNING SCHEMES

17.1. At all times during the subsistence of this lease, the Lessee shall comply with all requirements of or having validity under any planning or other schemes which may now or from time to time be adopted by the Lessor or any other competent authority or any modification thereof now or for the time being in force and any rules, regulations, orders and directions made thereunder.

18. INFRASTRUCTURE

18.1. The Lessee shall not require the Lessor to provide any infrastructure except roads, potable water supply, drains and underground sewers. The Lessee may, after obtaining the written approval of the Lessor, procure to the satisfaction of the Lessor any infrastructural elements to satisfy its own needs at its own cost and expense, provided that the use of these or any of them may not be reserved to the Lessee alone. The Lessee shall maintain the infrastructural elements procured by it in good repair and condition, and in default, the Lessor may at any time repair them or cause them to be repaired and carry out any maintenance work which the Lessor may consider necessary.

19. FIRE PRECAUTIONS

19.1. The Lessee shall comply with all orders or regulations issued by the Lessor or any competent authority in respect of fire precautions on or at the Premises.

20. DISCHARGE OF ANY TRADE OR ITS EFFLUENT

20.1. The Lessee shall not discharge from the Premises any trade or other effluent without the prior written authority of the Lessor and the Lessee shall comply from time to time and at all times and

in all respects with such rules, regulations and requirements as are now or in the future may be laid down by the Lessor in its sole discretion in regard to trade and/or other effluent. The Lessee shall provide to the Lessor as often as the Lessor may require samples and test reports of effluent being discharged from any machine, process, building, land or any other thing or place whatsoever and also shall furnish the Lessor with any bio-data required by it for analysis, testing, study, or any other purpose. The Lessor shall have the right and liberty to enter upon the Premises with or without notice during business or working hours and take away such samples and carry out such tests on all the Premises as the Lessor in its sole discretion may require.

- 20.2. The Lessee shall provide all plants, equipment, drains, chambers or other things and carry out any treatment or pre-treatment of trade or other effluent as the Lessor in its sole discretion may require. Should the Lessor be satisfied in any respect whatsoever that effluent being discharged on or from the Premises is not in its opinion of a suitable nature, content, temperature, condition or quantity or in any way does not comply with its rules or regulations, which it shall alone have power to lay down, then the Lessor shall have the right to enter upon the Premises at any time and close down immediately the whole or any part of the Lessee's operation, process making, manufacturing or any or all activities thereon as it may at its sole discretion decide.
- 20.3. Notwithstanding the foregoing, the Lessor shall not be in any way liable or responsible to the Lessee or any third party for any loss or damage which may arise or be incurred as a direct or indirect result of the exercise of its powers set out herein.
- 20.4. The Lessee shall be solely responsible for any injury or damage caused to any person, property or thing arising out of the discharge of effluent on or from the Premises and shall keep the Lessor indemnified against any claim or action arising therefrom. Toxic and other hazardous waste effluent will be suitably treated by the Lessee prior to discharge into the sewerage/drainage system laid by the Lessor.

21. SEPARATE AGREEMENT REGARDING DISPOSAL OF DANGEROUS SUBSTANCES

- 21.1. The Lessee shall, where the Lessor deems it necessary, enter into a separate agreement regulating the discharge and/or disposal of dangerous or noxious substances and trade and/or other effluent couched in such terms and including such provisions and conditions as the Lessor alone may decide.

22. EASEMENT

- 22.1. The Lessee shall not be or become entitled to any right of access or light or air to the Premises or to any other right, privilege or easement, save as herein specifically granted which would restrict or interfere with the use of any adjoining or neighbouring land or building or any other purpose.

