



**REQUEST FOR QUALIFICATION
FOR THE
STRATEGIC DIVESTITURE OF
SRILANKAN AIRLINES LIMITED
BY
THE GOVERNMENT OF SRI LANKA
THROUGH
MINISTRY OF FINANCE, ECONOMIC STABILIZATION
AND NATIONAL POLICIES,
STATE OWNED ENTERPRISES RESTRUCTURING UNIT**

OCTOBER 31, 2023

DISCLAIMER

1. The Government of Sri Lanka (“**GoSL**”) owns 99.52% (ninety-nine point five two percent) stake in SriLankan Airlines Limited (“**Company**”). GoSL acting through the Ministry of Finance, Economic Stabilization and National Policies and its State Owned Enterprises Restructuring Unit (“**SOERU**”) is issuing this expression of interest for the divestiture of its majority stake in SriLankan Airlines Limited (“**Company**”) in accordance with the Special Guidelines on Divestiture of State-Owned Enterprises dated 14 August 2023 issued by the MoF (as defined below) and accessible at <https://www.treasury.gov.lk/web/circular-gazette-acts/section/guidelines> (“**Divestiture Guidelines**”). This expression of interest is hereinafter referred to as a ‘Request for Qualification’ or ‘RFQ’ and is being provided by SOERU solely for use by a Prospective Bidder (as defined below) in preparing and submitting a Prequalification Application (as defined below) in connection with the Proposed Transaction (as defined below).
2. Please note, GoSL is currently in the process of restructuring and/or removing debts/liabilities which are on the latest financial statements of the Company. This process is ongoing, and any such progress will be duly notified.
3. This RFQ (as defined below) has been prepared on a best-efforts basis and all information relating to the Company set out in this RFQ has been extracted from published sources of information. Any opinions in this RFQ have been expressed in good faith. The information contained in this RFQ may be subject to material update, revision, and further amendments, as permitted in this RFQ. However, neither the GoSL, the SPC, the SpCANC, the SOERU, nor any of their respective consultants, employees, agents or advisors:
 - (a) undertake or is obligated to update this RFQ to reflect events subsequent to the date of this RFQ or the date as of which any information is reflected in this RFQ;
 - (b) make any representation or warranty (expressed or implied) as to the authenticity, accuracy, sufficiency or completeness of the information contained herein or in any other document made available to a Prospective Bidder (at any time) in connection with the Bidding Process (as defined below) for the Proposed Transaction;
 - (c) shall have any liability under the RFQ or for any other written or oral communication transmitted to a Prospective Bidder in connection with the Proposed Transaction; or
 - (d) shall be liable to reimburse or compensate a Prospective Bidder for any costs or expenses incurred by a Prospective Bidder in evaluating or acting upon this RFQ or otherwise in connection with the Proposed Transaction.
4. This RFQ constitutes an invitation to submit a Prequalification Application. The submission of a Prequalification Application shall not create or vest in favour of a Prospective Bidder any right, interest or claim in relation to this Bidding Process and/or the Proposed Transaction. This RFQ does not constitute an offer of shares to the public or an invitation to the public to subscribe to shares, a solicitation to invest or otherwise participate in the Proposed Transaction.
5. The circulation of this RFQ or any of its content is not to be construed as any form of commitment or offer by GoSL to proceed with the Proposed Transaction.
6. Prospective Bidders should make their own analysis of the information contained in this RFQ, in relation to the business and operations of the Company and all matters pertaining to the Proposed Transaction and rely on their own assessment for participating in the Bidding Process.
7. Prospective Bidders shall keep this RFQ, and all information made available to them strictly confidential. Circulation of this RFQ by any entity other than SOERU is strictly prohibited.

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1. GENERAL PROVISIONS

1.1 Definitions

For the purpose of this Request for Qualification:

Applicable Lender	means a bank, financial institution or finance company regulated and authorised by any governmental or regulatory authority to conduct the business of lending.
Bid Bulletin	means any amendment, addendum, clarification, or any other information issued by GoSL through SOERU from time to time in relation to the Bidding Process and published on the Official Website.
Bidding Process	means a competitive bidding process (which involves RFQ stage and RFP stage) in relation to the Proposed Transaction, being implemented by GoSL through SOERU in accordance with the Divestiture Guidelines.
Cabinet	has the meaning given to such term in Clause 10.3 (<i>Letter of Intent</i>).
Clarification Request Deadline	has the meaning given to such term in Annex 3 (<i>Timetable</i>).
Company or SLA	means SriLankan Airlines Limited, as further described in Annex 2 (<i>Company's Description</i>).
Conflict of Interest	has the meaning set out in Clause 4.6 (<i>Conflict of Interest</i>).
Consortium	means a Prospective Bidder formed by way of a joint venture or other unincorporated group between two or more Persons.
Consortium Member	means any entity which is a member of a Consortium.
Control or Controlled	when used with respect to any Person, means the possession of the ability to directly or indirectly, acting alone or together with any other Person, to direct the management and policies of such Person including through: (a) direct or indirect ownership of at least 51% (fifty-one percent) of the voting shares; or (b) direct or indirect ownership of at least 20% (twenty percent) of the voting shares and possession of the voting rights through any voting agreement over a certain number of shares, such that the total number of shares owned or over which it has voting rights is equivalent to 51% (fifty-one percent) of the voting shares; or (c) the ability to elect a majority of the members of a corporate body's board of directors or an equivalent thereof responsible for management and operations.

Data Room	means a virtual data room containing all confidential information in relation to the Company that would be accessible to a Prequalified Bidder subject to execution of a Non-disclosure Agreement (“NDA”).
Data Sheet	means the data sheet attached as Annex 1 (<i>Summary Information – Data Sheet</i>) to this RFQ.
Definitive Agreements	means <i>inter alia</i> one or more of the following agreements that may be executed between the Successful Bidder and the Selling Shareholder for undertaking the Proposed Transaction: <ul style="list-style-type: none"> (a) Share Purchase Agreement; and (b) Any other agreement that may be necessary for the Proposed Transaction in GoSL’s opinion.
Divestiture Guidelines	means the Special Guidelines on Divestiture of State-Owned Enterprises dated 14 August 2023 issued by the MoF and accessible at https://www.treasury.gov.lk/web/circular-gazette-acts/section/guidelines .
Entity Meeting Financial Criteria	has the meaning given to such term in Section B of Annex 4 (<i>Prequalification Criteria</i>).
Entity Meeting Technical Criteria	has the meaning given to such term in Section A of Annex 4 (<i>Prequalification Criteria</i>).
Financial Institution	means any body corporate undertaking the business of providing financial services such as banks, finance companies, mutual funds, private equity funds, venture capital funds, other investment funds, insurance companies, investment companies and such other entity permitted to undertake such business by a governmental or regulatory authority of any jurisdiction.
Financial Qualification Criteria	means the financial qualification criteria set forth in Section B of Annex 4 (<i>Prequalification Criteria</i>).
GoSL	means the Government of the Democratic Socialist Republic of Sri Lanka.
Identified Shares	means such shares of the Company which are proposed to be transferred by the Selling Shareholder to the Successful Bidder pursuant to the Bidding Process.
IFRS	means the International Financial Reporting Standards promulgated by the International Accounting Standards Board (“IASB”) (which includes standards and interpretations approved by the IASB and international accounting standards issued under previous constitutions), together with its pronouncements thereon from time to time.
KYC Standard	means standard Know-Your-Customer documents issued by any governmental or regulatory authority establishing and verifying the identity of a Person. For avoidance of doubt, ‘KYC Standard’ is the equivalent of the expression ‘Generally Accepted Know-Your-Customer (“KYC”) standards’ under the Divestiture Guidelines.

Lead Member	means, with respect to a Consortium, the Consortium Member designated as such in the Prequalification Application and holding the highest percentage interest, not being less than 25% (twenty five percent), in the Consortium.
Legal Qualification Criteria	means the legal capability requirements set forth in Section C of Annex 4 (<i>Prequalification Criteria</i>).
Letter of Authority	means the letter issued by a Prospective Bidder (or, where the Prospective Bidder is a Consortium, each Consortium Member), substantially in the format set out in Schedule A(2) (<i>Letter of Authority in favour of Authorised Representative</i>), authorising a Person to sign the Prequalification Application and to represent the Prospective Bidder in connection with the Proposed Transaction.
Letter of Intent	means the letter of intent issued to the Successful Bidder in accordance with the Divestiture Guidelines.
MoF	means the Ministry of Finance, Economic Stabilization, and National Policies of GoSL.
Net Worth	means Total Assets minus Total Liabilities as set out in the audited financial statements of any legal entity.
Non-disclosure Agreement or NDA	means the agreement to be executed by the Prequalified Bidder in the form and manner required by GoSL, to be able to access and conduct due diligence on confidential information of the Company.
Non-Prequalified Bidder	means a Prospective Bidder whose Prequalification Application has been determined by the SpCANC to not meet the Prequalification Criteria in accordance with this RFQ.
Official Website	means the website (accessible at https://www.treasury.gov.lk/web/sru/section/divestitures) maintained by GoSL or any Person on its behalf that shall contain this RFQ and all Bid Bulletins that may be published by GoSL from time to time.
O&M Contractor	means an entity which may be engaged by the Prospective Bidder to undertake the operation and maintenance of the operational fleet of the Company, and which by itself or together with another contractor engaged by the Prospective Bidder, meets the Technical Qualification Criteria set out in Section A of Annex 4 (<i>Prequalification Criteria</i>).
Person	means any individual, body corporate, company, firm or other entity (whether incorporated or not in any jurisdiction), as the context may be.
Prequalification Application	means the application substantially in the form set out in Annex 5 (<i>Content of Prequalification Application</i>), along with the appendices and schedules attached thereto, submitted by a Prospective Bidder pursuant to Clause 7 (<i>Submission of Prequalification Applications</i>). For avoidance of doubt, the ‘Prequalification Application’ is the equivalent of the proposal submitted in response to an ‘Expression of Interest’ referred to under the Divestiture Guidelines.

Prequalification Application Submission Deadline	means the time and date stated in the Data Sheet.
Prequalification Criteria	means the criteria which a Prospective Bidder must meet in order to pre-qualify to submit a bid for the Proposed Transaction, as described in Annex 4 (<i>Prequalification Criteria</i>), and includes the Technical Qualification Criteria, the Financial Qualification Criteria and the Legal Qualification Criteria.
Prequalified Bidder	means a Prospective Bidder whose Prequalification Application has been determined by the SpCANC to meet the Prequalification Criteria in accordance with this RFQ.
Proposed Transaction	means the divestiture of the Identified Shares in the Company by the Selling Shareholder through the Bidding Process.
Prospective Bidder	means any body corporate, company, firm or other legal entity that submits a Prequalification Application in response to this Request for Qualification.
Reference Project	means a project submitted by the Entity Meeting Technical Criteria as evidence to demonstrate satisfaction of the Technical Qualification Criteria.
Registration Deadline	has the meaning given to such term in Annex 3 (<i>Timetable</i>).
Related Party	means any party which, alone or together with any other party, directly or indirectly through one or more intermediaries: <ul style="list-style-type: none"> (a) Controls the Prospective Bidder (or, where the Prospective Bidder is a Consortium, the relevant Consortium Member) or the O&M Contractor; (b) is Controlled by the Prospective Bidder (or, where the Prospective Bidder is a Consortium, the relevant Consortium Member) or the O&M Contractor; or (c) is under common Control with the Prospective Bidder (or, where the Prospective Bidder is a Consortium, the relevant Consortium Member) or the O&M Contractor.
Relevant Person	means, for the purposes of the Bidding Process, the RFQ and the RFP: <ul style="list-style-type: none"> (a) any company Controlling, Controlled by or under common Control with such Person; (b) any director, senior executive or manager either of such Person or of any company referred to in (a) above; (c) any consultant, agent or representative supporting such Person in connection with the Company and/or its subsidiary; or

- (d) any Person with an aggregate ultimate beneficial interest in at least 5% (five percent) of the share capital or ownership interest in such Person (howsoever held).

