

**REQUEST FOR QUALIFICATION**

**IN CONNECTION WITH THE PROPOSED SALE OF  
THE NATIONAL CENTER FOR PRIVATIZATION'S ENTIRE SHAREHOLDING IN SECOND MILLING  
COMPANY AND FOURTH MILLING COMPANY**

**14 JULY 2020**

## **Important Notice**

This Request for Qualification (“**RFQ**”) is being issued by the National Center for Privatization of the Kingdom (“**NCP**”), in collaboration with the Grains Privatization Committee (as defined below), to invite interested parties to submit their qualifications to become qualified bidders in the proposed bidding process for the Milling Companies (as defined below) in the Kingdom of Saudi Arabia (“**the Kingdom**” or “**Saudi Arabia**”) and sets out the qualification criteria that such interested parties must satisfy in order to be designated as a Qualified Bidder.

This RFQ has been prepared to assist interested parties in making their own evaluation as to whether to submit qualifications to become Qualified Bidders and does not purport to contain all of the information that an interested party may need or desire. In all cases, interested parties should conduct their own analysis of the information set forth in this RFQ.

This RFQ has been prepared by the NCP, in collaboration with the Grains Privatization Committee, and none of the NCP, the Grain Privatization Committee, any of their members nor any of their respective agents, representatives, advisors or consultants make any representation (express or implied) or warranty as to the accuracy or completeness of this RFQ or the information contained herein and shall have no liability for it or for any other written or oral communication transmitted to or received by the recipient in the course of the recipient’s evaluation of the proposed transaction. Only those particular representations and warranties which may be made by the NCP, the Grains Privatization Committee or other ministries, departments or agencies in a definitive written communication, when and if one is issued, and subject to such limitations and restrictions as may be specified in such communication, shall have any legal effect.

This RFQ may contain certain interpretations, explanations and/or summaries of laws, decrees, regulations, licenses and governmental authorizations prepared solely to acquaint the recipient with the matters described in a general manner only and is not intended to be definitive or to disclose or deal with all aspects of such laws, decrees, regulations, licenses or governmental authorizations that may be important to a recipient.

The NCP, in collaboration with the Grains Privatization Committee, reserves the right, in its sole discretion, to modify any of the rules or procedures relating to the qualification process, or, without prior notice or assigning any reason therefor, to terminate the qualification process. Furthermore, neither the NCP nor the Grains Privatization Committee are under any obligation to launch the proposed Bidding Process for, or to complete the proposed sale of, the Milling Companies. None of the NCP, the Grain Privatization Committee, any of their members nor any of their agents, representatives, advisors or consultants will be liable or responsible to any person for any cost or expense incurred in responding to this RFQ or in any investigation or transaction, whether or not consummated, which may follow.

## DEFINITIONS

In this RFQ, unless the subject or context otherwise requires, the following definitions shall apply:

“**Phase One RFQ**” means the request for qualification issued by the Public Investment Fund, in collaboration with the Grains Privatization Committee, dated 28 June 2018 (as amended on 25 October 2018) in relation to the Grains Privatization Phase One;

“**Affiliate**” means any entity directly or indirectly Controlled by or under common Control with a party;

“**Agricultural Commodities**” means the commodities in the agriculture value chain that are sold for a commercial value;

“**Agri-food Sector**” or “**Sector**” means a part of agriculture and food (Agri-food) value chain activities that represent one process or segment of the agri-food value chain in any one of the following: Human Food Milling and Refining or Food Processing / Manufacturing;

“**Bid**” means the Bidder’s final written offer in respect of the acquisition of a Milling Company and submitted in response to the Request for Proposal;

“**Bid Submission Deadline**” means the time and date notified in writing to the Bidders, by which Bidders will be required to submit their Bids;

“**Bidder**” means the Qualified Bidder that submits a Bid on or before the Bid Submission Deadline;

“**Bidding Documents**” means the documents to be provided to the Qualified Bidders specifying the Due Diligence Procedures, Bidding Procedures, bidding conditions and the criteria for the evaluation of the technical proposals and financial bids. The Bidding Documents include the Request for Proposal and such other information and/or documentation relevant to the Proposed Transaction as determined by the Grains Privatization Committee from time to time;

“**Bidding Procedures**” means the procedures for the submission of Bids that will be contained in the Request for Proposal, including any annexes and attachments;

“**Bidding Process**” means a fair and transparent competitive bidding process to select the Winning Bidder in respect of each Milling Company, conducted in accordance with the terms of the Request for Proposal, from the date of issuance of the Request for Proposal until the completion of the Proposed Transaction;

“**Consortium**” has the meaning given to it in Section 1.2(c)(ii);

“**Consortium Coordinator**” has the meaning given to it in Section 1.3(a)(i);

“**Control**”, “**Controlled**” or “**Controlling**” means the power of a person (or persons acting in concert) to secure that the affairs of another are conducted directly or indirectly in accordance with the wishes of that person (or persons acting in concert) whether by means of:

- (a) in case of a company, being the beneficial owner of more than 30% of the issued share capital of, or of the voting rights in, that company, or having the right to appoint or remove a majority of the directors or managers or otherwise control the votes at board meetings of that company by virtue of any powers conferred by the constitutional documents, shareholders’ agreement or any other document regulating the affairs of that company (for the avoidance of doubt, any negative voting rights including, without limitation, any rights that a person may have to veto the passing of any board or shareholder resolutions of the relevant company shall not be taken into account for such purposes); or

- (b) in case of a partnership, being the beneficial owner of more than 30% of the capital of that partnership, or having the right to control the composition of, or the votes of, the majority of the management of that partnership by virtue of any powers conferred by the partnership agreement or any other document regulating the affairs of that partnership;

“**Data Sheet**” means the data sheet set out in Schedule 1;

“**Due Diligence Procedures**” means the procedures that will be contained in the Request for Proposal that establish the process by which Qualified Bidders will be permitted to conduct their own appraisal of the business opportunity presented by the Proposed Transaction;

“**Estimated Timetable**” has the meaning given to it in Section 8(a);

“**Financial Criteria**” means the “Financial Criteria” set out in the table in Section 2.4;

“**First Milling Company**” means the First Milling Company, a closed joint stock company incorporated in the Kingdom of Saudi Arabia with commercial registration number 4030291813 and having its registered office at P.O. Box 6847, Jeddah, Kingdom of Saudi Arabia;

“**FMC Restricted Persons**” means the bidder declared to be the winning bidder by the Grains Privatization Committee in relation to the First Milling Company during Grains Privatization Phase One and each of its Affiliates, subsidiaries and Parent Company;

“**Human Food Milling and Refining**” means the processes by which particles of foodstuff commodities are reduced in size mechanically and/or purified from any impurities, which shall include, without limitation, wheat milling, rice milling, corn milling and sugar refining, but shall exclude the crushing of grains;

“**Food Processing / Manufacturing**” means the transformation of raw ingredients into food using physical or chemical agents;

“**Fourth Milling Company**” means the Fourth Milling Company, a closed joint stock company incorporated in the Kingdom of Saudi Arabia with commercial registration number 2050110856 and having its registered office at P.O. Box 6847, King Abdulaziz Port, Dammam, Kingdom of Saudi Arabia;

“**Grains Privatization Committee**” has the meaning given to it in the “Invitation” Section;

“**Grains Privatization Phase One**” means the bidding process in relation to, and the subsequent sale to the private sector of, the First Milling Company and the Third Milling Company;