23. NON-PAYMENT

- 23.1. If the said rent hereby reserved or any part thereof or any other moneys due under this demise shall be unpaid for the period of fifteen (15) days next after any of the days hereinbefore appointed for payment (whether the same shall have been legally demanded or not) or if default shall be made in the performance or observance of any of the covenants or conditions herein contained or the Lessee shall suffer any distress or execution to be levied on the Lessee's goods then and in any such case, it shall be lawful for the Lessor or any person or persons duly authorised by it in that behalf to re-enter upon the Premises or any part thereof to have and again repossesses and enjoy as in its first

and former estate, anything herein contained to the contrary notwithstanding, and thereupon the term hereby created shall cease without prejudice to any right of action or remedy of the Lessor in respect of any antecedent breach of any of the covenants by the Lessee.

24. PUBLIC LIABILITY INSURANCE

- 24.1. The Lessee hereby agrees to indemnify and keep indemnified the Lessor from and against all liability in respect of loss, damage, actions, proceedings, suits, claims, demands, costs, liability and expenses in respect of any injury to or the death of any person, damage to any property (movable or immovable), the infringement, disturbance or destruction of any rights, easements or privilege, or otherwise by reason of or arising in any way directly or indirectly out of the repair, state of repair, or condition of the aforesaid Premises and to effect or cause to be effected the necessary third party and public liability insurance with an insurance company to be approved by the Lessor in the joint names of the Lessee and the Lessor to cover this indemnity and at least in such minimum sum as shall be determined by the Lessor from time to time and to provide such policies and receipts for premiums to the Lessor as required in respect of the all risks insurance.

25. INSOLVENCY OR BANKRUPTCY

- 25.1. Should the Lessee, being a company, go into or be taken into liquidation by institution of legal proceedings or in any other manner or commit any act of insolvency or bankruptcy, or the Lessee being an individual or partnership, be adjudged insolvent or bankrupt or enter into any arrangement with its creditors, this lease shall terminate forthwith and the Lessor shall be entitled to re-enter and take possession of the Premises without notice and shall have first charge lien and priority over and in respect of the Lessee's properties, goods, chattels and assets thereon to the full extent of the Lessor's claim.

26. PEACEABLE ENJOYMENT

- 26.1. The Lessor hereby covenants with the Lessee that the Lessor paying the rents hereinbefore reserved and performing and observing the covenants and conditions and agreements on the part of the Lessee hereinbefore contained shall and may, peaceably and quietly, hold and enjoy the Premises for the term hereby granted without interruption from or by the Lessor or any person lawfully claiming through or under them.

27. SERVICE OF NOTICE

- 27.1. Any notice, decision, direction, approval, authority permission, or consent which may be given by the Lessor under this lease shall be valid and effectual if signed by the Lessor or such officer or agent as the Lessor may from time to time designate for the purpose and shall be deemed to have been validly served on or conveyed to the Lessee if posted at the Premises and is certified as having been so posted by an employee of the Lessor and any such notice required to be served upon the Lessor shall be effected by the Lessee by sending the same by prepaid registered post to the Lessor's chief office where it shall from time to time be located.

28. LAW APPLICABLE

- 28.1. All rights, obligations and liabilities of the Parties shall be governed in accordance with the terms of this lease and the Transfer of Property Act 1882, the Port Qasim Authority Act 1973, and the rules

framed thereunder, the Ports Act 1908, the Port Authorities Lands and Buildings (Recovery of Possession) Ordinance 1962 and the Port Qasim Authority lands and Buildings (Recovery of Possession) Rules 1975. Magistrates conferred with jurisdiction thereunder shall have full power and jurisdiction to enforce any claim, right, liability or obligation of the Parties hereunder.

29. COSTS AND CHARGES FOR PREPARATION OF LEASE

29.1. The Lessee shall pay to the Lessor upon the signing hereof all its costs in preparing this lease, including legal fees, a negotiation fee and fees in respect of approval of plans and the inspection by the Lessor as the work proceeds in accordance with the schedule of fees as laid down by the Lessor from time to time. The Lessee shall arrange to obtain proper stamp paper for execution of this Indenture and shall also pay the registration charges.