Request for Qualification or RFQ	means this request for qualification dated October 31, 2023, for strategic divestiture of the Company (as may be amended by GoSL through SOERU from time to time) and any other documents and clarifications issued by GoSL through SOERU as part of the prequalification process. For avoidance of doubt, the 'Request for Qualification' is the equivalent of 'Expression of Interest' under the Divestiture Guidelines.
RFP	means the Request for Proposals for the Proposed Transaction that shall be issued by GoSL to Prequalified Bidders.
SCL	means SriLankan Catering Limited.
Selling Shareholder	means Secretary to the Treasury of the GoSL.
Share Purchase Agreement	means the agreement to be entered into by the Selling Shareholder and the Successful Bidder for the sale and purchase of Identified Shares.
SLST	means Sri Lankan Standard Time.
SOERU	means the State-Owned Enterprises Restructuring Unit functioning under the MoF, being the implementing agency under the Divestiture Guidelines.
SPC	means the Special Project Committee constituted under the Divestiture Guidelines.
SpCANC	means the Special Cabinet Appointed Negotiating Committee constituted under the Divestiture Guidelines.
Sri Lanka	means the Democratic Socialist Republic of Sri Lanka.
Successful Bidder	means the entity to be designated by GoSL to sign the Definitive Agreements and to undertake the Proposed Transaction.
Technical Member	means, with respect to a Consortium, the Consortium Member designated as such in the Prequalification Application and who meets the Technical Qualification Criteria.
Technical Qualification Criteria	means the technical qualification criteria set forth in Section A of Annex 4 (<i>Prequalification Criteria</i>).
Term Sheet	means a binding term sheet executed between the Successful Bidder and the Selling Shareholder for the sale and purchase of the Identified Shares <i>inter alia</i> including the following: <ul style="list-style-type: none">(i) obligations of the Successful Bidder and the Selling Shareholder;(ii) agreed purchase consideration and other commercial terms;

- (iii) representations, warranties, indemnities and any other terms and conditions;
- (iv) a summary of the performance criteria, if any; and
- (v) a declaration by both parties that further changes shall not be made to the contents of the term sheet which is to be reproduced in the Definitive Agreements.

Timetable means the timetable of the Bidding Process specified in Annex 3 (*Timetable*).

Total Assets means the total consolidated assets measured in accordance with IFRS or the accounting principles generally accepted in the jurisdiction of incorporation of such entity from its latest audited financial statements, which must be dated not earlier than 31 December 2022, or the last day of the entity’s fiscal year, whichever is later.

Total Liabilities means the total consolidated liabilities measured in accordance with IFRS or the accounting principles generally accepted in the jurisdiction of incorporation of such entity from its latest audited financial statements, which must be dated not earlier than 31 December 2022, or the last day of the entity’s fiscal year, whichever is later.

Unsatisfactory Performance means within the last 5 (five) years prior to the Prequalification Application Submission Deadline, (i) failure to satisfactorily perform any of its obligations on any contract, as evidenced by the imposition of a judicial pronouncement or arbitration award, (ii) expulsion from any project or contract, (iii) termination or suspension of any of its projects or contracts due to breach of its obligations, or (iv) material violations of laws and/or regulations applicable to it or any of its projects or contracts, including, but not limited to, environmental, health, safety, labour and social welfare laws and regulations.

USD means United States Dollars, the lawful currency of the United States of America.

1.2 Interpretation

- (a) Throughout this Request for Qualification, except where the context otherwise requires:
- (i) all references to “include”, “includes” and “including” shall be deemed to be followed by the words “without limitation”;
 - (ii) “written” or “in writing” means hand-written, type-written, printed or electronically made, and resulting in a permanent record;
 - (iii) references to a “Clause” or “Annex” are a reference to a clause or annex of this Request for Qualification;
 - (iv) references to a “Section” are a reference to a section in an Annex of this Request for Qualification; and
 - (v) all headings are inserted for convenience only and shall not be taken into consideration for the purpose of interpretation.

- (b) Any Clause of this Request for Qualification which by their nature are intended to survive the cancellation, conclusion, or termination of the Bidding Process, shall survive the cancellation, conclusion or termination of the Bidding Process.

2. INTRODUCTION

2.1 Secretary to the Treasury of the GoSL (the “**Selling Shareholder**”) intends to sell majority of its shareholding (the “**Identified Shares**”) in SriLankan Airlines Limited (the “**Company**”) through an open, competitive bidding process (the “**Bidding Process**”).

2.2 For the purpose of selecting the Successful Bidder for the Proposed Transaction, SOERU has issued this RFQ. This involves the submission, opening and evaluation of applications submitted by Prospective Bidders to prequalify. Only Prequalified Bidders shall be invited to participate in subsequent RFP stage of the Bidding Process.

2.3 Prospective Bidders are hereby invited to submit a Prequalification Application.

3. RESERVED RIGHTS

GoSL reserves all rights (which are exercisable by GoSL in its sole and absolute discretion) to:

- (a) suspend, cancel, discontinue, modify, extend or reinstate the Bidding Process;
- (b) accept, reject or disqualify any or all Prequalification Applications;
- (c) modify all or any dates set or projected in the RFQ; or
- (d) amend this Request for Qualification, the prequalification procedure and rules or make clarifications thereof;

at any time without any obligation to inform any Prospective Bidder of the grounds, justification, or reason for such action and without liability to any Prospective Bidder.

4. PROSPECTIVE BIDDERS

4.1 Rules applicable to all Prospective Bidders

- (a) The Prospective Bidder being any body corporate, company, firm, any other legal entity or a Consortium, may submit a Prequalification Application in accordance with this RFQ and participate in the Bidding Process.
- (b) The Prospective Bidder must prove that it satisfies the Technical Qualification Criteria and the Financial Qualification Criteria to participate in the Bidding Process by submitting the required documents in accordance with this RFQ.
- (c) Both the Prospective Bidder (or, where a Prospective Bidder is a Consortium, each Consortium Member) and the Entity Meeting Technical Criteria and the Entity Meeting Financial Criteria must satisfy the Legal Qualification Criteria.

- (d) Each Prospective Bidder (or, where the Prospective Bidder is a Consortium, each Consortium Member) and the O&M Contractor, if any, shall fulfil KYC Standard to the satisfaction of GoSL, by submitting all documents requested under this RFQ as Schedule D (*KYC Standards*) and any additional document that may be requested by GoSL after the Prequalification Application Submission Deadline.
- (e) There shall be no change in the Entity Meeting Technical Criteria and the Entity Meeting Financial Criteria throughout the Bidding Process, without prior written approval of GoSL, in its exclusive and absolute discretion.
- (f) The identity of a Prospective Bidder (or, in the case of a Consortium, the Consortium Members) shall not be modified with effect from the Prequalification Application Submission Deadline without prior written approval of GoSL in its exclusive and absolute discretion.
- (g) The Prospective Bidder shall be liable for consequences of any misrepresentation, submission of any inaccurate, incomplete, and unauthentic information provided in the Prequalification Application, including those pertaining to the Entity Meeting Technical Criteria and Entity Meeting Financial Criteria.
- (h) Notwithstanding any information given in the RFQ and any additional communication from GoSL, SOERU or any other party, including supplemental notices and Bid Bulletins, it is the sole responsibility of the Prospective Bidder to:
 - (i) be fully acquainted with the laws, requirements, terms and conditions of the Bidding Process;
 - (ii) examine the RFQ, including all instructions, annexes, forms, schedules, terms and specifications;
 - (iii) familiarise itself with all existing laws and regulations of Sri Lanka, whether national or local, which may affect the Proposed Transaction; and
 - (iv) determine and satisfy itself, at its own cost and risk, and by such means as it considers necessary and desirable, as to all matters pertaining to the Proposed Transaction, including, but not limited to, the location and nature of the assets of the Company; the scale of operations, condition of equipment; the requirement and availability of employees, consultants, materials, equipment, and other relevant factors; resource requirements; and risks and contingencies that may affect the operations of the Company, its assets and/or the Proposed Transaction.
- (i) By submitting its Prequalification Application, a Prospective Bidder shall be presumed to have fully examined and accepted all the terms and conditions in the RFQ.
- (j) In preparing and submitting its Prequalification Application, the Prospective Bidder shall strictly comply with the requirements set out in the RFQ. Any failure to comply with any of the requirements may result in the Prospective Bidder being disqualified from this prequalification process and its Prequalification Application being rejected.

4.2 Rules Applicable to Prospective Bidders participating other than in Consortium

A Prospective Bidder must prove that it satisfies the Financial Qualification Criteria by itself or through its Related Party; and the Technical Qualification Criteria, by itself, its Related Party or through an O&M Contractor.

4.3 Rules Applicable to Prospective Bidders participating in Consortium

(a) **Lead Member**

- (i) A Consortium must have a Lead Member.
- (ii) The Lead Member shall represent and bind all Consortium Members in all matters relating to the Bidding Process pursuant to a power of attorney executed substantially in the form set forth in Schedule K (1) (*Lead Member Power of Attorney*) or a Letter of Authority substantially in the format set out in Schedule K (2) (*Letter of Authority in favour of Lead Member*) to the Prequalification Application.
- (iii) The Lead Member may also be designated as the Entity Meeting Technical Criteria and/or the Entity Meeting Financial Criteria.

(b) **Entity Meeting Technical Criteria**

The Consortium must prove that it satisfies the Technical Qualification Criteria through the Entity Meeting Technical Criteria in the manner set out in Section A of Annex 4 (*Prequalification Criteria*).

(c) **Entity Meeting Financial Criteria**

The Consortium must prove that it satisfies the Financial Qualification Criteria through the Entity Meeting Financial Criteria in the manner set out in Section B of Annex 4 (*Prequalification Criteria*).

(d) **Composition**

- (i) No Consortium Member shall withdraw from the Consortium or reduce its percentage interest in the Consortium as declared in Schedule J (*Consortium Agreement/Letter of Intent*) of the Prequalification Application throughout the Bidding Process, without prior written approval of GoSL in its exclusive and absolute discretion.
- (ii) Notwithstanding the requirements set out in Clause 4.3(a) above, the Lead Member of the Consortium must always have the highest percentage interest, not being less than 25% (twenty five percent), in the Consortium.

4.4 Participation Restrictions

- (a) Each Prospective Bidder shall submit only 1 (one) Prequalification Application.
- (b) No Prospective Bidder shall be a member of another Consortium, nor have a Related Party which is a member of another Consortium.