“**Grains Privatization Phase Two**” means the bidding process in relation to, and the subsequent sale to the private sector of, the proposed sale of the Second Milling Company and the Fourth Milling Company;

“**HORECA**” means hotel, restaurant and café;

“**HSBC**” has the meaning given to it in the “Invitation” Section;

“**Information Memorandum**” means the information memorandum containing information relating to the Proposed Transaction to be distributed to potential Prospective Bidders that duly sign and submit a non-disclosure agreement in accordance with Section 1.5;

“**Kingdom**” or “**Saudi Arabia**” means the Kingdom of Saudi Arabia;

“**Milling Companies**” means the Second Milling Company and the Fourth Milling Company (and each, a “**Milling Company**”);

“**MT**” means a unit of weight which is equivalent to 1,000 kilograms;

“**Non-Qualified Bidders**” has the meaning given to it in the “Invitation” Section;

“**NCP**” means the National Center for Privatization of the Kingdom;

“**Other Member**” has the meaning given to it in Section 1.3(a)(iii);

“**Parent Company**” means the entity directly or indirectly Controlling or exercising common Control of a party;

“**Proposed Transaction**” means the proposed sale by the NCP, in collaboration with the Grains Privatization Committee, of its entire shareholding in each Milling Company;

“**Prospective Bidder**” has the meaning given to it in Section 1.2;

“**Qualification Application**” has the meaning given to it in the “Invitation” Section

“**Qualification Application Submission Start Date**” means 16 July 2020, at 9:00 a.m. local Riyadh time;

“**Qualification Application Submission Deadline**” means the date falling one month prior to the Bid Submission Deadline;

“**Qualification Costs**” has the meaning given to it in Section 1.5;

“**Qualification Criteria**” means the requirements and criteria set forth in Sections 2.4, 2.5 and 2.6 that Prospective Bidders must meet in order to be qualified for the proposed Bidding Process;

“**Qualification Process**” means the process of selecting from among the Prospective Bidders those who will be found eligible to take part in the proposed Bidding Process as Qualified Bidders;

“**Qualification Working Team**” has the meaning given to it in the “Invitation” Section;

“**Qualified Bidders**” mean the Prospective Bidders that are found to meet the Qualification Criteria and that have provided any other information required by this RFQ and have been qualified to take part in the proposed Bidding Process;

“**Request for Proposal**” means the document to be issued by the NCP, in collaboration with the Grains Privatization Committee, forming part of the Bidding Documents, that defines the Due Diligence Procedures and Bidding Procedures and criteria, together with any annexes and/or attachments;

“**RFQ**” means this document together with any annexes and/or attachments;

“**SAGO**” means the Saudi Grains Organization of Saudi Arabia, a public authority established under the laws of Saudi Arabia with its address at Saudi Grains Organization Building, King Fahd Road, Al Olaya District, 3402, Riyadh 11471, Saudi Arabia;

“**Sanctions Authorities**” means the Kingdom of Saudi Arabia, the United States of America, the United Nations, the European Union, the United Kingdom or the respective governmental institutions or agencies of any of the foregoing;

“**SPA**” means, in respect of each Milling Company, the share purchase or similar agreement to be entered into between the NCP and the Winning Bidder;

**“Second Milling Company”** means the Second Milling Company, a closed joint stock company incorporated in the Kingdom of Saudi Arabia with commercial registration number 1010465464 and having its registered office at P.O. Box 6847, Riyadh, Kingdom of Saudi Arabia;

**“Teaser”** means the document containing information relating to the Proposed Transaction to be distributed to potential Prospective Bidders;

**“Technical Criteria”** means the “Technical Criteria” set out in the table in Section 2.4;

**“Technical Member”** has the meaning given in Section 1.3(a)(ii);

**“Third Milling Company”** means the Third Milling Company, a closed joint stock company incorporated in the Kingdom of Saudi Arabia with commercial registration number 5855070277 and having its registered office at P.O. Box 6847, Khamis Msheit, Kingdom of Saudi Arabia;

**“TMC Restricted Persons”** means the bidder declared to be the winning bidder by the Grains Privatization Committee in relation to the Third Milling Company during Grains Privatization Phase One and each of its Affiliates, subsidiaries and Parent Company;

**“Total Net Worth”** means the aggregate of the amount paid up, or credited as paid up, share capital of a company, and the amount standing to the credit of the reserves of such company (including the balance on the accumulated profit and loss account), after deducting from that aggregate any amounts set aside for dividends and/or taxation; and

**“Winning Bidder”** means the Qualified Bidder that will be declared the winner by the Grains Privatization Committee for the acquisition of a Milling Company at the end of the proposed Bidding Process.

## INVITATION

As part of a Kingdom-wide initiative to privatize government-owned assets, a specialized committee was established by the Council of Ministers of the Kingdom comprising members from the Ministry of Environment, Water and Agriculture, the Ministry of Finance, SAGO, the Public Investment Fund, the NCP and the Ministry of Civil Service (the “**Grains Privatization Committee**”), with the purpose of preparing the Kingdom’s grain milling sector for privatization, including the establishment, in collaboration with the Public Investment Fund, of four milling companies, including the Milling Companies, wholly-owned by the Public Investment Fund.

On 21/02/1440H. (corresponding to 1 November 2018G), the Council of Ministers of the Kingdom issued Resolution No. 118, which granted:

- (a) the Grains Privatization Committee the authority to launch, administer and complete the sale of the four milling companies, including the Milling Companies, by way of an auction process, identify successful bidders and execute all relevant documents in relation thereto; and
- (b) the Pubic Investment Fund the authority to execute all relevant documents in respect of the proposed transaction.

On 17/10/1441H. (corresponding to 9 June 2020G), the Council of Ministers of the Kingdom issued Resolution No. 631, which decreed:

- (c) the transfer of the ownership of the four milling companies, including the Milling Companies, from the Public Investment Fund to the NCP; and
- (d) that the NCP carry out all the Public Investment Fund’s obligations set out in Council of Ministers resolution No. 118 of 21/02/1440H. (corresponding to 1 November 2018G).

HSBC Saudi Arabia (“**HSBC**”) has been appointed as financial advisor for the Proposed Transaction. HSBC Saudi Arabia is working in conjunction with specialized consultants, consisting of Strategy&, as privatization consultant, Farrelly & Mitchell, as technical due diligence and market consultant, PricewaterhouseCoopers, as financial due diligence consultant, KPMG, as accounting consultant and The Law Office of Salman M. Al-Sudairi in cooperation with Latham & Watkins LLP, as legal counsel.

The following procedures have been adopted:

1. The NCP, in collaboration with the Grains Privatization Committee, is now issuing this RFQ to invite Prospective Bidders to submit qualification applications (each a “**Qualification Application**”) in accordance with the instructions contained in, and the requirements of, this RFQ.
2. No FMC Restricted Person or TMC Restricted Person may submit a Qualification Application in accordance with the instructions contained in, and the requirements of, this RFQ.
3. Copies of the Teaser will be made available to Prospective Bidders upon request. The Grains Privatization Committee reserves the right not to share a copy of the Teaser with any Prospective Bidder.
4. Following the submission of the Qualification Applications, Prospective Bidders’ Qualification Applications will be reviewed by an expert qualification working team formed by the Grains Privatization Committee which shall include, but shall not be limited to, representatives from SAGO and its advisers (the “**Qualification Working Team**”).

