MEMORANDUM OF UNDERSTANDING

BY AND BETWEEN

FAISALABAD INDUSTRIAL ESTATES DEVELOPMENT AND MANAGEMENT COMPANY (FIEDMC)

AND

SAARC CHAMBER OF COMMERCE & INDUSTRY (SAARC CCI)
MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (MoU) is made and executed at Lahore Pakistan on 16th day of April 2016, by and between:

FAISALABAD INDUSTRIAL ESTATE DEVELOPMENT AND MANAGEMENT COMPANY, a public company limited by guarantee owned by Government of the Punjab, having a share capital, incorporated and licensed under Section 42 of the Companies Ordinance, 1984 as a not-for-profit association, having its registered head office at 1st Floor, FCCI Complex, Canal Park, East Canal Road, Faisalabad, Pakistan (hereinafter referred to as “FIEDMC” which expression shall, where the context so permits, be deemed to include its successors-in-interest, administrators, assignees) of the FIRST PART.

AND

SAARC Chamber of Commerce and Industry (SCCI) is a SAARC Regional Apex Body formally inaugurated in February, 1994 with its permanent headquarters situated at No. 397, Street # 64, I-8/3, Islamabad-Pakistan (hereinafter referred to as “SCCI” which expression shall, where the context so permits, be deemed to include its successors-in-interest, administrators, permitted assignees) of the SECOND PART.

(FIEDMC and SCCI shall hereinafter be referred collectively as “Parties” and individually as a “Party”).

RECITALS:

A. WHEREAS, FIEDMC has been promoted by the Government of the Punjab (the “GoPb”) with the mandate to undertake, inter alia, orderly, planned and rapid industrialization of Faisalabad District. FIEDMC has established, inter alia, a modern industrial estate under the name and style of “M-3 Industrial City” (hereinafter, the “M-3IC”) spanning an area of approximately 4,356 acres located near Sahianwala Interchange along M-3 Motorway near Faisalabad as given in Schedule A;

B. WHEREAS, SCCI is an apex body of South Asian Association for Cooperation (SAARC) under the name and style of SAARC Chamber of Commerce & Industry (SCCI) and has represented to FIEDMC that it is a collective trade and commerce body promoting trade and commerce within SAARC region.

C. Whereas SCCI has represented to FIEDMC that it intends to establish a dedicated SAARC Special Economic Zone (SSEZ) on approximately 250 acres of land at M-3 Industrial City where businessmen from SAARC region may establish their industrial units more fully described in Schedule B annexed hereto;
D. **WHEREAS**, pursuant to FIEDMC’s aforesaid mandate, and in reliance upon SCCI’s representations as set out in this MoU, FIEDMC is willing to allocate, plan and develop SAARC Special Economic Zone (SSEZ) on 250 acres of land at M-3 Industrial City with industrial infrastructure for plots of sizes four (4) acres or more for purposes of allotment to suitable businessman of SAARC region at a reasonable price.

E. **AND WHEREAS**, the Parties are desirous of setting out the broad terms and conditions in order to plan, establish, manage and regulate the SSEZ at M-3 Industrial City.

**NOW THEREFORE, THIS MEMORANDUM OF UNDERSTANDING WITNESSES AS UNDER:**

1. The Parties agree to mutually discuss and collaborate with each other, from time to time, with a view to exploring mutually beneficial possibilities of undertaking SSEZ project as well as supplementary projects.

2. Without prejudice to the generality of Clause 1 above, the Parties agree on the following stipulations:
   
   (a) FIEDMC will sell/lease the project land to the Investor, subject to terms to be mutually decided by the Parties, and the same shall be used by the Investor only for industrial undertaking or industrial activity
   
   (b) Subject to the terms to be mutually decided by the Parties, and subject to applicable laws, FIEDMC will provide reasonable support to the Investor for the purposes of undertaking the project(s) as set out in Clause 2 (a) above (including support in obtaining consents and approvals necessary for the development of and construction on the plot).

3. The Parties agree that following from this MOU, the Parties will undertake detailed negotiations on financial, technical and legal terms and conditions with a view to entering into formal agreement(s) (including any sale/purchase agreement, investment/project development agreement etc.) pertaining to the proposed investment/industrial development.

4. It is further acknowledged that it is not practically possible to incorporate each and every eventuality in this MOU. Thus, it is understood and declared that any such eventuality that might be unforeseen in this MOU shall be provided for in the agreement(s) with the mutual consent of the parties thereto.

5. Within 15 days of signing of this MoU, a working group shall be formed representing FIEDMC and SCCI (5+5 members respectively) who will then undertake activities to meet following deadlines/targets:-
   
   a. Inauguration of SSEZ shall be done during SAARC Summit planned in November, 2016 in Islamabad
   
   b. Draft Agreement shall be prepared and agreed to between parties prior to SAARC meeting scheduled in May, 2016
c. Agreement, Master Planning, Pricing and other terms and conditions shall be agreed to and formally signed between the parties latest by August, 2016

d. SSEZ marketing shall be done in September/October 2016 to formulate a list of investors ready to invest/construct their industrial undertaking at the SSEZ who name shall be announced at inauguration of SSEZ during SAARC Summit scheduled in November, 2016

6. All notices required by this MOU shall be furnished by hand delivery, certified post, telex, or telefax to the following addresses:

FIEDMC          Mr. M. Aamer Saleemi, Chief Operating Officer, FIEDMC
SCCI            Mr. M. Iqbal Tabish, Secretary General, SAARC CCI, Islamabad

All notices shall only be effective on receipt. Either Party may change its address by a notice to the other Party in the manner set forth above.

7. This MOU may be terminated by mutual consent of the Parties. The Parties also agree that the stipulations of this MOU are of a non-binding nature.

8. This MOU is drawn up in two (2) originals in English; each Party shall retain one (1) copy.

9. This MOU shall be governed and interpreted in accordance with the laws of Pakistan.

IN WITNESS WHEREOF this Memorandum of Understanding has been executed at the place and date first above mentioned:

FIEDMC

1)  
Name: Mian Muhammad Adrees  
Designation: Chairman

WITNESSES:

1)  
Name: M. Aamer Saleemi  
Designation: Chief Operating Officer

SAARC Chamber of Commerce & Industry

2)  
Name: Mr. Suraj Vaidya  
Designation: President

1)  
Name: Mr. Iqbal Tabish  
Designation: Secretary General