- (c) No O&M Contractor may be a Prospective Bidder or a Consortium Member of another Prospective Bidder, nor have a Related Party which is a Prospective Bidder or a Consortium Member of another Prospective Bidder.
- (d) No Consortium Member shall be a member of more than 1 (one) Consortium, nor have a Related Party which is a member of another Consortium.
- (e) No Prospective Bidder (or, in the case of a Consortium, no Consortium Member) shall have been debarred or prohibited by any governmental or regulatory authority from investing or participating in a tender in Sri Lanka.
- (f) No Prospective Bidder (or, in the case of a Consortium, no Consortium Member) (i) is included as a debarred Person pursuant to the public sanctions list of any multilateral development bank that is party to the Agreement on Mutual Enforcement of Debarment Decision of 9 April 2010 (www.crossdebarment.org); or (ii) is included on any sanctions lists promulgated by the UN Security Council or its committees, any other recognised international sanctions list; or (iii) has operations (directly or through any subsidiary) or carries out transactions that are not in compliance with the sanctions promulgated by the UN Security Council or its committees or national sanctions in Sri Lanka.

4.5 Conditions for Disqualification

A Prospective Bidder may be disqualified from the Bidding Process and excluded from further consideration for any of the following reasons in GoSL's opinion:

- (a) failure to submit a Prequalification Application and required supporting documentation, in both physical and electronic form, prior to the Prequalification Application Submission Deadline;
- (b) wilful, negligent or fraudulent misrepresentations and/or omission in the completed Prequalification Application and/or the supporting documentation;
- (c) failure to submit a Prequalification Application containing all information and data as required by the RFQ;
- (d) failure to submit any additional information or clarification in the manner and within the timelines requested by SPC, after the Prequalification Application Submission Deadline;
- (e) material inconsistencies in the information submitted as part of the Prequalification Application;
- (f) engagement in corrupt or collusive practice in connection with the Bidding Process by the Prospective Bidder, any Consortium Member, any O&M Contractor, their respective Related Parties (if being relied upon for participating in this Bidding Process) including any Person who is a director, employee/agent of or consultant to the Prospective Bidder, the Consortium Member, the O&M Contractor, the Related Party or otherwise connected to the Prospective Bidder, the Consortium Member, the O&M Contractor, the Related Party as described in Clause 4.7 (*Ethical Conduct, Anti-Corruption and Bribery*);
- (g) any form of political or other lobbying with respect to the Bidding Process;

- (h) illegal conduct or attempt to influence any employee, consultant, representative, advisor and/or contractor of the GoSL in relation to evaluation of the Prequalification Applications;
- (i) failure to comply with the provisions of Clause 4.1 (*Rules Applicable to all Prospective Bidders*), Clause 4.2 (*Rules Applicable to Prospective Bidders participating other than in Consortium*) or Clause 4.3 (*Rules Applicable to Prospective Bidders Participating in Consortium*) while submitting the Prequalification Application;
- (j) any Conflict of Interest that would give it any unfair advantage in the prequalification process as described in Clause 4.6 (*Conflict of Interest*); or
- (k) the Prospective Bidder, the O&M Contractor, or a Relevant Person has an Unsatisfactory Performance record such that SpCANC considers, in its absolute discretion, that it is appropriate to disqualify such Prospective Bidder.

4.6 Conflict of Interest

In relation to this Request for Qualification and the Proposed Transaction generally, a “**Conflict of Interest**” refers to any situation where an entity is in a position to exploit a professional or official capacity for its own benefit, or which could unduly influence the Bidding Process. Prospective Bidders (or, in the case of a Consortium, every Consortium Member), O&M Contractor and their Related Party, must not have any Conflict of Interest. Without limiting the generality of what would constitute a Conflict of Interest, any of the following, as on the date of publication of this RFQ, shall be considered a Conflict of Interest:

- (a) a Prospective Bidder, any Consortium Member, an O&M Contractor, or any Related Party (of either a Prospective Bidder, the Consortium Member or the O&M Contractor) is a member of another Consortium, a Related Party of a member of another Consortium, or a Related Party of the O&M Contractor or a Related Party of another Prospective Bidder;
- (b) a Prospective Bidder, any Consortium Member, an O&M Contractor or any Related Party (of either a Prospective Bidder, of the Consortium Member or of the O&M Contractor) is proposed as a Technical Member or an O&M Contractor of another Prospective Bidder;
- (c) a Prospective Bidder, any Consortium Member, an O&M Contractor, or any Related Party (of either a Prospective Bidder, the Consortium Member or an O&M Contractor) which are used to meet any of the Prequalification Criteria has ownership interest of at least 20% (twenty percent) in any other Prospective Bidder, any Consortium Member of any other Prospective Bidder, an O&M Contractor of another Prospective Bidder or any Related Party (of either the other Prospective Bidder, any of its Consortium Members or the O&M Contractor) which are used to meet any of the Prequalification Criteria;
- (d) a member of the board of directors, partner, officer, employee, professional advisor or agent of a Prospective Bidder, any Consortium Member, an O&M Contractor, or any Related Party (of either the Prospective Bidder, any of its Consortium Members or the O&M Contractor), is also directly involved in any capacity related to the Bidding Process for the Proposed Transaction for another Prospective Bidder, any Consortium Member of any other Prospective Bidder, any O&M Contractor or any Related Party (of either the Prospective Bidder, any of its Consortium Members or any O&M Contractor); or

- (e) a Prospective Bidder, any of its Consortium Members, the O&M Contractor or any Related Party of any of these entities, has participated as a consultant to GoSL or SOERU in connection with the Bidding Process.

4.7 Ethical Conduct, Anti-Corruption and Bribery

- (a) GoSL requires that all Prospective Bidders (including, where the Prospective Bidder is a Consortium, each Consortium Member) and their O&M Contractor(s) (if any) observe the highest standard of ethical practices throughout the prequalification process (and, in the case of the Prequalified Bidder, during the Bidding Process).
- (b) GoSL may, in its sole and absolute discretion:
 - (i) reject a Prequalification Application (or, in the case of any Prequalified Bidder, immediately rescind the prequalification of such Prequalified Bidder); and/or
 - (ii) impose sanctions on the Prospective Bidder at any time, including declaring the Prospective Bidder ineligible, either indefinitely or for a stated period of time, from participating in any procurement process conducted by GoSL,

if at any time GoSL determines that the Prospective Bidder (or, where the Prospective Bidder is a Consortium, any Consortium Member) or any of its O&M Contractor or Related Party have, directly or indirectly through another party, engaged in unethical practices (including the violation of any environmental laws, rules or regulations), corrupt practices, fraudulent practices, restrictive practices, collusive practices, coercive practices, undesirable practice or other prohibited practices, including activities which constitute money laundering or financing of terrorism under any applicable laws.
- (c) The Prospective Bidder (or, where the Prospective Bidder is a Consortium, each Consortium Member) and its O&M Contractor(s) (if any) shall demonstrate in its Prequalification Application (substantially in the form attached as Schedule E (*Affidavit*) of the Prequalification Application) that neither them nor any Relevant Person has been convicted of fraud, corruption, collusion or money laundering or for a criminal act involving dishonesty, physical violence or harm to human life, nor are the subject of credible and/or persistent allegations related to, or is under investigation for, such criminal activities.
- (d) GoSL shall be entitled to carry out its independent assessment of a Prospective Bidder (or, where the Prospective Bidder is a Consortium, any Consortium Member) and its O&M Contractor(s) (if any) and its Related Party, including in relation to past and current conduct with respect to ethical practices, anti-corruption, and bribery behaviour.
- (e) For the purposes of this Request for Qualification:
 - (i) **“corrupt practice”** means the offering, giving, receiving or soliciting, either directly or indirectly, anything of value with a view to improperly influence the actions of a Person, including GoSL, SOERU and its advisors.

- (ii) **“fraudulent practice”** means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit, or to avoid an obligation.
- (iii) **“coercive practice”** means impairing or harming, or threatening to impair or harm, either directly or indirectly, any party or the property of a party, with the intention of improperly influencing the actions of another party.
- (iv) **“collusive practice”** means an arrangement between two or more parties designed to achieve an improper purpose, including improperly influencing the actions of another party and/or the process of determining competitive pricing for the Proposed Transaction.
- (v) **“undesirable practice”** means (i) establishing contact with any Person connected with or employed or engaged by GoSL with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the Bidding Process; or (ii) having a Conflict of Interest.
- (vi) **“restrictive practice”** means forming a cartel or arriving at any understanding or arrangement among Prospective Bidder with the objective of restricting or manipulating a full and fair competition in the Bidding Process.

4.8 Costs

The Prospective Bidder shall bear all costs associated with the preparation and submission of its Prequalification Application, including all costs and expenses related to the Bidding Process. GoSL shall not be held responsible or liable in any way for such costs, regardless of the results of the Bidding Process.

5. PREQUALIFICATION PROCESS

5.1 Clarification on Request for Qualification

- (a) A Prospective Bidder requiring any clarification on this Request for Qualification may send an email to the address set out in the Data Sheet with subject line *“Request for Clarification on RFQ for SLA”* on or before the Clarification Request Deadline.
- (b) A response to requests for clarifications shall be published on the Official Website, without identifying source of each request received, no later than the date that is 7 (seven) calendar days before the Prequalification Application Submission Deadline.
- (c) While SOERU will attempt to respond to all reasonable queries received up to the Clarification Request Deadline, it is under no obligation to do so.

5.2 Virtual Prequalification Conference

- (a) A virtual prequalification conference will be held from 14:00 to 15:30 SLST on the date indicated in the Data Sheet.

- (b) The purpose of the virtual prequalification conference is to respond to queries raised by Prospective Bidders on the Proposed Transaction and this RFQ.
- (c) Up to 2 (two) authorised representative of each Prospective Bidder may attend the virtual prequalification conference. Prospective Bidders should send an email to sla@sru.gov.lk requesting to register and providing the names and email addresses of its authorised representatives on or before the close of business on the Registration Deadline. Only Prospective Bidders who register on or before the Registration Deadline shall be provided the online link to attend.
- (d) Attendance by Prospective Bidders is elective and shall not impact prequalification the status of Prospective Bidders.
- (e) Verbal clarifications or information given by GoSL during the prequalification conference shall not be considered as a modification to this RFQ nor be binding on GoSL in any manner. Any modification to this RFQ shall be made by GoSL solely by way of a Bid Bulletin. Responses to queries made during the virtual prequalification conference shall be published on the Official Website on a non-attributable basis by way of a Bid Bulletin.

5.3 Timetable

- (a) The Prospective Bidder shall submit the Prequalification Application on or before the Prequalification Application Submission Deadline set out in the Data Sheet. The timelines of the process to be followed after selection of Prequalified Bidders set out in Annex 3 (*Timetable*) are only indicative.
- (b) GoSL may, in its sole discretion and without prior notice to the Prospective Bidders, amend the Timetable. Any changes to the Timetable would be indicated through a Bid Bulletin published on the Official Website.

6. PREPARATION OF PREQUALIFICATION APPLICATIONS

6.1 Language of Prequalification Application

- (a) The Prequalification Application of the Prospective Bidder, and all correspondence and documents related to the Prequalification Application shall be prepared and written in English.
- (b) Any document furnished by the Prospective Bidder written in any language other than English shall be accompanied by a self-certified English translation. The self-certified English translations shall be considered for evaluation. The Prospective Bidder shall be solely liable for any inaccuracy or misrepresentation in the Prequalification Application on account of incorrect translation of documents into English.

6.2 Content of Prequalification Application

- (a) Each Prospective Bidder shall submit evidence that it meets the Prequalification Criteria set out in Annex 4 (*Prequalification Criteria*).
- (b) The Prequalification Application submitted by a Prospective Bidder shall comprise all documents specified in Annex 5 (*Content of Prequalification Application*), in the format prescribed therein.