5. Prospective Bidders that are found to fully meet the requirements and criteria of the qualification process set forth herein will be designated “**Qualified Bidders**” by the Grains Privatization Committee. Prospective Bidders that do not meet the requirements and criteria of the qualification process set forth herein will be designated “**Non-Qualified Bidders**” by the Grains Privatization Committee.
6. Subject to Section 6, qualified bidders under the Phase One RFQ (who are not FMC Restricted Persons or TMC Restricted Persons) who wish to participate in the Grains Privatization Phase Two are not required to submit Qualification Applications in accordance with the instructions contained in, and the requirements of, this RFQ and may notify the Grains Privatization Committee in writing via e-mail at [sagomcprivatization@hsbcsa.com](mailto:sagomcprivatization@hsbcsa.com) and [privatization@sago.gov.sa](mailto:privatization@sago.gov.sa) of their interest in being designated Qualified Bidders for the purpose of this RFQ.
7. Only Qualified Bidders may submit Bids.
8. A Qualified Bidder may submit a Bid for more than one Milling Company. However, a Qualified Bidder may only be selected as a Winning Bidder in respect of one Milling Company.
9. The NCP, in collaboration with the Grains Privatization Committee, will determine the Winning Bidders and the transaction documents in respect of each Milling Company will be entered into with each Winning Bidder.

The Grains Privatization Committee will start accepting Qualification Applications on the Qualification Application Submission Start Date, which must be submitted in accordance with Section 3. Qualification Applications will be reviewed by the Qualification Working Team. Any Qualification Application received by the Grains Privatization Committee after the Qualification Application Submission Deadline may be rejected and, where applicable, returned unopened to the Prospective Bidder. The Grains Privatization Committee reserves the right to accept Qualification Applications from Prospective Bidders after the Qualification Application Submission Deadline and/or changes to the composition of Prospective Bidders at its sole discretion.

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## 1. INSTRUCTIONS TO PROSPECTIVE BIDDERS

### 1.1 Introduction

The NCP proposes to sell its entire shareholding in each Milling Company pursuant to the Bidding Process.

### 1.2 Prospective Bidders

- (a) Pursuant to this RFQ, prospective bidders (“**Prospective Bidders**”) are invited to submit Qualification Applications in accordance with the instructions to Prospective Bidders set forth herein.
- (b) A Prospective Bidder, who becomes a Qualified Bidder, may submit a Bid in respect of more than one Milling Company. However, a Qualified Bidder may only be selected as a Winning Bidder in respect of one Milling Company.
- (c) A Prospective Bidder may be either:
  - (i) an individual company, firm, corporate body or other legal entity which meets the applicable Qualification Criteria; or
  - (ii) a consortium comprised of no more than five companies, firms, corporate bodies or other legal entities which meet the applicable Qualification Criteria and which intend to participate through joint effort in the Qualification Process and the Bidding Process and satisfy the requirements set out below (a “**Consortium**”).
- (d) Prospective Bidders who intend to participate in the Bidding Process as a Consortium are not required to incorporate the Consortium as a legal entity prior to submission of a Qualification Application.

### 1.3 Consortia

- (a) If the Prospective Bidder is in the form of a Consortium, the requirements set out in the paragraphs below shall apply:
  - (i) Consortium Coordinator

Each Prospective Bidder in the form of a Consortium shall appoint and authorize one member to act as its point of contact on behalf of all members of the Consortium in all matters connected with the Bidding Process (the “**Consortium Coordinator**”).
  - (ii) Technical Members

In addition to appointing a Consortium Coordinator and Other Members, each Prospective Bidder in the form of a Consortium shall identify one or more members who fulfil the Technical Criteria set out in this RFQ (each a “**Technical Member**”). If a Consortium is selected as a Winning Bidder and (i) includes one Technical Member, then such Technical Member must hold a minimum equity stake of 10% in the Consortium legal entity, or (ii) includes two or more Technical Members, each Technical Member must hold a minimum equity stake of 5% in the Consortium legal entity.

(iii) Other Members

Each Prospective Bidder in the form of a Consortium may identify one or more other members to participate in the Consortium (the “**Other Members**”).

(iv) Changes to Consortia

A Qualified Bidder which is a Consortium may only make changes to the membership of the Consortium with the prior written consent of the Grains Privatization Committee, provided that the prior written consent of the Grains Privatization Committee must be requested in writing no later than the Qualification Application Submission Deadline.

(v) Separate Qualification Applications

Each member of the Consortium must submit a separate Qualification Application in accordance with the instructions contained in, and the requirements of, this RFQ.

1.4 Members wishing to qualify as a Consortium shall submit, as part of their Qualification Applications, a written commitment, in the form of a letter duly executed by an authorized officer of each Consortium member, which:

- (a) confirms each member’s commitment to the Consortium;
- (b) undertakes to incorporate a legal entity in the Kingdom through which the shares in the relevant Milling Company will be acquired, or otherwise confirm that such legal entity has already been incorporated in the Kingdom by the Consortium and provide evidence to that effect;
- (c) identifies the member that will assume the role of Consortium Coordinator on behalf of the other members;
- (d) identifies the Other Members of the Consortium; and
- (e) identifies the Technical Members of the Consortium.

1.5 Information Memorandum

Prospective Bidders wishing to receive a copy of the Information Memorandum must sign and submit a non-disclosure agreement in the form set out in Schedule 9 (*Non-Disclosure Agreement*). The Grains Privatization Committee reserves the right not to share a copy of the Information Memorandum with any Prospective Bidder.

1.6 Costs

- (a) Each Prospective Bidder shall bear all costs associated with the preparation and submission of its Qualification Application (the “**Qualification Costs**”), including, and without limitation, all costs and expenses related to:
  - (i) preparing any Qualification Applications;
  - (ii) preparing questions or requests for clarifications to the Grains Privatization Committee;
  - (iii) preparing responses to questions or requests for clarification from the Grains Privatization Committee or SAGO; and

- (iv) every other activity associated with any discussion, preparation, submission or negotiation related to any Qualification Application.
- (b) The Grains Privatization Committee shall not be responsible or liable to pay any Qualification Costs of any Prospective Bidder or of any member of any Consortium regardless of the conduct or outcome of the Qualification Process.

#### 1.7 Copies of Qualification Applications

Prospective Bidders shall copy any correspondence sent to the Grains Privatization Committee, whether sent by registered mail, facsimile or e-mail, including their Qualification Applications, to the Qualification Working Team, the details of which are set out in the Data Sheet.

#### 1.8 Calendar

All dates and periods of time herein shall be based on, and computed according to the Gregorian calendar.

### **2. QUALIFICATION APPLICATION PROCESS**

#### 2.1 Language and Currency of Qualification Applications

- (a) The Qualification Application prepared by a Prospective Bidder, and all correspondence and documents related to the Qualification Application exchanged by a Prospective Bidder and the Grains Privatization Committee and SAGO, shall be written in either Arabic or English language.
- (b) Financial information must be presented in Saudi Arabian Riyals or United States Dollars. The conversion rate for any financial information presented in United States Dollars will be assumed at Saudi Arabian Riyals 3.75 = 1 United States Dollar. Any amounts converted from another currency into Saudi Arabian Riyals or United States Dollars must be converted at the then current exchange rate at a date no more than five Business Days from the date of submission of the Qualification Application and the Prospective Bidder must make reference to the conversion rate(s) to Saudi Arabian Riyal used in its Qualification Application.