30. STATUTES & BYELAWS

30.1. The lessee shall carry out the whole of the works in accordance with any relevant statutes, byelaws, regulations or rules governing the works as laid down/prescribed by the Lessor and/or any competent authority or body subject to the Lessee having obtained the necessary approvals or consents.

31. TERMS OF AGREEMENT TO LEASE

31.1. The Terms of the Agreement to lease earlier signed by the Lessor and Lessee, insofar as they are not reflected in this lease, shall be deemed to form part of and be read along with this lease.

32. MASTER CLAUSE

32.1. Provided always that the Lessor reserves the right to withdraw/cancel/revoke the allotment of the lease if the Lessee commits any breach or violates any of the terms & conditions agreed upon between the Lessee and the Lessor under this Indenture or any other agreement, or if, in the opinion of the Lessor, the purpose for which the allotment was accorded is not being fulfilled. It is further provided that the Lessor also reserves the right to amend/modify the terms of this Indenture as and when considered necessary.

IN WITNESS WHEREOF, the Parties hereto have affixed their respective hands and seals to this Agreement on the day, month and year first above written.

LESSOR

LESSEE

Enclosures:

- (h) Appendix A — Allotment Letter / Letter of Intent
- (i) Appendix B — Authorization Letter
- (j) Appendix C — Site Plan
- (k) First Schedule — Agreement to Lease
- (l) Second Schedule — Schedule of Amenity Covenants

Witnesses:

WITNESS 1

WITNESS 2

**Appendix A
Allotment Letter**

Appendix B
Authorization Letter

Appendix C
Site Plan

**First Schedule
Agreement to Lease**

Second Schedule

Schedule of Amenity Covenants

1. The Lessee shall keep in good order and repair any hard standing provided for the parking of vehicles and any other land forming part of the Premises used for parking or otherwise not covered by authorized buildings.
2. The Lessee shall not stack or deposit boxes, cartons, crates, containers or other materials on any portion of the Premises used for access or parking purposes.
3. The Lessee shall not form any refuse dump or rubbish heap on the Premises, and to remove, not less frequently than once every three (3) days, all refuse, scrap, and packaging materials accumulated on or in the buildings or Premises, keeping unbuilt portions of the Premises clean and in good order; provided that this shall not prevent the orderly storage in neat and proper order upon any parts of the Premises as aforesaid or any material returnable packing cases, boxes or other protective covering used by the Lessee in connection with its operations.
4. The Lessee shall not use or permit the use of the Premises or any part thereof for the manufacture or storage of beers, wines, spirits or intoxicants.
5. The Lessee shall ensure that vehicles belonging to it, its servants, workmen or visitors do not cause an obstruction on any adjoining road, and ensure that vehicles belonging to the Lessee or other persons as aforesaid shall observe all regulations and instructions made or given by the Lessor with regard to the parking of vehicles on the said roads or in spaces reserved for the parking of vehicles.
6. The Lessee shall not, without the prior written consent of the Lessor, make any access way through the compound walls of the Premises.
7. The Lessee shall not, at any time, load or permit the loading of any part of the floor of any building, or any part of the roof of any building, standing on the Premises, to a weight in excess of that for which such floor or roof was designed, or in a manner which, in the opinion of the Lessor, would endanger such building or floor.

LESSOR

LESSEE

Schedule 7

Form of Construction Period Performance Bond

Guarantee No.: _____

Date of Issue: _____

Amount: US\$ 1,000,000

Expiry Date: _____

By THIS GUARANTEE we, M/s _____ (hereinafter called the **"Bank"**), whose registered office is situated at _____, Karachi, are held firmly bound unto the PORT QASIM AUTHORITY (hereinafter called the **"Authority"**) in the sum of [US\$ 1,000,000 (United States Dollars One Million Only) or PKR _____ (Pak Rupees _____)], for the payment of which sum the Bank binds itself, its successors and assigns by these presents.