6.3 Submission of evidence for meeting financial capability

- (a) The Prospective Bidder (or, where the Prospective Bidder is a Consortium, the relevant Consortium Member) shall submit the documents set out in Section B of Annex 4 (*Prequalification Criteria*), as evidence to demonstrate satisfaction the Financial Qualification Criteria. If the Prospective Bidder (or, where the Prospective Bidder is a Consortium, the relevant Consortium Member) is relying on the financial capability of its Related Party, it must additionally submit the documentation specified in Sections 3 to 6 of Annex 5 (*Content of Prequalification Application*) to the extent applicable, with respect to such Related Party.
- (b) The Prospective Bidder (or, where the Prospective Bidder is a Consortium, the relevant Consortium Member) shall also submit evidence of the affiliation between the Prospective Bidder (or the relevant Consortium Member) and the Related Party.

6.4 Submission of evidence for meeting technical capability

- (a) The Prospective Bidder (or, where the Prospective Bidder is a Consortium, the relevant Consortium Member), must submit the documents set out in Sections 3 to 5 and Sections 7 to 9 of Annex 5 (*Content of Prequalification Application*). If the Prospective Bidder (or, where the Prospective Bidder is a Consortium, the relevant Consortium Member) is relying on the technical capability of its Related Party or an O&M Contractor, it must submit the abovementioned documents with respect to such Related Party or the O&M Contractor, as applicable.
- (b) Notwithstanding the foregoing, in respect of Section A of Annex 4 (*Prequalification Criteria*), the evidence required in accordance with Section 7 of Annex 5 (*Content of Prequalification Application*), can only be submitted if the Prospective Bidder (or, where the Prospective Bidder is a Consortium, the Technical Member), the O&M Contractor or their Related Party(ies) shall have held Control over the relevant special purpose vehicle, joint venture company, partnership or other corporation or business organization, or in the case of the project being implemented on an O&M basis, the Prospective Bidder (or, where the Prospective Bidder is a Consortium, the Technical Member), the O&M Contractor or their Related Party(ies) shall have been the primary O&M contractor. In both instances, the Prospective Bidder (or, where the Prospective Bidder is a Consortium, the Technical Member), the O&M Contractor or their Related Party(ies) shall have had primary responsibility for operation and maintenance obligations of a Reference Project.

7. SUBMISSION OF PREQUALIFICATION APPLICATIONS

7.1 Physical form submission of Prequalification Applications

- (a) The Prospective Bidder shall prepare and submit the Prequalification Application in the following form:
 - (i) 1 (one) complete (printed) original set, clearly marked on each page as “ORIGINAL”; and
 - (ii) 2 (two) printed copies, each clearly marked on each page as “COPY NO. [●]”.

- (b) The printed original and the 2 (two) printed copies of the Prequalification Application shall be typed or written in indelible ink and shall be signed by a Person duly authorised to sign the Prequalification Application on behalf of the Prospective Bidder as evidenced by a power of attorney in the form set out in Schedule A (1) (*Authorised Representative Power of Attorney*) or a Letter of Authority substantially in the format set out in Schedule A (2) (*Letter of Authority in favour of Authorised Representative*) along with KYC Standards of such Person.
- (c) All pages of the Prequalification Application shall be numbered and shall be initialled by the Person signing the Prequalification Application.
- (d) Each set of the Prequalification Application shall include a table of contents.
- (e) The Prequalification Application shall contain no alterations, omissions or additions, unless such corrections are initialled by the Person signing the Prequalification Application.
- (f) The Prospective Bidder shall sign and seal the original and each copy of the Prequalification Application in separate envelopes, duly marking the envelopes as “PREQUALIFICATION APPLICATION – ORIGINAL”; and “PREQUALIFICATION APPLICATION – COPIES”. The envelopes shall then be sealed in an outer envelope. The outer envelope shall bear no identification of the Prospective Bidder.
- (g) The inner and outer envelopes shall:
 - (i) be addressed to GoSL at the address specified in the Data Sheet; and
 - (ii) bear the following identification: **“Prequalification Application for SriLankan Airlines Limited Divestiture: Do Not Open Before 14:10 SLST on December 5, 2023”**.
- (h) The inner envelopes shall indicate the name and address of the Prospective Bidder (in case of a Consortium, the name and address of the Lead Member) to enable the relevant Prequalification Application to be returned unopened in the event that it is declared “late”.
- (i) If the outer envelope is not sealed or marked as above, GoSL shall assume no responsibility for the misplacement or premature opening of the Prequalification Application. If the outer envelope discloses the Prospective Bidder’s identity, GoSL shall not guarantee the anonymity of the Prequalification Application submission, but this disclosure shall not constitute grounds for a rejection of such Prequalification Application.

7.2 Electronic submission of Prequalification Applications

- (a) In addition to the submission of physical copy applications, 5 (five) copies of printed and scanned PDF formats of the complete original Prequalification Application are to be submitted in 5 (five) separate USB flash drives on or before the Prequalification Application Submission Deadline. Each USB flash drive should be clearly marked as “ELECTRONIC COPY NO. [●]”.
- (b) The PDF files on each USB flash drive should be password protected. The password should be printed, signed and sealed in a separate envelope. This envelope and the

5 (five) USB flash drives shall then be sealed in the outer envelope indicated in Clause 7.1(f) above along with physical copies of the Prequalification Application.

- (c) The Prospective Bidder shall ensure that the electronic copies on each USB flash drive are free of any virus and contain non-compressed and protected files in printable and reproducible PDF format.
- (d) For the avoidance of doubt, it is expressly specified that the USB flash drive shall contain scanned electronic copies in PDF format of the complete original Prequalification Application.
- (e) For the purposes of evaluation physical copy of the Prequalification Application shall be considered. The Prospective Bidder shall be solely liable for any inaccuracy or misrepresentation on account of discrepancy in the physical copy and electronic copy of the Prequalification Application.

7.3 Prequalification Application Submission Deadline

- (a) Prequalification Applications shall be submitted to GoSL between 09:00 SLST and 14:00 SLST on the Prequalification Application Submission Deadline in the manner set out in Clause 7.1 (*Physical form submission of Prequalification Applications*) and Clause 7.2 (*Electronic submission of Prequalification Applications*) above. The Prequalification Applications would need to be submitted by the Prospective Bidder in the drop off box kept at the address specified in the Data Sheet. The submission of each Prequalification Application will be recorded in a register in the order of submission, specifying the date, time and name of the Prospective Bidder submitting the same.
- (b) Prospective Bidders who submit Prequalification Applications after 14:00 SLST on the Prequalification Application Submission Deadline shall be disqualified and their Prequalification Application shall be rejected.
- (c) GoSL may, at its discretion, extend the Prequalification Application Submission Deadline by issuing a Bid Bulletin, in which case all rights and obligations of GoSL and the Prospective Bidders previously subjected to the original deadline will thereafter be subject to the deadline as extended.

8. PREQUALIFICATION APPLICATIONS OPENING AND EVALUATION

8.1 Opening of Prequalification Applications

- (a) At 14:10 SLST on the Prequalification Application Submission Deadline, GoSL will begin the opening proceedings by announcing the names of the Prospective Bidders who have submitted Prequalification Applications and any such other details as GoSL may consider appropriate. GoSL will then proceed with removing Prequalification Applications from the drop off box and opening the envelopes marked with “Original” of each Prospective Bidder, one at a time, in the order in which the same were received.
- (b) Prospective Bidders shall be entitled to attend the opening of Prequalification Applications in person and virtually, subject to a maximum of 2 (two) representatives per Prequalification Application.

- (c) Minutes of the opening of Prequalification Applications, including a list of attendees, shall be recorded in writing.
- (d) The duly authorised representatives for each Prospective Bidder who attend the opening proceedings shall sign the register, confirming their attendance.

8.2 Determination of Responsiveness

- (a) Following the opening of Prequalification Applications and prior to the evaluation of the Prequalification Applications in accordance with the Prequalification Criteria, the SPC shall conduct a detailed examination of the Prequalification Applications in order to determine whether they are substantially responsive to the requirements set forth in the RFQ.

For purposes of this determination, a “**substantially responsive**” Prequalification Application is one that:

- (i) is complete, contains documents properly signed and is generally in order; and
 - (ii) conforms to all terms and conditions set out in the RFQ without any material deviation, reservation or omission.
- (b) Prequalification Applications which have been determined “**not to be substantially responsive**” as per the terms of Clause 8.2 (a) above shall be rejected by SpCANC on the recommendation of the SPC.

8.3 Detailed Evaluation

After the determination of responsiveness of all Prequalification Applications, the SPC shall then carry out a detailed evaluation of the Prequalification Applications that have not been rejected as specified in Clause 8.2 (*Determination of Responsiveness*) above, in order to determine whether they meet the Prequalification Criteria and provide its report along with recommendations to the SpCANC.

8.4 Clarification of Prequalification Applications

- (a) Where the SPC or SpCANC deems it convenient or necessary, it may request clarification from a Prospective Bidder (including any Consortium Member) for determining the responsiveness or evaluation of the relevant Prequalification Application. Whenever such request is made, the Prospective Bidder shall provide the same to the SPC/SpCANC by such date as may be specified by the SPC/SpCANC.
- (b) Failure to submit any additional information or clarification in the manner and within the timelines requested by SPC, may result in the Prospective Bidder being disqualified and its Prequalification Application being rejected.

8.5 Waiver of Non-Conformities in Prequalification Applications

SpCANC may (in its sole discretion) waive any minor non-conformity in a Prequalification Application which does not constitute a material deviation, and which does not prejudice or affect the determination of responsiveness or evaluation of the Prequalification Applications in accordance with the provisions of the RFQ.

8.6 Evaluation to be Confidential

- (a) Information relating to the examination, clarification, evaluation, and comparison of Prequalification Applications shall not be disclosed to Prospective Bidders or any other parties not officially concerned with such process until the result of the prequalification has been officially announced.
- (b) Any effort by a Prospective Bidder (or, in case of a Consortium, any of its Consortium Member), O&M Contractor or its Related Party to negotiate with or influence any employee, consultant, representative, advisor and/or contractor of the GoSL in relation to processing of Prequalification Applications may result in the rejection of the Prospective Bidder's Prequalification Application.

9. SELECTION OF PREQUALIFIED BIDDERS

- (a) After completion of the evaluation of the Prequalification Applications in accordance with the Prequalification Criteria described in Annex 4 (*Prequalification Criteria*), the SPC shall make its recommendations on the selection of the Prequalified Bidders to the SpCANC for its approval.
- (b) A Prospective Bidder whose Prequalification Application is determined by the SpCANC (in its sole discretion) to meet the Prequalification Criteria shall be designated as being a "**Prequalified Bidder**" and whose Prequalification Application is determined not to meet the Prequalification Criteria shall be designated as being a "**Non-Prequalified Bidder**".
- (c) Based on SpCANC's decision, the SOERU shall either:
 - (i) notify a Prospective Bidder that it has been designated as being a Non-Prequalified Bidder; or
 - (ii) notify a Prospective Bidder that it has been designated as being a Prequalified Bidder.
- (d) A brief description of the process to be followed after selection of Prequalified Bidders is set out in Clause 10 (*Indicative Bidding Process for Prequalified Bidders*) below.