#### 2.2 Qualification Applications

- (a) Each Prospective Bidder shall be entitled to submit a Qualification Application that establishes compliance with the Qualification Criteria.
- (b) No Prospective Bidder (nor its Parent Company or any of its Affiliates) or, if the Prospective Bidder is a Consortium, no member of such Consortium (nor its Parent Company or any of its Affiliates) shall be entitled to submit more than one Qualification Application (either as a stand-alone Prospective Bidder or as a member of another Consortium).
- (c) All Qualification Applications shall:
  - (i) comply with the formal requirements set out in Section 3;
  - (ii) be submitted during the period commencing on and from the Qualification Application Submission Start Date and ending on the Qualification Application Submission Deadline; and
  - (iii) conform in both form and substance to the instructions contained in, and the requirements of, this RFQ.

2.3 Documents Comprising the Qualification Application

- (a) The Qualification Application submitted by a Prospective Bidder shall be divided into separate parts and each part shall comprise the following documents:
- (i) Part I – the information required by Section 2.4;
  - (ii) Part II – the documents and information required by Section 2.5;
  - (iii) Part III – where the Prospective Bidder is a Consortium, the documents required by Section 2.6; and
  - (iv) Part IV – optional, separately bound pre-printed literature, as specified by Section 2.7.

**Qualification Applications shall contain no prices or price schedules or other references to rates or prices for undertaking the Proposed Transaction. Qualification Applications containing such price information will be rejected.**

2.4 Part I – Qualification Criteria

- (a) As Part I of the Qualification Application, the Prospective Bidder shall submit proof that it meets the minimum Qualification Criteria set out below.

<u>Minimum Technical Qualification Criteria</u>	<u>Technical Criterion for Agri-Food Sectors</u>	<u>Required Documents/Forms</u>
<p><b>Prospective Bidder:</b> The Prospective Bidder, or, if the Prospective Bidder is a Consortium, at least one member of the Consortium, by themselves or through an Affiliate shall meet the Technical Criterion of the Sectors listed in this table under one of the following:</p> <ul style="list-style-type: none"> <li>(i) Human Food Milling and Refining; or</li> <li>(ii) Food Processing / Manufacturing.</li> </ul>	<ul style="list-style-type: none"> <li>(i) <b>Human Food Milling and Refining:</b> Directly managing Human Food Milling and Refining assets in the Kingdom or internationally with an average current minimum capacity of 180,000 MT per annum within the last three years.</li> <li>(ii) <b>Food Processing / Manufacturing:</b> Directly managing Food Processing / Manufacturing assets in the Kingdom or internationally with a current minimum production capacity of 30,000 MT per annum within the last three years.</li> </ul>	<p>The Prospective Bidder, or, if the Prospective Bidder is a Consortium, at least one member of the Consortium, shall provide:</p> <ul style="list-style-type: none"> <li>(i) list identifying each Sector it is using to demonstrate its compliance with the Technical Criterion;</li> <li>(ii) an Experience Form in the form set out in Schedule 6 (<i>Experience Form TC</i>) with respect to each Sector set out in the list delivered under paragraph (i); and</li> <li>(iii) such other evidence that it believes may be relevant to demonstrate its compliance with the Technical Criterion.</li> </ul>

<u>Financial Criteria</u>		<u>Required Documents/Forms</u>
<p><b>Financial Criterion:</b></p> <p><b>FC:</b> The Prospective Bidder shall demonstrate that it had a Total Net Worth of at least SAR750 million or equivalent as at the end of its most recent full fiscal year.</p> <p>OR</p> <p>If the Prospective Bidder is a Consortium:</p> <p><b>FC(a):</b> The Prospective Bidder shall demonstrate that the Total Net Worth of each member of the Consortium as at the end of its most recent full fiscal year is (i) not less than SAR150 million; and (ii) at least equal to its proposed ownership percentage in the Consortium multiplied by a minimum aggregate net worth amounting to SAR750 million (for example, if a member of a Consortium is proposed to own (directly or indirectly) 50% of the entire issued share capital of the Consortium legal entity, then such member shall be required to demonstrate that its Total Net Worth as at the end of its most recent full fiscal year is equal to SAR375 million or more).</p> <p>For clarity, an illustrative example is provided at Schedule 8 (<i>Financial Criteria Illustrative Example</i>).</p>		<p>The Prospective Bidder shall provide a Financial Declaration Form in the form set forth in Schedule 7 (<i>Financial Declaration Form</i>).</p> <p>Also, each Prospective Bidder shall submit audited financial statements, duly certified by a certified public accountant being a reputable audit firm, for its most recent three full fiscal years, including, if applicable, the consolidated balance sheet and income statement and the accompanying notes.</p> <p>The Prospective Bidder shall also provide a list of the names and details of the banks and financial institutions which the Prospective Bidder has existing banking relationships.</p> <p><b>OR</b></p> <p>If the Prospective Bidder is a Consortium, the Consortium shall provide a Financial Declaration Form in the form set forth in Schedule 7 (<i>Financial Declaration Form</i>).</p> <p>Also, each member of the Consortium shall submit audited financial statements, duly certified by a certified public accountant being a reputable audit firm each Consortium member's most recent three full fiscal years, including, if applicable, the consolidated balance sheet and income statement and the accompanying notes.</p>

		<p>The Prospective Bidder (or, if the Prospective Bidder is a Consortium, each member of the Consortium) shall also provide a list of the names and details of the banks and financial institutions with which it has existing banking relationships.</p>
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(b) Satisfaction of the Technical Criteria: Affiliates

The Prospective Bidder may choose to present evidence of projects undertaken by an Affiliate to satisfy the Technical Criteria set out in this RFQ.

If any such project has been executed through an entity which is an Affiliate of the Prospective Bidder or, if the Prospective Bidder is a Consortium, any member of any Consortium, the Prospective Bidder shall submit evidence satisfactory to the Grains Privatization Committee (in its sole discretion) that such entity constitutes an Affiliate.

(c) Satisfaction of the Financial Criteria: Parent Companies

The Prospective Bidder, or, if the Prospective Bidder is a Consortium, any member of the Consortium, may choose to present financial statements from a Parent Company to satisfy or to help to satisfy, as the case may be, the Financial Criteria set out in this RFQ.

If a Parent Company's financial statements are being presented to satisfy the Financial Criteria, the Prospective Bidder shall submit evidence satisfactory to the Grains Privatization Committee (in its sole discretion) that such entity constitutes a Parent Company.

(d) Satisfaction of the Financial Criteria: Audited Financial Statements

The Prospective Bidder, or, if the Prospective Bidder is a Consortium, any member of the Consortium, may choose to present a letter from a certified public accountant of the Prospective Bidder, or, if the Prospective Bidder is a Consortium, any member of the Consortium, confirming the Total Net Worth of the Prospective Bidder or the Consortium member, based on its most recent full fiscal year in lieu of the audited financial statements.

(e) Evaluation Criteria

Further information in respect of the evaluation criteria for Bids submitted by Qualified Bidders shall be set out in the Request for Proposal.