Whereas M/s _____ (hereinafter called the **"Customer"**) and the Authority have entered into an Implementation Agreement dated _____ (hereinafter called the **"Agreement"**) for the construction of a Green Ship Repair & Dismantling Yard at Port Qasim, Karachi (hereinafter called the **"Project"**), in conformity with the provisions of the Agreement.

Whereas the Agreement requires the provision of a Construction Period Performance Bond in the form of a bank guarantee or standby letter of credit by the Customer to the Authority.

Whereas, because of such Agreement entered into between the Customer and the Authority, we, the Bank, hereby give this irrevocable and unconditional guarantee in the sum mentioned hereinabove (this **"Guarantee"**), such amount representing the security to be furnished by the Customer, for the due fulfilment of the Customer's obligations in respect of the Project, as described in the Agreement in letter and spirit.

NOW, THE CONDITIONS of this Performance Bond are such that:

1. If the Company duly performs and observes all the terms, provisions, conditions and stipulations of the Agreement on the Customer's part to be performed and observed according to the true purpose, intent and meaning thereof, this Guarantee shall become null and void on the Date of Expiry.
2. NOW THEREFORE, in case of default by the Customer, of which default the Authority shall be the sole judge, duly notified to the Bank in writing by the authorised representative of the Authority at any time from the Date of Issue until the Date of Expiry, the Bank shall pay to the Authority, on first written demand, the amount claimed, up to the amount of this Guarantee, without reference to the Customer and without the Customer or anyone else raising the question whether a default has taken place or not.

3. The Authority may make more than one demand under this Guarantee, and each demand may be for part only of the amount of this Guarantee. Payment of a partial demand shall not discharge the Bank in respect of the balance, and this Guarantee shall remain in full force and effect for the amount of this Guarantee less all amounts paid to the Authority hereunder.
4. This Guarantee and the benefits hereof shall not be assigned without the prior written consent of the Authority, such consent not to be unreasonably withheld.
5. This Guarantee shall be governed by and construed in accordance with the laws of the Islamic Republic of Pakistan.
6. This Guarantee is binding on the Bank and is irrevocable.
7. Any claim received after the Date of Expiry will not be honoured and we shall be released of our obligations and liabilities hereunder, regardless of whether this Guarantee is returned to us for cancellation in original or not.
8. Irrespective of anything mentioned hereinabove, this Guarantee shall become null and void ultimately on _____ unless extended by the Bank.

SIGNED, SEALED AND DELIVERED BY THE BANK

Seal and date: _____

For and on behalf of _____

SCHEDULE 8
THE FINANCIAL MODEL

(To be provided by the Company)

SCHEDULE 9
PRELIMINARY FINANCING PLAN

SCHEDULE 10

LETTER OF INTENT

[ON PQA LETTERHEAD]

No. PQA/PSP/[573]/2026

Dated: [●] 2026

[Name of Sponsor(s) / successful Bidder]

[Address]

Subject: DEVELOPMENT OF THE WORLD'S FIRST-CLASS GREEN SHIP REPAIR & DISMANTLING YARD BY CONVERSION AND UPGRADATION OF THE IRON ORE & COAL BERTH (IOCB) ON BOT BASIS AT PORT QASIM, KARACHI — LETTER OF INTENT (LOI)

Dear Sir/Ma'am,

The Port Qasim Authority (hereinafter referred to as “PQA”) conveys its intent to permit you to develop The World's First-Class Green Ship Repair & Dismantling Yard by revival, rehabilitation and redevelopment of the existing Iron Ore & Coal Berth (“IOCB”) and adjoining Project Land measuring approximately one hundred (100) acres, into an integrated Green Ship Repair Yard, Ship Dismantling & Recycling Facility, Scrap Handling & Processing Facility (the “Project”), hereinafter referred to as the “Terminal”, on Build, Operate and Transfer (“BOT”) basis at Port Qasim, Karachi. This Letter of Intent (“LOI”) is issued with reference to your Proposal submitted in response to the EOI, Prequalification & Request for Proposal (RFP) for the Sea to Steel (S2S) Project dated [●] 2026, and is subject to fulfilment of the following requirements:

1. Grant of License, Rights and Concession

- (a) PQA intends to grant you an effective concession, right and license to design, finance, insure, construct, test, commission, complete, operate, manage and maintain the Terminal, established by revival, rehabilitation, upgradation and modification of the IOCB, on Build, Operate and Transfer basis, for a period of thirty (30) years (including the Construction Period). The use of the IOCB shall be on a non-exclusive, co-use basis, having regard to the subsisting rights of PSM under S.R.O. 70(KE)/2010 dated 12th May, 2010. This BOT concession period is extendable for a further thirty (30) years on mutually agreed terms prior to expiry of the first concession period. If mutual agreement cannot be reached, the project assets (excluding the PSM Land and Green Power Steel Plant) shall be transferred to PQA for a consideration of Rupee One only.
- (b) Along with the Project, PQA is open to facilitating you in establishing a Green Power Steel Plant on land to be procured by you from the Ministry of Industries and Production / Pakistan Steel Mills (“PSM”), subject to successful negotiations between you and PSM.

2. Physical Scope of Work

In accordance with the PQA Guidelines and as per the Technical Proposal submitted by you:

- (a) You shall carry out the revival, rehabilitation, upgradation and modification of the existing IOCB as an integrated Green Ship Repair Yard, Ship Dismantling & Recycling Facility and Scrap Handling & Processing Facility, in accordance with the project scope and the PQA Guidelines, and shall bear the cost of any capital or maintenance dredging required beyond existing navigational parameters.
- (b) The Terminal shall be equipped to handle ship dismantling and recycling operations with an **indicative capacity** of approximately 120,000 – 150,000 LDT per annum, developed in accordance with the phased approach set out in the Implementation Schedule.

3. Schedules

- (a) Acceptance of this LOI, in accordance with paragraph 8 below, shall be given within fourteen (14) days from the date of receipt of this letter.
- (b) This LOI shall be valid for one hundred and twenty (120) days from the date of its acceptance, unless extended. The bid submitted with your Proposal shall be extended to remain valid for a period of one hundred and eighty (180) days from the date of acceptance of this LOI.
- (c) Execution of the Implementation Agreement shall be ensured within the validity period of this LOI.
- (d) Design, construction and commissioning of the Terminal shall be achieved within twenty-four (24) months from the date of signing of the Implementation Agreement, unless an extension is granted by PQA.

4. Engineering, Design, Procurement and Construction

You shall ensure that the engineering design, procurement, construction and operations of all facilities of the Terminal conform to accepted international practices, standards and specifications, including the Hong Kong Convention and applicable ILO standards, subject to the approval of PQA, as generally outlined in the PQA Guidelines.

5. Financing Plan

You shall finance the Project as indicated in your Financial Proposal. Neither PQA nor the Government of Pakistan shall extend any guarantee in this regard.

6. Insurance

You shall be responsible for arranging insurance policies for all liabilities during the construction and operation of the Terminal, including:

During the Construction Phase

- (a) Marine Cargo Insurance;
- (b) Contractor's All Risk Insurance;

- (c) Workmen's Compensation & Employer's Liability;
- (d) Third Party Liability Insurance; and
- (e) Motor Insurance.

During the Operation Phase

- (a) Property All Risk Insurance;
- (b) Machinery Insurance;
- (c) Workmen's Compensation;
- (d) Public Liability Insurance;
- (e) Motor Insurance;
- (f) Burglary Insurance;

7. Performance Guarantee

- (a) Before signing of the Implementation Agreement, you shall provide PQA an unconditional and irrevocable Construction Period Performance Bond issued by a minimum AA-rated scheduled bank of Pakistan located in Karachi, in favour of PQA, in the value of USD 1,000,000, or its PKR equivalent, which shall be valid until Successful Commissioning, in the form set out in Schedule 7, together with a Parent Company Guarantee in the value of USD 15,000,000 in the form set out in Schedule 23.