10. INDICATIVE BIDDING PROCESS FOR PREQUALIFIED BIDDERS

10.1 Access to Data Room and site visit

- (a) The Prequalified Bidders will be provided an opportunity to:
 - (i) access confidential information of the Company through the Data Room and conduct due diligence on the Company. Access to the Data Room shall be subject to the Prequalified Bidders executing an NDA in the form and manner acceptable to GoSL;
 - (ii) access the RFP, the draft Term Sheet, and the draft Definitive Agreements;
 - (iii) submit questions and request for clarifications;

- (iv) undertake site visits; and
- (v) engage in meetings with the management team of the Company.

10.2 Bid evaluation and selection

- (a) GoSL shall evaluate the bids submitted by Prequalified Bidders in accordance with the terms of the RFP. The specific details of the Bidding Process including the deadline and content for submission of financial bids shall be specified in the RFP. In compliance with the Divestiture Guidelines, the RFP shall also specify the evaluation methodology.
- (b) The Successful Bidder may be subject to an anti-embarrassment clause under the Definitive Agreements. For this purpose, the RFP may stipulate that the Selling Shareholder shall be entitled to receive additional consideration if the Successful Bidder sells the Identified Shares (or a portion thereof) to a third party within a period of 18 (eighteen) months.

10.3 Letter of Intent

On receipt of the approval of the Cabinet of Ministers of GoSL (“**Cabinet**”), Secretary to the Treasury of the GoSL shall issue a Letter of Intent to the Successful Bidder.

10.4 Execution of Definitive Agreements

Definitive Agreements shall be executed by the Selling Shareholder and the Successful Bidder.

11. GOVERNING LAW

This Request for Qualification and the Bidding Process shall be governed by the laws of Sri Lanka.

ANNEX 1 - SUMMARY INFORMATION - DATA SHEET

Project Name	SRILANKAN AIRLINES LIMITED DIVESTITURE
Issuer of Request for Qualification	Government of Sri Lanka through Ministry of Finance, Economic Stabilization and National Policies and its State-Owned Enterprises Restructuring Unit
Contact Person	Shivanthi Atukorale Transaction Team Lead State Owned Enterprises Restructuring Unit Ministry of Finance, Economic Stabilization & National Policies 3rd Floor, Lotus Building, Temple Trees, Colombo 03, Sri Lanka. Email: sla@sru.gov.lk
Address for Submission of Prequalification Applications	Chairman, Special Cabinet Appointed Negotiating Committee State Owned Enterprises Restructuring Unit Ministry of Finance, Economic Stabilization & National Policies 3rd Floor, Lotus Building, Temple Trees, Colombo 03, Sri Lanka.
Number of Copies of Prequalification Applications	1 (one) printed original; 2 (two) printed copies; and Electronic copies in 5 (five) separate USB flash drives
Prequalification Application Submission Deadline	14:00 SLST on December 5, 2023 <i>Prequalification Applications submissions will be accepted between 09:00 SLST and 14:00 SLST on December 5, 2023</i>
Time and Place for Opening Prequalification Applications	14:10 SLST on December 5, 2023 State Owned Enterprises Restructuring Unit Ministry of Finance, Economic Stabilization & National Policies 3rd Floor, Lotus Building, Temple Trees, Colombo 03, Sri Lanka.

ANNEX 2 – COMPANY’S DESCRIPTION

1.1 General background:

- (a) SriLankan Airlines Limited (“**SLA**” or the “**Company**”), a member of **oneworld** Alliance, is the country’s national air carrier established in 1979. SLA operates a fleet of 23 Airbus A 320/1 and A 330 aircraft (of which 19 are currently operational) and provides connections *via* its global route network to 109 destinations in 56 countries. SLA carries around 5 million passengers and 80,000 tonnes of cargo annually. The GoSL holds 99.52% (ninety-nine point five two percent) stake in SLA.
- (b) Please note, GoSL is currently in the process of restructuring and/or removing debts/liabilities which are on the latest financial statements of the Company. This process is ongoing, and any such progress will be duly notified.
- (c) SLA has the following distinct business wings:
 - (i) **SriLankan Ground Handling Services** - is an IATA certified (ISAGO) and licensed by the Civil Aviation Authority of Sri Lanka as the sole ground handler at Bandaranaike International Airport (“**BIA**”), SriLankan Ground Handling Services offers ground services to all international airlines.
 - (ii) **SriLankan Catering**, a fully owned subsidiary of SLA is the sole airline catering company in Sri Lanka. Apart from its main operations of inflight catering, it also operates all airline lounges at BIA and the airport restaurants. As part of its ancillary business activities, SriLankan Catering also operates the BIA transit hotel, an industrial laundry service, and Cuisine Gastronomie – a ready-to-eat frozen meal range produced for local and export markets.
 - (iii) **SriLankan Engineering** provides third-party line and base maintenance to customer airlines. SriLankan Engineering has long-term maintenance partnerships with the airlines and is certified by the European Union Aviation Safety Agency (EASA).
 - (iv) **SriLankan Aviation College** - With over 34 years of experience in aviation training to international standards, SriLankan Aviation College, the training arm of SLA, presents a wide range of training options. The college is certified by entities such as the EASA, the International Air Transport Association (IATA), the International Organisation for Standardisation (ISO), the Civil Aviation Authority of Sri Lanka, the Civil Aviation Authority of Pakistan, and the Civil Aviation Authority of the Maldives.

ANNEX 3 – TIMETABLE

Date	Milestone
October 31, 2023	Issuance of the Request for Qualification
November 15, 2023	Deadline of receiving clarification requests from Prospective Bidders (the “ Clarification Request Deadline ”)
November 17, 2023	<u>Deadline for registration to attend the virtual prequalification conference (the “Registration Deadline”)</u>
November 20, 2023	Virtual prequalification conference from 14:00 to 15:30 SLST
November 24, 2023	Responses to the clarification requests received within the Clarification Request Deadline
December 5, 2023	Prequalification Application Submission Deadline at 14:00 SLST
December 5, 2023	Opening of Prequalification Applications at 14:10 SLST
December 19, 2023	Selection of Prequalified Bidders
End December 2023	Opening Data Room
From End December 2023	Prequalified Bidders’ due diligence / questions and comments
From End January 2024	Issuance of the RFP and draft Definitive Agreements
February - March 2024	Bidder one-on-one meetings
February- March 2024	Site visit
April 2024	Bid submission deadline
April 2024	Evaluation of bids and selection of the Successful Bidder
May 2024	Issuance of Letter of Intent
June 2024	Cabinet approval on Definitive Agreements and signing of Definitive Agreements

ANNEX 4 – PREQUALIFICATION CRITERIA

Section A. Technical Qualification Criteria

1. The entity proposed to meet the technical and operational experience (the “**Entity Meeting Technical Criteria**”) may be any of the following, if the Prospective Bidder:
 - (a) is a body corporate, company, firm, or other legal entity, then the Prospective Bidder itself, its Related Party or an O&M Contractor; or
 - (b) is a Consortium, then the Consortium through all or any of its Consortium Members, such Consortium Members’ Related Party or an O&M Contractor.
2. The Entity Meeting Technical Criteria must have (i) experience in the operation, maintenance, and management of 1 (one) scheduled airline having at least 20 (twenty) aircraft in its operational fleet during a period of at least 5 (five) years in immediately preceding 10 (ten) years from the Prequalification Application Submission Deadline, or (ii) experience in acquiring, successfully transitioning ownership and operating a non-airline enterprise in immediately preceding 10 (ten) years from the Prequalification Application Submission Deadline. Such non-airline experience will need to be of similar size and complexity to the Company. The experience under (i) is preferable but SOERU will consider Prospective Bidders under (ii).
3. The Prospective Bidder must prove that the Entity Meeting Technical Criteria possess the required experience through the submission of a Reference Project where such entity actively participated in the operations and maintenance of such project and was directly responsible and accountable for the outcome to the project’s owner.
4. A Prospective Bidder shall not be allowed to nominate more than 2 (two) entities to be the Entity Meeting Technical Criteria. Each Entity Meeting Technical Criteria must meet the Technical Qualification Criteria on its own and shall not be permitted to cumulate their experience.

Section B. Financial Qualification Criteria

5. The entity proposed to meet the financial capability requirement (“**Entity Meeting Financial Criteria**”) may be any of the following, if the Prospective Bidder:
 - (a) is a body corporate, company, firm or other legal entity, then the Prospective Bidder itself or its Related Party; or
 - (b) is a Consortium, then the Consortium through all or any of its Consortium Members or such Consortium Members’ Related Party.
6. A Prospective Bidder other than Financial Institutions must:
 - (a) have a minimum Net Worth of at least USD 200,000,000 (United States Dollars two-hundred million) or its equivalent. Such Net Worth should be calculated based on its latest audited financial statements which must be dated not earlier than 31 December 2022, or the last day of the entity’s fiscal year, whichever is later; and
 - (b) provide evidence that it has the capability to raise loans of at least USD 100,000,000 (United States Dollars one-hundred million) or its equivalent for the Proposed Transaction. Such evidence shall be in the form of a letter or other documentation from an Applicable

Lender¹ dated on or after the date of issuance of this RFQ. The Prospective Bidder may also satisfy this criterion by submitting evidence² from an Applicable Lender of a financing that has been successfully closed in the immediately preceding 5 (five) calendar years from the Prequalification Application Submission Deadline of at least USD 100,000,000 (United States Dollars one-hundred million) or its equivalent.

If the Prospective Bidder other than Financial Institutions, is a Consortium:

- (a) the combined Net Worth of the Consortium Members must be USD 200,000,000 (United States Dollars two-hundred million), measured by each Consortium Member's Net Worth in proportion to their shareholding in the Consortium. For avoidance of doubt, this means that if a Consortium Member has 25% (twenty five percent) shareholding in the Consortium, such Consortium Member or its Related Party must have a minimum Net Worth of USD 50,000,000 (United States Dollars fifty million); and
 - (b) The ability to raise financing of at least USD 100,000,000 (United States Dollars one-hundred million) or its equivalent shall be evidenced cumulatively by the Consortium through its Consortium Members or such Consortium Members' Related Party.
7. A Prospective Bidder being a Financial Institution, must provide evidence that it has the available investible funds / capital of at least USD 300,000,000 (United States Dollars three-hundred million) or its equivalent for the Proposed Transaction. Such evidence shall be in the form of a certificate dated on or after the date of issuance of this RFQ, issued by a practicing chartered accountant or by any other professional having equivalent qualification and permission/ license to practice from a governmental or regulated authority of any jurisdiction.
 8. If the Prospective Bidder is a Consortium of Financial Institutions, the combined available investible funds / capital of the Consortium Members must be at least USD 300,000,000 (United States Dollars three-hundred million), measured by each Consortium Member's available investible funds/ capital in proportion to their shareholding in the Consortium.
 9. In case Prospective Bidder is a Consortium comprising of a combination of Financial Institutions and entities other than a Financial Institution, the Consortium must satisfy the Financial Qualification Criteria set out in paragraph 6 above.
 10. For avoidance of doubt, it is clarified that the Financial Qualification Criteria are not an indication of the expected consideration for the Proposed Transaction.

Section C. Legal Qualification Criteria

11. The Prospective Bidder (or, where the Prospective Bidder is a Consortium, each Consortium Member) and each O&M Contractor (if any) shall demonstrate the following legal criteria by submitting an affidavit in the form attached as Schedule E (*Affidavit*) to the Prequalification Application:
 - (a) it and all Relevant Persons are not in bankruptcy or liquidation proceedings and have a reasonable expectation of being able to discharge all financial liabilities as they fall due;

¹ **Note to Prospective Bidders:** This letter may be subject to the Applicable Lender(s)' further review of the form of Definitive Agreements, satisfactory risk allocation, due diligence and respective credit approval. This letter may also include customary qualification language as to the binding effect of the letter.