2.5 Part II – Qualification Application and Other Documents

As part of the Qualification Application, each Prospective Bidder (or, if the Prospective Bidder is a Consortium, each member of the Consortium) shall provide, among other things, the following:

- (a) a qualification form in the form set out in Schedule 2 (*Qualification Form*);
- (b) an officer's certificate in the form set out in Schedule 3 (*Officer's Certificate*);

- (c) the following legal documents and background information:
  - (i) basic information on the Prospective Bidder (or each member of a Consortium), including a list of the Prospective Bidder's (or each Consortium member's) shareholders in the form set out in Schedule 4 (*Basic Information Form*);
  - (ii) an organizational chart showing the ownership structure including percentage shareholdings of the Prospective Bidder (or, if the Prospective Bidder is a Consortium, of each member);
  - (iii) a copy of the memorandum and articles of incorporation (or equivalent documents) of the Prospective Bidder (or, if the Prospective Bidder is a Consortium, of each member); and
  - (iv) if applicable, a copy of the Prospective Bidder's (or, if the Prospective Bidder is a Consortium, each member's) registration in the commercial register of its place of incorporation;
- (d) a Conflict of Interest and Good Standing Statement in the form set out in Schedule 5 (*Conflict of Interest and Good Standing Statement*) from the Prospective Bidder (or, if the Prospective Bidder is a Consortium, each member) pursuant to which a Prospective Bidder (or, if the Prospective Bidder is a Consortium, each member) shall confirm:
  - (i) existence or not of any potential, possible or future conflict of interest that a Prospective Bidder (and each member of a Consortium) may have with the Bidding Process, the Proposed Transaction, any member of the Grains Privatization Committee or any agency or instrumentality thereof or with any consultant or advisor thereof; and
  - (ii) that, except as disclosed in writing, neither it nor its ultimate Parent Company, if applicable, nor any of its Affiliates:
    - (A) is in bankruptcy or liquidation or analogous proceedings;
    - (B) has been convicted of fraud, corruption, collusion or any money laundering offence (and no investigation or legal or administrative proceeding is pending or, to its best knowledge after due inquiry, imminent, in which it is asserted that such an offence has been committed by it or any of them);
    - (C) is currently engaging in any transaction, activity or conduct that could result in a violation of sanctions enforced by any Sanctions Authorities;
    - (D) is listed on or is owned or Controlled by a person listed on any sanctions list made by any Sanctions Authorities or is located in, incorporated under the laws of or owned or (directly or indirectly) Controlled by, or acting on behalf of, a person located in or organized under the laws of a country or territory that is the target of country-wide or territory-wide sanctions; or
    - (E) has been disqualified from, or barred from bidding in, any public procurement process at any time since 1 January 2009; and
- (e) to the extent not otherwise provided earlier in accordance with Section 1.5, a non-disclosure agreement in the form set out in Schedule 9 (*Non-Disclosure Agreement*).

## 2.6 Part III – Consortia Documents and Requirements

- (a) Members wishing to qualify as a Consortium shall submit, as Part III of the Qualification Application, a written commitment, in the form of a letter duly executed by an authorized officer of each Consortium member, which:
- (i) confirms each member’s commitment to the Consortium;
  - (ii) undertakes to incorporate a legal entity in the Kingdom through which the shares in the relevant Milling Company will be acquired, or otherwise confirm that such legal entity has already been incorporated in the Kingdom by the Consortium and provide evidence to that effect;
  - (iii) identifies the member that will assume the role of Consortium Coordinator on behalf of the other members;
  - (iv) identifies the Other Member (if any) of the Consortium;
  - (v) identifies the Technical Member of the Consortium; and
  - (vi) provides an undertaking that, prior to the execution of the SPA and any other document to be signed at the same time as signing the SPA:
    - (x) there will be no change in the membership of the Consortium: and
    - (y) the proposed minimum equity stake of each Technical Member: (A) in the event the Consortium includes one Technical Member, 10% in the Consortium legal entity, or (B) in the event the Consortium includes two or more Technical Members, 5% for each Technical Member in the Consortium legal entity,

unless, in each case, the Consortium Coordinator has obtained the prior written consent of the Grains Privatization Committee (which must be requested in writing no later than the Qualification Application Submission Deadline in the case of the inclusion of a new member in a Consortium).

## 2.7 Part IV – Pre-Printed Literature

The Prospective Bidder may, if it wishes, provide pre-printed literature about the Prospective Bidder or the Consortium members. Such pre-printed literature shall be separately bound.

## 2.8 Clarifications

- (a) A Prospective Bidder requiring any clarification of the RFQ, the Qualification Criteria or any of the requirements set out in this Section 2 may notify the Grains Privatization Committee in writing via e-mail at [sagomcprivatization@hsbcsa.com](mailto:sagomcprivatization@hsbcsa.com) and [privatization@sago.gov.sa](mailto:privatization@sago.gov.sa).
- (b) The deadline for submission of all requests for clarification of the RFQ, the Qualification Criteria or any of the other requirements set out in this Section 2 will be determined by the Grains Privatization Committee. The Grains Privatization Committee reserves the right to determine, in its sole discretion, whether to respond to any requests for clarification of the RFQ. Written copies of any response, including an explanation of the query but not the identification of its source, will be sent to all Prospective Bidders. If similar or repeated queries are made by Prospective Bidders, those queries may be listed as one query and responded to only once.

### 3. QUALIFICATION APPLICATIONS: SUBMISSION

- 3.1 Each Prospective Bidder is required to submit its Qualification Application electronically via e-mail to [sagomcprivatization@hsbcsa.com](mailto:sagomcprivatization@hsbcsa.com) and [privatization@sago.gov.sa](mailto:privatization@sago.gov.sa) by the Qualification Application Submission Deadline.
- 3.2 Each Qualified Bidder is also required to submit signed originals of the documents required in accordance with Sections 2.4, 2.5(a), 2.5(b), 2.5(d), 2.5(e) and 2.6, no later than thirty (30) days from the date it is notified in writing of its designation as a Qualified Bidder in accordance with Section 4.1(d), at the address indicated in the Data Sheet and subject to the following:
- (a) the originals shall be typed or written in indelible ink;
  - (b) no alterations, omissions or additions are permitted, unless such changes are initialled by the person or persons signing the originals;
  - (c) the originals shall be sealed in an envelope and shall:
    - (i) be addressed to the Grains Privatization Committee; and
    - (ii) bear the words “PROJECT SUNBULA: PHYSICAL QUALIFICATION APPLICATION.”; and
  - (d) in the event of any discrepancy between the electronic copies submitted in accordance with Section 3.1 and the originals submitted in accordance with Section 3.2, the electronic copies submitted in accordance with Section 3.1 shall prevail.
- 3.3 Late Qualification Applications

Other than as permitted by Section 3.2 of this RFQ, any Qualification Application received by the Grains Privatization Committee after the Qualification Application Submission Deadline may be rejected and where applicable, returned unopened to the Prospective Bidder. The Grains Privatization Committee reserves the right to accept Qualification Applications from Prospective Bidders after the Qualification Application Submission Deadline.

### 4. QUALIFICATION APPLICATIONS: REVIEW

- 4.1 Review of Qualification Applications
- (a) The Qualification Applications will be reviewed by the Qualification Working Team at a private meeting that is not open for the public.
  - (b) The names and details of all Prospective Bidders will remain confidential throughout the Qualification Process and, if applicable, the Bidding Process.
  - (c) The Qualification Working Team will carry out a detailed review of the Qualification Applications in order for the Grains Privatization Committee to determine whether they are substantially responsive to the Qualification Criteria. In order to reach such a determination, the Qualification Working Team will examine the information supplied by the Prospective Bidders taking into account the following factor:  
  
**Qualification Criteria shall be based on “pass”/“no pass” for each such criterion.**
  - (d) A Prospective Bidder whose Qualification Application is determined by the Grains Privatization Committee to be substantially responsive and as meeting the Qualification Criteria shall, subject to Section 6, be designated a “Qualified Bidder”.