8. Other Conditions

- (a) You shall carry out ship dismantling, ship repair and scrap handling operations at the Terminal in accordance with the PQA Guidelines and applicable international standards, including the Hong Kong Convention, with particular emphasis on environmental aspects.
- (b) The Revenue Sharing Percentage / Minimum Guaranteed Annual Payment payable to PQA shall be as set out in Schedule 13, paid in advance on a monthly basis with annual reconciliation.
- (c) PQA takes responsibility for the provision of services and facilities to the extent set out in the PQA Guidelines, on payment of PQA Charges (Schedule 18). PQA may provide additional services/facilities on payment of applicable charges.
- (d) All drawings and designs of the Project shall be subject to PQA's approval, which shall not be unreasonably withheld.
- (e) Construction and maintenance of residential accommodation for you or your Contractors' employees shall not be allowed; however, rest houses for operational staff may be permitted.
- (f) Any land other than the Project Land may be allotted on your application on PQA's normal terms and conditions of land lease.
- (g) You shall dispose of all dredged material, spoil and debris in the area designated by PQA.

- (h) Provisions relating to Force Majeure will be discussed and negotiated at the time of finalization of the Implementation Agreement.
- (i) Terminal operations shall be governed by the Port Qasim Authority Regulations, 1981, and an Operations Manual to be agreed and appended as a Schedule to the Implementation Agreement.
- (j) PQA's charges and levies on vessels using the Terminal shall be in accordance with the rules applied by PQA and shall be collected directly by PQA.
- (k) There shall be no re-openers in respect of this Project, save as expressly provided in the Implementation Agreement.
- (l) The Project Cost and Financial Model shall be firmed up before signing of the Implementation Agreement or before Financial Close.
- (m) Consultants and EPC Contractors shall be as per the Technical Proposal provided by you.
- (n) Obtaining all permissions and/or tax exemptions from the GOP as stipulated in your Financial Model shall be your responsibility.

9. Acceptance of LOI

- (a) Acceptance of the terms and conditions of this Letter of Intent should be conveyed to PQA in writing within the period specified in paragraph 3(a) above.

Yours sincerely,

PORT QASIM AUTHORITY

SCHEDULE 11
THE PROPOSAL

(Company Proposal to be added)

SCHEDULE 12

CONSENTS

(To be added after approvals/consents are received within 12 months of the date of effectiveness of the IA)

SCHEDULE 13

SCHEDULE / FORMULA REVENUE SHARING AND MINIMUM GUARANTEED ANNUAL PAYMENT TO PQA BY THE COMPANY

A. Revenue Sharing Percentage / Minimum Guaranteed Annual Payment

The Company shall pay to PQA, commencing from the date of Successful Commissioning of the Project, whichever is the higher of the Revenue Sharing Percentage of Gross Revenue or the Minimum Guaranteed Annual Payment, for the following periods:

Period (from commencement of Successful Commissioning)	Revenue Sharing Percentage of Gross Revenue	Minimum Guaranteed Annual Payment (whichever is higher)
Year 1 – 8	_3% of Gross Revenue	USD [●] million per year
Year 9 – 18	_5% of Gross Revenue	USD [●] million per year
Year 19 – 28	_6% of Gross Revenue	USD [●] million per year