² **Note to Prospective Bidders:** Evidence of past financing may be a copy of the executed loan agreement, the executed utilisation request(s) and/or a letter from the Applicable Lender(s) confirming the financing.

- (b) neither it nor any Relevant Person has been convicted of fraud, corruption, collusion or money laundering or for a criminal act involving dishonesty, physical violence or harm to human life, nor is the subject of credible and/or persistent allegations related to, or is under investigation for, such criminal activities;
- (c) it is not aware of any Conflict of Interest or potential Conflict of Interest arising from prior or existing contracts or relationships which affects or could affect its potential involvement in the Proposed Transaction (other than supply or service agreements among members of the Consortium Member's corporate group in the ordinary course);
- (d) neither it nor any Relevant Person has any tax liabilities or liabilities in respect of judgments awarded by any court or similar proceedings in the period of 3 (three) years prior to the date of this Request for Qualification, save in each case to the extent that it has made a suitable accounting provision for such liabilities in accordance with applicable accounting regulations;
- (e) neither it nor any Relevant Person has previously been excluded from bid or other public procurement process in Sri Lanka;
- (f) neither it nor any Relevant Person:
 - (i) is included as a debarred Person pursuant to the public sanctions list of any multilateral development bank that is party to the Agreement on Mutual Enforcement of Debarment Decision of 9 April 2010 (www.crossdebarment.org); or
 - (ii) is included on any sanctions lists promulgated by the UN Security Council or its committees, or any other recognised international sanctions list;
- (g) neither it nor any Relevant Person has operations (directly or through any subsidiary) or carries out transactions that are not in compliance with the sanctions promulgated by the UN Security Council or its committees or national sanctions in Sri Lanka; and
- (h) neither it nor any Relevant Person have any Unsatisfactory Performance.

ANNEX 5 - CONTENT OF PREQUALIFICATION APPLICATION

The Prequalification Application shall be signed by the Prospective Bidder (or, where the Prospective Bidder is a Consortium, by the Lead Member) in accordance with the Appendix to this RFQ and shall include:

1. Schedule A (*Authorised Representative Power of Attorney*)

- (a) A written power of attorney as Schedule A(1) (*Authorised Representative Power of Attorney*) of the Prequalification Application, duly executed and registered according to applicable laws in Sri Lanka, indicating that the Person signing the Prequalification Application has the authority to sign the Prequalification Application and to represent the Prospective Bidder (or, where the Prospective Bidder is a Consortium, each Consortium Member) in connection with the Bidding Process for the Proposed Transaction.
- (b) To the extent that a Prospective Bidder or Consortium Member considers that a power of attorney in general or the form attached as Schedule A(1) (*Authorised Representative Power of Attorney*) in particular is not effective or appropriate in accordance with the laws applicable to the Prospective Bidder, an advance clarification and approval of an alternative document should be sought in accordance with Clause 5.1 (*Clarification on Request for Qualification*).
- (c) If a Prospective Bidder is unable to submit a duly registered power of attorney in compliance with applicable laws of Sri Lanka for any reason whatsoever, it may submit a Letter of Authority substantially in the format set out in Schedule A(2) (*Letter of Authority in favour of Authorised Representative*). Such Prospective Bidder, if designated as a Prequalified Bidder shall be required to submit a duly registered power of attorney or the alternative document approved by GoSL in accordance with paragraph 1(b) above, along with its proposal in response to the RFP.
- (d) The Prospective Bidder shall also provide self-certified copies of at least 2 (two) KYC Standard of the Person signing the Prequalification Application on behalf of the Prospective Bidder.

2. Schedule B (*Organisation Chart*)

A comprehensive organisation chart showing or narrative text describing how the Prospective Bidder (or, where the Prospective Bidder is a Consortium, each Consortium Member) is owned, up to the level of ultimate beneficial ownership and identifying by name the Person holding (at any level in the organisation structure) an aggregate ultimate beneficial interest of at least 5% (five percent), as Schedule B (*Organisation Chart*) of the Prequalification Application.

3. Schedule C (*Memorandum of Association*)

A copy of the memorandum of association and articles of association of the Prospective Bidder (or, where the Prospective Bidder is a Consortium, of the memorandum of association and articles of association of each Consortium Member) or if applicable, its Related Party and/or O&M Contractor and any amendments or equivalent documents under the jurisdiction of incorporation, duly certified as a true copy by such entity's corporate secretary or director, as Schedule C (*Memorandum of Association*) of the Prequalification Application.

4. **Schedule D (*KYC Standards*)**

Copies of the up-to-date constitutional documents³, business commencement certificate, tax identification number and proof of registered office address of the Prospective Bidder (or, where the Prospective Bidder is a Consortium, certified copies of up-to-date constitutional documents of each Consortium Member) or if applicable, its Related Party and/or an O&M Contractor, duly certified as a true copy by such entity's corporate secretary or director, as Schedule D (*KYC Standards*) of the Prequalification Application.

5. **Schedule E (*Affidavit*)**

An affidavit substantially in the form attached as Schedule E (*Affidavit*) of the Appendix to this RFQ, duly executed by the authorised representative of the Prospective Bidder (or where the Prospective Bidder is a Consortium, the authorised representative of each Consortium Member) and, if relevant, by the authorised representative of each O&M Contractor.

6. **Schedule F (*Evidence of Compliance with Financial Qualification Criteria*)**

Sufficient detail and supporting documentary evidence to be provided by the Prospective Bidder to prove satisfaction of the Financial Qualification Criteria detailed in Section B of Annex 4 (*Prequalification Criteria*), in the manner set out in Schedule F (*Evidence of Compliance with Financial Qualification Criteria*) of the Prequalification Application.

7. **Schedule G (*Evidence of Compliance with Technical Qualification Criteria*)**

(a) Sufficient detail and supporting documentary evidence as indicated in Schedule G (*Evidence of Compliance with Technical Qualification Criteria*) to the Appendix of this RFQ shall be provided by the Prospective Bidder (or where the Prospective Bidder is a Consortium, the Technical Member) or if applicable, by each of its Related Party and/or the O&M Contractor(s) of its/their technical experience in accordance with Section A of Annex 4 (*Prequalification Criteria*) (including a certificate from the counterpart contracting party or regulator listing the operating and maintenance experience and stating that such experience was carried out in a satisfactory manner).

(b) All information and documents to be submitted by the Prospective Bidder in accordance with paragraph 7(a) above shall be marked as Schedule G to the Prequalification Application

8. **Schedule H (*ISO Certification*)**

A valid International Organization for Standardization (ISO) 9001:2015 certification or its equivalent of the Prospective Bidder (or where the Prospective Bidder is a Consortium, a valid certification of the Technical Member) or if applicable, a valid certification of its Related Party and/or O&M Contractors, as Schedule H (*ISO Certification*) of the Prequalification Application.

9. **Schedule I (*Form of O&M Contractor's Statement of Willingness*)**

Where the Prospective Bidder proposes to engage one or more O&M Contractors, an affidavit duly signed and stamped by the authorized representative of each such O&M Contractor confirming its willingness to participate in, and capacity to undertake the requirements of the Company, as set out in Schedule I (*Form of O&M Contractor's Statement of Willingness*) of the Prequalification Application.

³ **Note to Prospective Bidders:** This would include certificate of incorporation and/or registration, extract from commercial registry, etc.

10. **Schedule J (*Consortium Agreement/Letter of Intent*)**

Where the Prospective Bidder is a Consortium, its consortium agreement duly stamped or a letter of intent to form a Consortium as Schedule J (*Consortium Agreement/Letter of Intent*) of the Prequalification Application, which shall include the following:

- (a) each Consortium Member's binding commitment to the Consortium; and
- (b) identification of the Lead Member.

Each Consortium Member shall provide evidence that the Person signing the consortium agreement/ letter of intent on its behalf is duly authorised to do so, and self-certified copies of at least 2 (two) KYC Standard. If there is any change in the composition of the Consortium in accordance with Clause 4.1.(e), Clause 4.1.(f) or Clause 4.3.(d), the Prospective Bidder shall submit a revised consortium agreement/ letter of intent to GoSL within the time stipulated by GoSL.

11. **Schedule K (*Lead Member Power of Attorney*)**

- (a) Where the Prospective Bidder is a Consortium, a written Power of Attorney from each Consortium Member (except the Lead Member), duly executed and registered according to applicable laws in Sri Lanka, indicating that the Lead Member and its authorised representative signing the Prequalification Application, have the authority to represent the Consortium and bind all its Consortium Members in connection with the Prequalification Application, the Bidding Process and the Definitive Agreements, as Schedule K(1) (*Lead Member Power of Attorney*) of the Prequalification Application.
- (b) To the extent that a Prospective Bidder or Consortium Member considers that a power of attorney in general or the form attached as Schedule K(1) (*Lead Member Power of Attorney*) of the Prequalification Application in particular is not effective or appropriate, an advance clarification and approval of an alternative document should be sought in accordance with Clause 5.1 (*Clarification on Request for Qualification*).
- (c) If a Prospective Bidder is unable to submit a duly registered power of attorney in compliance with applicable laws of Sri Lanka for any reason whatsoever, it may submit a Letter of Authority substantially in the format set out in Schedule K(2) (*Letter of Authority in favour of Lead Member*). Such Prospective Bidder, if designated as a Prequalified Bidder shall be required to submit a duly registered power of attorney or the alternative document approved by GoSL in accordance with paragraph 11(b) above, along with its proposal in response to the RFP.

APPENDIX - PREQUALIFICATION APPLICATION

Date: [1]

Re: SriLankan Airlines Limited Divestiture

To: Chairman, Special Cabinet Appointed Negotiating Committee
State Owned Enterprise Restructuring Unit
3rd Floor, Lotus Tower, Temple Trees
Colombo 03, Sri Lanka

Dear [Sir/Madam]:

Pursuant to the Request for Qualification dated October 31, 2023, [Name of Prospective Bidder/Lead Member of the Consortium] hereby submits the present Prequalification Application in conformity with the Request for Qualification and requests to be considered for prequalification for the Proposed Transaction. All capitalised terms used in the Prequalification Application (including all Schedules) shall have the same meaning as defined in the Request for Qualification.

[If a Consortium]:

The Lead Member is: [Insert name of the entity]

[Insert name of other members]

[Name of Prospective Bidder/Lead Member], [and each Member of our Consortium (if applicable)] hereby confirms that it:

- (a) has sufficient legal capacity to participate in the Bidding Process and enter into an agreement for the Proposed Transaction if selected as the Successful Bidder;
- (b) agrees to comply with all the bid rules, laws and regulations governing the Bidding Process as issued by the relevant authorities from time to time;
- (c) accepts the rights of GoSL under the RFQ, without any obligation on the part of GoSL to inform any Prospective Bidder of the grounds, justification or reason for such action and without GoSL incurring any liability to any Prospective Bidder in relation to the following:
 - (i) suspend, cancel, discontinue, modify, reinstate or extend the Bidding Process at any time;
 - (ii) accept, reject or disqualify any or all Prequalification Applications;
 - (iii) modify all dates set or projected in the RFQ; and
 - (iv) amend this Request for Qualification, the prequalification procedures and rules or make clarifications thereof;
- (d) accepts liability and consequences of any misrepresentation, submission of any inaccurate, incomplete and unauthentic information provided in the Prequalification Application, including those pertaining to the Entity Meeting Technical Criteria and Entity Meeting Financial Criteria; and

- (e) accepts the exclusive application of the laws of Sri Lanka with respect to these prequalification procedures.