- (e) A Prospective Bidder whose Qualification Application is determined by the Grains Privatization Committee to be substantially non-responsive or as not meeting the Qualification Criteria shall be designated a “Non-Qualified Bidder”.
- (f) Notwithstanding the foregoing, the Qualification Working Team reserves the right to request additional information and/or clarifications from any Prospective Bidder who has submitted a Qualification Application, or, in the case of a Consortium, any member thereof, to address specific deficiencies in such Qualification Application in order to determine whether a Prospective Bidder shall be designated a Qualified Bidder or Non-Qualified Bidder.

## **5. BASIS FOR QUALIFICATION**

- (a) At the end of the review of the Qualification Applications, the Grains Privatization Committee will either:
  - (i) notify a Prospective Bidder that it has been designated a Non-Qualified Bidder; or
  - (ii) notify a Prospective Bidder that it has been designated a Qualified Bidder.
- (b) The specific details of the Bidding Procedures, including the Bid Submission Deadline, will be specified in the Request for Proposal.

## **6. BASIS FOR DISQUALIFICATION**

- (a) The Grains Privatization Committee may, at its sole discretion, at any time disqualify a Prospective Bidder if a Prospective Bidder, or, if a Prospective Bidder is a Consortium, any Consortium member:
  - (i) fails to meet the Qualification Criteria, both in terms of content and delivery form;
  - (ii) fails to submit, together with the Qualification Application, any supporting documentation required pursuant to this RFQ by the Qualification Application Submission Deadline;
  - (iii) fails to submit the signed originals in accordance with Section 3.2 of this RFQ;
  - (iv) provides any false or misleading information in the Qualification Application or withholds or conceals any information required to be in the Qualification Application;
  - (v) fails to disclose or provide any additional information as may be required by the Grains Privatization Committee from time to time;
  - (vi) is, or its Parent Company or any of its Affiliates is:
    - (A) a stand-alone Prospective Bidder (in the case of the Parent Company or an Affiliate of another stand-alone Prospective Bidder);
    - (B) a stand-alone Prospective Bidder (where the Prospective Bidder is a Consortium in a separate Bid);
    - (C) a member of any other Consortium (where the Prospective Bidder is a Consortium); or

- (D) a member of any Consortium (where the Prospective Bidder is a stand-alone Prospective Bidder);
  - (vii) is subject to a significant change in its ownership or Control that, in the sole discretion of the Grains Privatization Committee has an adverse impact on its participation in the Bidding Process or ability to perform its obligations under any Bidding Documents applicable to it;
  - (viii) fails to report any material change in the information provided by it that occurs at any time prior to the announcement of the Qualified Bidders;
  - (ix) has provided a qualified Conflict of Interest and Good Standing Statement disclosing exceptions to the confirmations contained in it;
  - (x) has provided an unqualified Conflict of Interest and Good Standing Statement that is accepted by the Grains Privatization Committee, and for any reason such unqualified statement, or, as the case may be, a qualified statement as accepted by the Grains Privatization Committee, is no longer true, accurate and complete;
  - (xi) has resorted to deceit and/or fraud in dealings with the Grains Privatization Committee, its advisors, employees, consultants or agents or otherwise in relation to the Qualification Process or the Bidding Process;
  - (xii) has personally or through an intermediary, either directly, or indirectly, offered or attempted to offer a bribe to any member of the Grains Privatization Committee or any of their respective advisors, employees, consultants or agents involved in the Qualification Process or the Bidding Process;
  - (xiii) has engaged in any transaction, activity or conduct that could result in a violation of sanctions enforced by any Sanctions Authorities;
  - (xiv) is listed on, or is owned or Controlled by a person listed on, any sanctions list made by any Sanctions Authorities or is located in, incorporated under the laws of, or owned or (directly or indirectly) Controlled by, or acting on behalf of, a person located in or organized under the laws of a country or territory that is the target of country-wide or territory-wide sanction; or
  - (xv) fails to satisfy any security concerns that the Grains Privatization Committee may have.
- (b) In addition, where the Qualified Bidder is a Consortium, the Grains Privatization Committee may, at its sole discretion, disqualify such Qualified Bidder if, prior to the execution of the SPA and any other document to be signed at the same time as signing the SPA, there is a change in the membership of the Consortium or it is intended that the proposed minimum equity stake of the Technical Member(s) in the Consortium legal entity be below: (a) 10%, if the Consortium legal entity includes one Technical Member, or (b) 5% for each Technical Member, if the Consortium legal entity includes two or more Technical Members, and the Qualified Bidder has not obtained the prior written consent of the Grains Privatization Committee to such changes.

## **7. BIDDING PROCESS**

- (a) The Bidding Process is expected to launch during the second half of 2020, with the specific time and date to be notified in writing to Qualified Bidders.

- (b) Each Qualified Bidder will, immediately upon the launch of the Bidding Process, be:
- (i) issued a Request for Proposal;
  - (ii) given the opportunity to conduct due diligence in connection with the Proposed Transaction;
  - (iii) granted access to the virtual data room;
  - (iv) provided with the Bidding Documents; and
  - (v) invited to participate in a consultation process with SAGO and any other ministry, department or agency of the Kingdom as deemed appropriate by the Grains Privatization Committee in connection with the preparation of a Bid.
- (c) Any Prospective Bidders who are designated as Qualified Bidders after the launch of the Bidding Process will not be entitled to any extension in connection with the submission of their Bids. However, the Grains Privatization Committee reserves the right to accept Bids from Qualified Bidders after the Bid Submission Deadline.

## 8. TIMETABLE

- (a) The estimated timetable, from the issuance of this RFQ to the Qualification Application Submission Deadline, is as follows (the “**Estimated Timetable**”)\*:

Milestone	Date
Issuance of RFQ	14 July 2020
Qualification Application Submission Start Date	16 July 2020
Launch of Bidding Process and issuance of Request for Proposal to Qualified Bidders	Expected during the second half of 2020
Qualification Application Submission Deadline	One month prior to the Bid Submission Deadline

\* The timetable is presented for indicative purposes only and may be subject to changes

- (b) The Grains Privatization Committee may, in its sole discretion and without prior notice to the Prospective Bidders, amend the Estimated Timetable. Prospective Bidders shall not rely in any way whatsoever on the Estimated Timetable and the Grains Privatization Committee shall not incur any liability whatsoever arising out of amendments to the Estimated Timetable. The Grains Privatization Committee shall give notice of changes to the Estimated Timetable, if any, in writing to Qualified Bidders.
- (c) The specific details of the Bidding Procedures will be specified in the Request for Proposal.

**SCHEDULE 1  
DATA SHEET**

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

<b>Project Name</b>	Project Sunbula
<b>Name and Title</b>	Khalid Al Shwair Deputy Governor for Regulatory Affairs
<b>Address</b>	Saudi Grains Organization Building King Fahd Road Al Olaya District, 3402 Riyadh 11471 Saudi Arabia E-mail: <a href="mailto:shwair@sago.gov.sa">shwair@sago.gov.sa</a> Cc: Mohammad Al Saed at <a href="mailto:alsaed@sago.gov.sa">alsaed@sago.gov.sa</a>
<b>Language of Qualification Application</b>	Arabic or English
<b>Qualification Working Team</b>	Email: <a href="mailto:sagomcprivatization@hsbcsa.com">sagomcprivatization@hsbcsa.com</a>

## SCHEDULE 2 QUALIFICATION FORM

### Project Sunbula

To: *[insert name, title and address]*

Pursuant to the request for qualification, dated \_\_\_\_\_ (the “**RFQ**”), *[Name of Prospective Bidder / each Consortium member]* (the “**Prospective Bidder**”) hereby submits its Qualification Application in conformity with the instructions to Prospective Bidders and requests to be considered for qualification to bid for the Proposed Transaction.