B. Payment Terms

- (i). The Minimum Guaranteed Annual Payment fixed USD shall be payable by the Company to PQA in PKR in advance, in equal monthly instalments (or as otherwise mutually agreed), with annual reconciliation against the Revenue Sharing Percentage of actual Gross Revenue for the relevant Year, in accordance with Article 21.6 of the Agreement. The rate of exchange of USD to PKR shall be the National Bank of Pakistan's Selling Rate on the date of payment.
- (ii). In case of delay in payment beyond the due date, the Company shall pay a late payment surcharge at the rate of KIBOR + 4%.
- (iii). Where the Revenue Sharing Percentage of actual Gross Revenue exceeds the Minimum Guaranteed Annual Payment already paid for the relevant Year, the Company shall pay the additional amount to PQA within thirty (30) days of the annual reconciliation referred to in Article 21.6.
- (iv). Annual reconciliation shall be verified and certified by a firm of chartered accountants of international standing (being one of Deloitte, EY, KPMG or PwC, or their respective member firms in Pakistan), appointed by the Company at its own cost, whose certificate shall, in the absence of manifest error, be final and binding on the Parties.
- (v). Gross Revenue derived from sales to Affiliates or related parties shall be computed on an arm's length basis, being not less than the higher of actual consideration and prevailing open-market price(s), in accordance with Article 21.2.
- (vi). PQA does not guarantee any minimum throughput, revenue or profitability of the Project. The Company's obligation to pay the Minimum Guaranteed Annual Payment is absolute and unconditional, save as expressly provided in the Agreement (including Article 13 on Force Majeure), in accordance with Article 21.7.

SCHEDULE 14
DRAFT OF SECURITY MANUAL

(To be mutually agreed and added before commissioning of the Project)

SCHEDULE 15
DRAFT OF TERMINAL OPERATION MANUAL

(To be mutually agreed and added before commissioning of the Project)

SCHEDULE 16

DRAFT OF ACCIDENT PREVENTION AND SAFETY MANUAL

(To be mutually agreed and added before commissioning of the Project)

SCHEDULE 17
DRAFT OF EMERGENCY MANUAL

(To be mutually agreed and added before commissioning of the Project)

SCHEDULE 18

SCHEDULE OF CHARGES TO BE PAID TO PQA BY THE COMPANY

Capitalized terms used in this Schedule and not otherwise defined herein bear the meanings ascribed to them in the Implementation Agreement to which this Schedule is annexed.

This Schedule sets out the current scale of PQA Charges referred to in Article 1.6. The PQA Charges are payable by the Company to PQA in addition to, and are not creditable against, the License Fee under Article 3.6.1 and Revenue Sharing Percentage and/or the Minimum Guaranteed Annual Payment payable under Article 21 and Schedule 13.

S. No.	Head of Account	Zone / Category	Rate	Remarks
1.	Peripheral Development Charges (PDC)	SWIZ (Industrial)	Rs. 60 million per acre	
		SWIZ (Ware House)	Rs. 60 million per acre	
		NWIZ (Industrial)	Rs. 40 million per acre	
		NWIZ (Ware House)	Rs. 60 million per acre	
		EIZ (Industrial)	Rs. 30 million per acre	
		EIZ (Ware House)	Rs. 40 million per acre	
		Water Front Area	Rs. 78 million per acre	
		Occupancy Value / Premium of Land	Rs. 39 million per acre	
2.	Land Rent	Industrial & Ware House	Rs. 99,000 per acre	Rates are increased 5% annually on every 1st July of the year.
		Commercial	Rs. 198,000 per acre	
		Backup Area / Edible Oil / Molasses Area	Rs. 118,798 per acre	
		Water / Sea Front Area	Rs. 158,398 per acre	
		Terminal / Berth	Rs. 3,498,782 per acre	
3.	Maintenance Charges	Industrial	Rs. 99,000 per acre	

		Ware House	Rs. 198,000 per acre	Rates are increased 5% annually on every 1st July of the year.
		Commercial	Rs. 198,000 per acre	
		Backup Area	Rs. 198,000 per acre	
		Edible Oil / Molasses Area	Rs. 99,000 per acre	
		Terminal / Berth	Rs. 204,811 per acre	

For any amount payable to PQA under this Agreement, which is not paid on the stipulated due date, a late payment surcharge shall be payable in addition to the actual amount outstanding, which shall be calculated for the period beginning from the due date of the original amount outstanding, until the date of actual payment, at a markup rate of 1 year KIBOR + 4% per annum.

All other PQA Charges to be paid by the Company to PQA shall be paid as per the rates notified for such charges in PQA's Land Allotment Policy.