[*Name of Prospective Bidder/Lead Member*], [*and each Member of our Consortium (if applicable)*] hereby represents and warrants that as of the date of this letter, all of the information submitted in this Prequalification Application, including the enclosed forms and documents, is accurate in all respects.

Attached herewith to this Prequalification Application are the following documents, as appropriate:

- (a) Authorised Representative Powers of Attorney / Letter of Authority (Schedule A(1) / A(2));
- (b) Organisation Chart (Schedule B);
- (c) Memorandum of Association (Schedule C);
- (d) KYC Standards (Schedule D);
- (e) Affidavit (Schedule E);
- (f) Evidence of Compliance with Financial Qualification Criteria (Schedule F);
- (g) Evidence of Compliance with Technical Qualification Criteria (Schedule G)
- (h) ISO Certification (Schedule H)
- (i) Form of O&M Contractor's Statement of Willingness (Schedule I);
- (j) [Consortium Agreement/ Letter of Intent (Schedule J)];
- (k) [Lead Member Power of Attorney / Letter of Authority (Schedule K(1) / K(2))]; and
- (l) All other documents required in the RFQ or required to demonstrate compliance with the Prequalification Criteria.

[*Name of Prospective Bidder*] hereby designates [*Insert name of Representative*] as its representative to receive notices in respect of the prequalification and the bid at the following address, telephone and facsimile numbers:

[*Representative's address, telephone, facsimile numbers and email*]

[*signature*]

In the capacity of [*position*]

Authorised to sign this Prequalification Application for [*Name of Prospective Bidder*]

SCHEDULE A (1) - AUTHORISED REPRESENTATIVE POWER OF ATTORNEY

(Refer Section 1 of Annex 5)

On this [day] of [month and year]

Before me, the Notary in this office [name of Notary/office]

The undersigned:

[Mr. /Ms.] [name of legal/authorised representative]

Duly authorised, in his/her capacity as [capacity] of [name of Prospective Bidder/Consortium Member]

Nationality: [=]

Holder of Passport or ID no. [=] issued by [=] dated [=]

Residing at [=] (hereafter the “Grantor”), hereby:

1. appoints [Mr./Ms.] [name of representative] in [his/her] capacity as _____ of [name of Prospective Bidder/ Lead Member] (hereafter the “Attorney”)⁴, to:
 - (a) execute under hand, or under seal, and deliver to the competent authorities all the documents listed in paragraph (d) below;
 - (b) deliver and receive any document or instrument in relation to the following documents listed in paragraph (d) below;
 - (c) do all things necessary and incidental in respect of the matters set out herein, including to do, execute and perform any other deed or act ought to be done executed or performed to perfect or otherwise give effect to the documents listed in paragraph (d) below; and
 - (d) the documents concerned by this power of attorney being the following:

ALL DOCUMENTS IN RESPECT OF THE PREQUALIFICATION FOR SRILANKAN AIRLINES LIMITED DIVESTITURE, AS MORE FULLY DESCRIBED IN THE REQUEST FOR QUALIFICATION DATED OCTOBER 31, 2023 (“RFQ”), AND INCLUDING, WITHOUT LIMITATION, THE PREQUALIFICATION APPLICATION FOR THE AFORESAID DIVESTITURE, AND CLARIFICATIONS AND OTHER COMMUNICATIONS WITH THE COMPETENT AUTHORITIES OF SRI LANKA IN RESPECT OF THE PREQUALIFICATION APPLICATION FOR THE AFORESAID DIVESTITURE.

1. authorises the Attorney to appoint others for all or part of the powers delegated by the present power of attorney.
2. confirms that this Power of Attorney is being issued in compliance with the Grantor’s constitutional documents and due process envisaged therein. The Grantor further confirms that this Power of Attorney shall remain valid throughout the Bidding Process.

Capitalised terms not defined herein shall have the same meanings as ascribed to them in the RFQ.

IN WITNESS WHEREOF, the Grantor has executed this Power of Attorney [under seal] on the date set out above.

[SEAL]

[Signature]

[Name / Title of Grantor representative]

⁴ **Note to Prospective Bidders:** Please attach self-certified copies of 2 (two) identity documents issued by a governmental or regulatory authority.

SCHEDULE A (2) - LETTER OF AUTHORITY IN FAVOUR OF AUTHORISED REPRESENTATIVE

(Refer Section 1 of Annex 5)

(On the letter head of the Prospective Bidder)

Date: [1]

Re: SriLankan Airlines Limited Divestiture - Letter of Authority

To: Chairman, Special Cabinet Appointed Negotiating Committee
State Owned Enterprise Restructuring Unit
3rd Floor, Lotus Tower, Temple Trees
Colombo 03, Sri Lanka

Sir/Madam:

1. This is with reference to the Request for Qualification for the strategic divestiture of SriLankan Airlines Limited (“**RFQ**”).
2. We [*insert name of the Prospective Bidder (in case of Consortium, the Lead Member)*] designate [*insert name of the authorised person*] currently acting as [*insert designation*] in the [*insert name of the Prospective Bidder (in case of Consortium, the Lead Member)*] as our authorised representative (“**Authorised Representative**”) to execute under hand or under seal all documents, deliver and receive any document or instrument, engage in negotiations, attend and represent us in meetings and do all things necessary and incidental to the Proposed Transaction including but not limited to submitting the Prequalification Application, addressing any request for clarification and other communications and signing the Definitive Agreements.
3. The Authorised Representative may be identified by the below signature and enclosed copies of self-certified identity documents⁵.

Signature of the Authorised Representative:

4. We confirm that we shall be unconditionally bound by all commitments and actions undertaken by the Authorised Representative on our behalf.
5. This Letter of Authority is being issued in compliance with our constitutional documents and due process envisaged therein. This Letter of Authority shall remain valid throughout the Bidding Process.
6. In the event, we are notified as a Prequalified Bidder in accordance with the terms of the RFQ, we shall submit a duly executed and registered power of attorney in accordance with the laws of Sri Lanka, in the format specified in Schedule A(1) to the Appendix in the RFQ.

⁵ **Note to Prospective Bidders:** Please attach self-certified copies of 2 (two) identity documents issued by a governmental or regulatory authority.

7. Capitalised terms not defined herein shall have the same meanings as ascribed to them in the RFQ.

Thank you.

Yours sincerely,

[Authorised Signature
Name and Title of the Signatory
Name of Entity
Address]

SCHEDULE B - ORGANISATION CHART

(Refer Section 2 of Annex 5)

SCHEDULE C - MEMORANDUM OF ASSOCIATION

(Refer Section 3 of Annex 5)

SCHEDULE D - KYC STANDARDS

(Refer Section 4 of Annex 5)

SCHEDULE E - AFFIDAVIT

(Refer Section 5 of Annex 5)

Date: [1]

Re: SriLankan Airlines Limited Divestiture

To: Chairman, Special Cabinet Appointed Negotiating Committee
State Owned Enterprise Restructuring Unit
3rd Floor, Lotus Tower, Temple Trees
Colombo 03, Sri Lanka

[Name of Prospective Bidder/Relevant Member of Consortium/ each O&M Contractor]⁶ hereby represents and warrants that, as of the date of this letter [Name of Prospective Bidder/Relevant Member of Consortium/ each O&M Contractor]:

- (a) it and all Relevant Persons are not in bankruptcy or liquidation proceedings and have a reasonable expectation of being able to discharge all financial liabilities as they fall due;
- (b) neither it nor any Relevant Person has been convicted of fraud, corruption, collusion or money laundering or for a criminal act involving dishonesty, physical violence or harm to human life, nor is the subject of credible and/or persistent allegations related to, or is under investigation for, such criminal activities;
- (c) it is not aware of any Conflict of Interest or potential Conflict of Interest arising from prior or existing contracts or relationships which affects or could affect its potential involvement in the Proposed Transaction (other than supply or service agreements among members of the Consortium Member's corporate group in the ordinary course);
- (d) neither it nor any Relevant Person has any tax liabilities or liabilities in respect of judgments awarded by any court or similar proceedings in the period of 3 (three) years prior to the date of the Request for Qualification, save in each case to the extent that it has made a suitable accounting provision for such liabilities in accordance with applicable accounting regulations;
- (e) neither it nor any Relevant Person has previously been excluded from bid or other public procurement process in Sri Lanka;
- (f) neither it nor any Relevant Person:
 - (i) is included as a debarred Person pursuant to the public sanctions list of any multilateral development bank that is party to the Agreement on Mutual Enforcement of Debarment Decision of 9 April 2010 (www.crossdebarment.org); or
 - (ii) is included on any sanctions lists promulgated by the UN Security Council or its committees, or any other recognised international sanctions list;
- (g) neither it nor any Relevant Person has operations (directly or through any subsidiary) or carries out transactions that are not in compliance with the sanctions promulgated by the UN Security Council or its committees or national sanctions in Sri Lanka;

⁶ **Note to Prospective Bidders:** Please note that if the Prospective Bidder proposes any O&M Contractor, an affidavit in the form set out in this Schedule E (*Affidavit*) needs to be executed and submitted by each proposed O&M Contractor.

- (h) neither it nor any Relevant Person have any Unsatisfactory Performance record; and
- (i) neither it nor any Relevant Person falls within the restriction set out in Clause 4.4 (*Participation Restrictions*) of the Request for Qualification.

Capitalised terms not defined herein shall have the same meanings as ascribed to them in the Request for Qualification for the strategic divestiture of SriLankan Airlines Limited.

Yours Sincerely,

[Authorised Signature
Name and Title of the Signatory
Name of Entity
Address]

SCHEDULE F - EVIDENCE OF COMPLIANCE WITH FINANCIAL QUALIFICATION CRITERIA

(Refer Section 6 of Annex 5)

1. The Prospective Bidder being an entity other than a Financial Institution (or a Consortium thereof or a Consortium of Financial Institutions and entities other than Financial Institutions), shall submit the statement of financial capability in the format set out below:

Statement of financial capability (by a Prospective Bidder other than a Financial Institution, a Consortium thereof, or a Consortium of Financial Institutions and entities other than Financial Institutions)

I, [name] [citizenship], of legal age, with office address at [address], as the [position/designation] of [name of entity], a [corporation/partnership] organised and existing under and by virtue of the laws of [place of incorporation/registration], hereby certify for and on behalf of [name of entity] that the information stated in this statement of financial capability is true and that the attached documents are genuine and true copies of the original.

- A. The [name of the Prospective Bidder, or the Consortium] has a minimum Net Worth equivalent to at least USD 200,000,000 (United States Dollars two-hundred million) or its equivalent as of its audited financial statements as of [insert date], a true copy of which is attached to this certificate.
- B. The financial summary of [name of the Prospective Bidder, or the Consortium] as of [insert date] is as follows:

Financial Information	Percentage Stake in Consortium (if applicable)	Details as of 31 December 2022, or the last day of the entity's fiscal year, whichever is later
Name of entity and its relationship with the Prospective Bidder		
(indicate last day of fiscal year)		
1. Total Assets		
2. Total Liabilities		
3. Net Worth		

- C. [The letter from [name of the bank], being an Applicable Lender confirming our ability to raise loans of at least USD 100,000,000 (United States Dollars one-hundred million) for the Proposed Transaction is enclosed]. / [The [name of entity] has financed the following]:

Company Name⁷	Entity's Role	Location / Site	Project Type and Capacity	Amount of Financing (in USD) - Equity and Debt	Name of the Applicable Lender	Date	Evidence Provided and Contact for Reference
[add rows if necessary]							

⁷ **Note to Prospective Bidders:** If the name of the borrower is different from the name of the Prospective Bidder (or in the case of Consortium, the Lead Member) or its Related Party, please indicate relationship with the Prospective Bidder (or in the case of Consortium, the Lead Member) or its Related Party.