Unless otherwise defined in this letter, capitalized terms used herein shall have the meaning given to them in the RFQ.

The Prospective Bidder hereby applies to become a Qualified Bidder in the tender for the Proposed Transaction.

The Prospective Bidder hereby confirms that it:

- (a) agrees to comply with all the bidding rules, laws and regulations governing the tender as issued by the relevant authorities from time to time;
- (b) accepts the right of the Grains Privatization Committee to: (i) request additional information reasonably required to assess the application; (ii) amend the procedures and rules or make clarifications thereof; (iii) extend or amend the schedule of the qualification and the tender; and (iv) restrict or consent to changes in the composition of any Consortium at any time; and
- (c) accepts the exclusive application of Saudi Arabian law with respect to these qualification procedures and the Bidding Process.

The Prospective Bidder hereby represents and warrants that as of the date of this letter:

- (a) all of the information submitted in this Qualification Application, including the enclosed forms and documents, is accurate in all respects;
- (b) it, including all of its Affiliates, have not been subject to any voluntary or involuntary bankruptcy or insolvency or similar proceeding during the last five years; and
- (c) it, including all of its Affiliates, have paid all taxes due, except those which are being contested in good faith by appropriate proceedings and for which adequate reserves have been established.

Attached herewith to this Qualification Form are the following documents, as appropriate:

- (i) Basic Information Form;
- (ii) Conflict of Interest and Good Standing Statement;
- (iii) Experience Form; and
- (iv) Financial Declaration Form.

The Prospective Bidder hereby designates \_\_\_\_\_ as its representative to receive notices in respect of the qualification and the tender at the following address, telephone and facsimile numbers:

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

Yours Sincerely,

*[Name and Title of Signatory]*

*[Name of Prospective Bidder (or if the Prospective Bidder is a Consortium, each member of the Consortium)]*

*[Corporate Seal (if applicable)]*

**SCHEDULE 3  
OFFICER'S CERTIFICATE**

I, *[name of signatory]*, authorised signatory of *[Name of Prospective Bidder (or if the Prospective Bidder is a Consortium, each member of the Consortium)]* (the "**Prospective Bidder**"), refer to the request for qualification dated \_\_\_\_\_ (the "**RFQ**").

Unless otherwise defined in this certificate, capitalized terms used herein shall have the meaning given to them in the RFQ.

I certify as follows:

1. I am duly authorised to:
  - (a) give this certificate;
  - (b) submit the Qualification Application accompanying this certificate in accordance with the instructions contained in, and the requirements of, the RFQ on behalf of the Prospective Bidder; and
  - (c) execute any and all documents comprising the Qualification Application accompanying this certificate on behalf of the Prospective Bidder; and
2. all supporting documents comprising the Qualification Application accompanying this certificate are correct, complete and true and have not been amended, rescinded, revoked, suspended or superseded and are in full force and effect as at the date hereof.

Yours Sincerely,

*[Name and Title of Signatory]*

*[Name of Prospective Bidder (or if the Prospective Bidder is a Consortium, each member of the Consortium)]*

**SCHEDULE 4  
BASIC INFORMATION FORM**

**Information for Prospective Bidder (or, if the Prospective Bidder is a Consortium, a member of the Consortium):**

Name:

Type: (Corporation, Partnership, etc.)

Nationality:

Address of principal office:

Telephone number:

Fax number:

E-mail address:

Primary areas of business:

List of shareholders of an entity, of its ultimate parent and, of any entity through which the ultimate parent holds an interest, holding directly or indirectly, at least 5% of shares (if applicable):<sup>1</sup>

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<sup>1</sup> Note: A chart showing the ownership structure including percentage shareholdings of the Prospective Bidder (or if the Prospective Bidder is a Consortium, each member of the Consortium) is to be provided. For Prospective Bidders which include companies listed on a regulated stock exchange, a screen shot or extract from the relevant home-page of the stock exchange or a recognized financial software provider showing details of shareholders holding at least 5% of the share capital is to be provided.

**SCHEDULE 5  
CONFLICT OF INTEREST AND GOOD STANDING STATEMENT**

[Date]

**Re: Project Sunbula**

**Dear Sir,**

**Declaration of Conflict of Interest and Good Standing**

[Name of Prospective Bidder] [Consortium member] is not aware of any conflict or potential conflict arising from prior or existing contracts or relationships which could materially affect our ability to comply with our obligations under or in respect of the Proposed Transaction.

In particular, other than as disclosed below, [Name of Prospective Bidder] [Consortium member] has no prior or existing contracts, negotiations or relationships with the Grains Privatization Committee or any of its members and their respective affiliates, representatives, advisors or consultants.

We disclose that the following contracts, negotiations or relationships may be in conflict with the Proposed Transaction:

Nature of Matter	Date Started	Description of Potential Conflict

Additionally, we, the undersigned hereby represent and warrant that [(except as disclosed in writing on a schedule attached to such statement)], as of the date of this letter neither [Name of Prospective Bidder] [Consortium member] nor its ultimate Parent Company, if applicable, nor any of its Affiliates:

- (a) is in bankruptcy or liquidation proceedings or analogous proceedings;
- (b) has been convicted of fraud, corruption, collusion or any money laundering offence (and no investigation or legal or administrative proceeding is pending or, to its best knowledge after due inquiry, imminent, in which it is asserted that such an offence has been committed by it or any of them);
- (c) is currently engaging in any transaction, activity or conduct that could result in a violation of sanctions enforced by the Kingdom of Saudi Arabia, the United States government, the United Nations, the European Union, the United Kingdom or the respective governmental institutions or agencies of any of the foregoing (the “**Sanctions Authorities**”);
- (d) is listed on or is owned or Controlled by a person listed on any sanctions list made by any Sanctions Authorities or located in, incorporated under the laws of or owned or (directly or indirectly) Controlled by, or acting on behalf of, a person located in or organized under the laws of a country or territory that is the target of country-wide or territory-wide sanctions; or

- (e) has been disqualified from, or barred from bidding in, any public procurement process at any time since 1 January 2009.