SCHEDULE 19

DRAFT OF ENVIRONMENTAL IMPACT ASSESSMENT

(The full EIA report, prepared by a SEPA-accredited environmental consultant, together with the SEPA approval / No Objection Certificate, is to be physically annexed to this Schedule upon receipt, in accordance with Schedule 12 (Consents))

SCHEDULE 20

Depreciation of Assets

S. No.	Asset Category	Value of entered assets	Depreciation amount	Depreciation period (years)
1.				
2.				
3.				
4.				
5.				

SCHEDULE 21
FORM OF CONCESSION PERIOD PERFORMANCE BOND

Guarantee No.: _____

Date of Issue: _____

Amount: US\$ 3,000,000

Expiry Date: _____

By THIS Guarantee we, M/s _____ (hereinafter called the “**Bank**”), whose registered office is situated at _____, Karachi, are held firmly bound unto the PORT QASIM AUTHORITY (hereinafter called the “**Authority**”) in the sum of [US\$ 3,000,000 (United States Dollars Three Million Only) or PKR _____ (Pakistan Rupees _____)], for the payment of which sum the Bank binds itself, its successors and assigns by these presents.

Whereas M/s _____ (hereinafter called the “**Customer**”) and the Authority have entered into an Implementation Agreement dated _____ (hereinafter called the “**Agreement**”) for the design, financing, construction, operation, maintenance and transfer of Green Ship Repair & Dismantling Yard at Port Qasim, Karachi (hereinafter called the “**Project**”), in conformity with the provisions of the Agreement.

Whereas the Agreement requires the provision of a Concession Period Performance Bond in the form of a bank guarantee or standby letter of credit by the Customer to the Authority upon Successful Commissioning of the Project.

Whereas, because of such Agreement entered into between the Customer and the Authority, we, the Bank, hereby give this irrevocable and unconditional guarantee in the sum mentioned hereinabove (this “**Guarantee**”), such amount representing the security to be furnished by the Customer, for the due fulfilment of the Customer’s obligations in respect of the Project, as described in the Agreement in letter and spirit.

NOW, THE CONDITIONS of this Performance Bond are such that:

1. If the Company duly performs and observes all the terms, provisions, conditions and stipulations of the Agreement on the Customer’s part to be performed and observed according to the true purpose, intent and meaning thereof, this Guarantee shall become null and void on the Date of Expiry.

2. NOW THEREFORE, in case of default by the Customer, of which default the Authority shall be the sole judge, duly notified to the Bank in writing by the authorised representative of the Authority at any time from the Date of Issue until the Date of Expiry, the Bank shall pay to the Authority, on first written demand, the amount claimed, up to the amount of this Guarantee, without reference to the Customer and without the Customer or anyone else raising the question whether a default has taken place or not.
3. The Authority may make more than one demand under this Guarantee, and each demand may be for part only of the amount of this Guarantee. Payment of a partial demand shall not discharge the Bank in respect of the balance, and this Guarantee shall remain in full force and effect for the amount of this Guarantee less all amounts paid to the Authority hereunder.
4. This Guarantee and the benefits hereof shall not be assigned without the prior written consent of the Authority, such consent not to be unreasonably withheld.
5. This Guarantee shall be governed by and construed in accordance with the laws of the Islamic Republic of Pakistan.
6. This Guarantee is binding on the Bank and is irrevocable.
7. Any claim received after the Date of Expiry will not be honoured and we shall be released of our obligations and liabilities hereunder, Regardless of whether this Guarantee is returned to us for cancellation in original or not.
8. Irrespective of anything mentioned hereinabove, this Guarantee shall become null and void ultimately on _____ unless extended by the Bank.

SIGNED, SEALED AND DELIVERED BY THE BANK

Seal and date: _____

For and on behalf of _____

SCHEDULE 22

PSM LAND PROCUREMENT AND GREEN POWER STEEL PLANT ARRANGEMENTS

(To be added by PQA)