Capitalised terms not defined herein shall have the same meanings as ascribed to them in the Request for Qualification for strategic divestiture of SriLankan Airlines Limited.

[Date and Place of Execution]
For and on behalf of [Name of Entity]
[Signature of authorised representative]

[Name]
[Designation]

2. The Prospective Bidder being a Financial Institution or a Consortium thereof, shall submit the Statement of financial capability in the format set out below:

Statement of financial capability (by a Prospective Bidder which is a Financial Institution or a Consortium of Financial Institutions)

I, [name], [citizenship], of legal age, with office address at [address], as the [position/designation] of [name of the Prospective Bidder or the Consortium Member], a [corporation/partnership] organised and existing under and by virtue of the laws of [place of incorporation/registration], as the duly authorised representative of [name of the Prospective Bidder or the Consortium] hereby certify for and on behalf of (name of the Prospective Bidder or the Consortium) that:

- (a) the [name of the Prospective Bidder or the Consortium] has a minimum available investible funds/capital of at least USD 300,000,000 (United States Dollars three-hundred million). A true copy of the certificate issued by [insert details of the professional issuing the certificate] confirming such available investible funds/capital is enclosed. [In case of Consortium, please elaborate the manner in which the Consortium satisfies the Financial Qualification Criteria.]; and
- (b) the information stated in this statement of financial capability is true and that the attached documents are genuine and true copies of the original.

Capitalised terms not defined herein shall have the same meanings as ascribed to them in the RFQ for the strategic divestiture of SriLankan Airlines Limited.

Date and Place of Execution.
For and on behalf of [Name of Entity]
[Signature of authorised representative]

[Name]
[Designation]

SCHEDULE G - EVIDENCE OF COMPLIANCE WITH TECHNICAL QUALIFICATION CRITERIA

(Refer Section 7 of Annex 5)

The Entity Meeting Technical Criteria must provide the following documents:

- (a) Notarised certification that the Reference Project is ongoing, in operation or completed from the Reference Project’s owner or a copy of the original certificate that the Reference Project is ongoing, in operation or completed accompanied by a notarized certification issued by corporate secretary or director of the entity proposed to meet the Technical Experience that such copy is a true and faithful reproduction of the original certificate.
- (b) In case the Entity Meeting Technical Criteria does not have Control over the entity that is undertaking the relevant Reference Project or the Entity Meeting Technical Criteria is part of a joint venture or consortium in which it is not the majority owner, the notarized certification must state that the Entity Meeting Technical Criteria (a) actively participates or participated in the operations and maintenance of such Reference Project; and (b) is / was directly responsible and accountable for the outcome.
- (c) If operation and maintenance of any Reference Project identified in this Schedule G is carried out through a Related Party of the Prospective Bidder (where the Prospective Bidder is a Consortium, the Technical Member), supporting documentary evidence of affiliation with the Related Party.
- (d) Auditor certificate certifying experience in either – (i) the operation and facilities, maintenance and management of 1 (one) scheduled airline with at least 20 (twenty) aircraft in its operational fleet during the last 5 (five) years in immediately preceding 10 (ten) years from the Prequalification Application Submission Deadline; or (ii) in acquiring, successfully transitioning ownership and operating a non-airline enterprise in immediately preceding 10 (ten) years from the Prequalification Application Submission Deadline. Such non-airline experience being of similar size and complexity to the Company.
- (e) Description of experience (in the manner set out in the below tables as applicable), specifying experience either – (i) in the operation and facilities, maintenance and management of 1 (one) scheduled airline with at least 20 (twenty) aircraft in its operational fleet during the last 5 (five) years in immediately preceding 10 (ten) years from the Prequalification Application Submission Deadline; or (ii) in acquiring, successfully transitioning ownership and operating a non-airline enterprise in immediately preceding 10 (ten) years from the Prequalification Application Submission Deadline.

Airline Experience

Name of Airline	
Location (City, Country)	
Date(s) and duration	
Number of aircraft	
Description of Operations	
Description of role of Entity Meeting Technical Criteria	
Operation period of Entity Meeting Technical Criteria	
Relationship of Entity Meeting Technical Criteria to Prospective Bidder	(Prospective Bidder / Consortium Member / Related Party / O&M Contractor)

Non-Airline Enterprise Experience

Name of Non-Airline Enterprise	
Location (City, Country)	
Date(s) and duration	
Description of Operations	
Description of role of Entity Meeting Technical Criteria	
Operation period of Entity Meeting Technical Criteria	
Relationship of Entity Meeting Technical Criteria to Prospective Bidder	(Prospective Bidder / Consortium Member / Related Party / O&M Contractor)

Date and Place of Execution.

For and on behalf of [Name of Entity]

[Signature of authorised representative]

[Name]

[Designation]

[SCHEDULE H - ISO CERTIFICATION]

(Refer Section 8 of Annex 5)

[SCHEDULE I – FORM OF O&M CONTRACTOR’S STATEMENT OF WILLINGNESS]

(Refer Section 9 of Annex 5)

[on the letterhead of relevant O&M Contractor]

O&M Contractor’s Statement of Willingness

[Date]

Re: SriLankan Airlines Limited Divestiture

To: Chairman, Special Cabinet Appointed Negotiating Committee
State Owned Enterprise Restructuring Unit
3rd Floor, Lotus Tower, Temple Trees
Colombo 03, Sri Lanka

We, *[name of O&M Contractor]*, a *[limited liability company]* organized and existing under the laws of *[place of incorporation/registration of O&M Contractor]* (the “**O&M Contractor**”) hereby represent and warrant that:

1. The O&M Contractor has partnered with / is willing to partner with *[name of Prospective Bidder]*, as the O&M Contractor in the Request for Qualification for the Proposed Transaction in accordance with the RFQ.
2. The O&M Contractor has the required experience and capacity to meet the Technical Qualification Criteria in accordance with the provisions of the RFQ.
3. The information provided in Schedule G (*Evidence of Compliance with Technical Qualification Criteria*) to the present Prequalification Application are true and correct in relation to it as at the date of this letter.
4. All copies of the documents submitted by the O&M Contractor (through *[name of Prospective Bidder]*) as part of the present Prequalification are correct, complete, accurate and in full force and effect as at the date of this letter.

Capitalised terms not defined herein shall have the same meanings as ascribed to them in the RFQ for the strategic divestiture of SriLankan Airlines Limited.

Date and Place of Execution.

For and on behalf of *[Name of Entity]*
[Signature of authorised representative]

[Name]
[Designation]

[SCHEDULE J - CONSORTIUM AGREEMENT / LETTER OF INTENT]

(Refer Section 10 of Annex 5)

[SCHEDULE K (1) - LEAD MEMBER POWER OF ATTORNEY]

(Refer Section 11 of Annex 5)

On this [day] of [month and year]

Before me, the Notary in this office [name of Notary/office]

The undersigned:

[Mr. /Ms.] [name of legal/authorised representative]

Duly authorised, in his/her capacity as [capacity] of [name of Consortium Member]

Nationality: [=]

Holder of Passport or ID no. [=] issued by [=] dated [=]

Residing at [=] (hereafter, the “Grantor”), hereby

1. appoints [name of Lead Member, including corporate details] and its authorised representative (hereafter the “Attorney”), to:
 - (a) represent and bind the Grantor in respect to the Prequalification Application, the Bidding Process and the signature of the Definitive Agreements (both terms as defined in the Request for Qualification referred to in paragraph (e) below);
 - (b) execute under hand, or under seal, and deliver to the competent authorities all the documents listed in paragraph (e) below;
 - (c) deliver and receive any document or instrument in relation to the following documents listed in paragraph (e) below;
 - (d) do all things necessary and incidental in respect of the matters set out herein, including to do, execute and perform any other deed or act ought to be done, executed or performed to perfect or otherwise give effect to the documents listed in paragraph (e) below; and
 - (e) the documents concerned by this power of attorney being the following:

ALL DOCUMENTS IN RESPECT OF THE PREQUALIFICATION FOR SRILANKAN AIRLINES LIMITED DIVESTITURE, AS MORE FULLY DESCRIBED IN THE REQUEST FOR QUALIFICATION DATED OCTOBER 31, 2023 (“RFQ”), AND INCLUDING WITHOUT LIMITATION THE PREQUALIFICATION APPLICATION FOR THE AFORESAID DIVESTITURE, AND CLARIFICATIONS AND OTHER COMMUNICATIONS WITH THE COMPETENT AUTHORITIES OF SRI LANKA IN RESPECT OF THE PREQUALIFICATION APPLICATION, THE BIDDING PROCESS AND THE SIGNATURE OF THE DEFINITIVE AGREEMENTS FOR THE AFORESAID DIVESTITURE.

2. confirms that this Power of Attorney is being issued in compliance with the Grantor’s constitutional documents and due process envisaged therein. The Grantor further confirms that this Power of Attorney shall remain valid throughout the Bidding Process.

Capitalised terms not defined herein shall have the same meanings as ascribed to them in the Request for Qualification.

IN WITNESS WHEREOF, the Grantor has executed this Power of Attorney [under seal] on the date set out above.

[SEAL]

[Signature]

[Name / Title of Grantor representative]

[SCHEDULE K (2) - LETTER OF AUTHORITY IN FAVOUR OF LEAD MEMBER]

(Refer Section 11 of Annex 5)

(On the letterhead of each Consortium Member authorising the Lead Member)

Date: [1]

Re: SriLankan Airlines Limited Divestiture - Letter of Authority

To: Chairman, Special Cabinet Appointed Negotiating Committee
State Owned Enterprise Restructuring Unit
3rd Floor, Lotus Tower, Temple Trees
Colombo 03, Sri Lanka

Sir/Madam:

1. This is with reference to the Request for Qualification for the strategic divestiture of SriLankan Airlines Limited (“**RFQ**”).
2. We [*name of the Consortium Member*] hereby designate [*name of the Lead Member*] as our authorised representative (“**Authorised Representative**”) to execute under hand or under seal all documents, deliver and receive any document or instrument, engage in negotiations, attend and represent us in meetings and do all things necessary and incidental to the Proposed Transaction including but not limited to submitting the Prequalification Application, addressing any request for clarification and other communications and signing the Definitive Agreements.
3. We confirm that we shall be unconditionally bound by all commitments and actions undertaken by the Authorised Representative on our behalf.
4. This Letter of Authority is being issued in compliance with our constitutional documents and due process envisaged therein. This Letter of Authority shall remain valid during the Bidding Process.
5. In the event, we are notified as a Prequalified Bidder in accordance with the terms of the RFQ, we shall submit a duly executed and registered power of attorney in accordance with the laws of Sri Lanka, in the format specified in Schedule K(1) to the Appendix in the RFQ.
6. Capitalised terms not defined herein shall have the same meanings as ascribed to them in the Request for Qualification.

Thank you.

Yours sincerely,

[Authorised Signature
Name and Title of the Signatory
Name of Entity
Address]