Yours Sincerely,

*[Name and Title of Signatory]*

*[Name of Prospective Bidder (or if the Prospective Bidder is a Consortium, each member of the Consortium)]*

*[Corporate Seal (if applicable)]*

**SCHEDULE 6  
EXPERIENCE FORM**

**Experience Form “TC”**

Name of Prospective Bidder or, if the Prospective Bidder is a Consortium, name of Technical Member:

Sector	Technical Criterion	Required Documents/Forms <sup>2</sup>
Human Food Milling and Refining	Directly managing Human Food Milling and Refining assets in the Kingdom or internationally with an average current minimum capacity of 180,000 MT per annum within the last three years.	<b>Provide details of the following:</b> (i) Type of materials milled or refined (ii) Scale, capacities and complexity of assets manage (iii) Markets served, industrial, retail or HORECA (iv) Number of years trading in Sector (v) Extent of product range, innovation capabilities
Food Processing / Manufacturing	Directly managing Food Processing / Manufacturing assets in the Kingdom or internationally with a current minimum production capacity of 30,000 MT per annum within the last three years.	<b>Provide details of the following:</b> (i) Scale, capacities and complexity of assets manage (ii) Markets served, industrial, retail or HORECA (iii) Number of years trading in Sector (iv) Extent of product range, innovation capabilities

Yours Sincerely,

[Name and Title of Signatory]

[Name of Prospective Bidder (or if the Prospective Bidder is a Consortium, each member of the Consortium)]

[Corporate Seal (if applicable)]

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<sup>2</sup> Note: The Grains Privatization Committee reserve the right to request additional information, clarifications or validation of the documents or forms submitted from the Prospective Bidder, or, if the Prospective Bidder is a Consortium, at least one member of the Consortium by way of meetings and or physical inspection or assessment of operational assets sites and supporting documentation.

**SCHEDULE 7  
FINANCIAL DECLARATION FORM<sup>3</sup>**

**Name of Prospective Bidder:**

*[If the Prospective Bidder is not a Consortium]*

1. The Total Net Worth of *[Name of Prospective Bidder]* was at least SAR<sup>[insert]</sup> million or equivalent as at the end of its most recent full fiscal year or the Total Net Worth of *[Name of Parent Company of Prospective Bidder]* was at least SAR<sup>[insert]</sup> million or equivalent as at the end of its 2019 fiscal year, as set forth in the attached audited financial statements for such fiscal years.

*[If the Prospective Bidder is a Consortium]*

1. Set out below is the Total Net Worth of each Consortium member (as at the end of each Consortium member's most recent full fiscal year<sup>4</sup> as set forth in the attached audited financial statements for such fiscal year) and each Consortium member's proposed shareholding interest in the Consortium:

<i>[relevant Consortium member]</i>	<b>SAR<sup>[insert]</sup> million or equivalent</b>	<b>Proposed Shareholding Interest in the Consortium (%)</b>

Yours Sincerely,

*[Name and Title of Signatory]*

*[Name of Prospective Bidder (or if the Prospective Bidder is a Consortium, each member of the Consortium)]*

*[Corporate Seal (if applicable)]*

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<sup>3</sup> Note: A copy of the referenced audited financial statements must be attached, or alternatively a letter duly issued by certified public accountant confirming the amount of the Total Net Worth along with a summary page outlining the Total Net Worth calculation and referring to relevant sections / page numbers of the statements.

<sup>4</sup> Note: For calculation purposes, this should be the aggregate of each Consortium member's own fiscal years closest to the relevant years.

## SCHEDULE 8

### FINANCIAL CRITERIA ILLUSTRATIVE EXAMPLE

An illustrative example for the Financial Criteria tests for a virtual Consortium wishing to participate as a Prospective Bidder.

Members of the Consortium	1	2	3
Total Net Worth	SAR 1000m A1	SAR 500m A2	SAR 200m A3
Ownership in the Consortium	40% B1	40% B2	20% B3

Based on the example provided above, the financial criteria can be satisfied as the below illustration			
<b>Criteria 1</b>			
Each Consortium member is expected to demonstrate an individual Total Net Worth exceeding the minimum requirement of SAR 150m			
The minimum requirement for each Consortium member's net worth	SAR 150m	SAR 150m	SAR 150m
The Total Net Worth for each member of the Consortium	SAR 1000m	SAR 500m	SAR 200m
	A1	A2	A3
Criteria satisfied?	Yes	Yes	Yes
<b>Criteria 2</b>			
Each member of a Consortiums should demonstrate an Individual Total Net Worth not less the proportional of its ownership in the consortium to the Minimum Aggregate Total Net Worth of SAR 750m			
What is the minimum requirement for the aggregate Total Net Worth of a Consortium	SAR 750m		
	C		
What is the current threshold requirement for each Consortium member's Total Net Worth proportional to ownership in a Consortium	SAR 300m	SAR 300m	SAR 150m
	B1 x C	B2 x C	B3 x C
What is the current Total Net Worth of each consortium member	SAR 1000m	SAR 500m	SAR 200m
	A1	A2	A3
Criteria satisfied?	Yes	Yes	Yes

## SCHEDULE 9

### NON-DISCLOSURE AGREEMENT

\_\_\_\_\_ 2020

**Grains Privatization Committee**  
Saudi Grains Organization Building  
King Fahd Road  
Al Olaya District, 3402  
Riyadh 11471  
Kingdom of Saudi Arabia

and

**National Center for Privatization & PPP**  
Tamkeen Tower  
40th Floor  
Riyadh  
Kingdom of Saudi Arabia  
(the “NCP”)

Dear Sirs,

In consideration of our participation in the Proposed Transaction and you agreeing to disclose Confidential Information to us, we agree with and undertake to, as follows:

#### 1. DEFINITIONS AND INTERPRETATION

1.1. In this letter agreement, unless the context otherwise requires:

1.1.1. “**Affiliate**” means, in relation to a body corporate, any subsidiary or holding company of such body corporate, and any subsidiary of any such holding company, in each case from time to time;

1.1.2. “**Business Day**” means a day (other than a Friday or Saturday) on which banks in Riyadh, the Kingdom of Saudi Arabia are open for ordinary banking business;

1.1.3. “**Confidential Information**” means:

- (a) all business, technical, financial, operational, administrative, customer, marketing, legal, economic and other information in whatever form (including in written, oral, visual or electronic form) relating to the Grains Privatization Committee (or any of its members) and/or the Target Milling Companies that is directly or indirectly disclosed, whether before, on or after the date of this letter agreement, to us or any of our Permitted Parties, by you or any of your Representatives or which comes to our attention in connection with the Proposed Transaction;
- (b) all information in whatever form (including in written, oral, visual or electronic form) relating to the existence, status or progress of the Proposed Transaction including the existence and contents of this letter agreement; and

- (c) all documents that contain or reflect or are generated from any of the foregoing and all copies of any of the foregoing;
- 1.1.4. **“Permitted Parties”** means:
  - (a) our Representatives; and
  - (b) actual or prospective providers of finance (and their Representatives);
- 1.1.5. **“Proposed Transaction”** means the proposed sale by the NCP, in collaboration with the Grains Privatization Committee, of its entire shareholding in each Target Milling Company;
- 1.1.6. **“Representatives”** means, in relation to a party, its Affiliates and their respective directors, officers, employees, agents, consultants and advisers;
- 1.1.7. **“Request for Qualification”** means the request for qualification issued by the Grains Privatization Committee on [ ● ]; and
- 1.1.8. **“Target Milling Companies”** means:
  - (a) Second Milling Company, a closed joint stock company incorporated in the Kingdom of Saudi Arabia with commercial registration number 1010465464 and having its registered office at P.O. Box 6847, Riyadh, Kingdom of Saudi Arabia; and
  - (b) Fourth Milling Company, a closed joint stock company incorporated in the Kingdom of Saudi Arabia with commercial registration number 2050110856 and having its registered office at P.O. Box 6847, King Abdulaziz Port, Dammam, Kingdom of Saudi Arabia,and each, a **“Target Milling Company”**.
- 1.2. Unless otherwise defined herein, terms used but not defined in this letter agreement shall have the meanings ascribed to them in the Request for Qualification.
- 1.3. References to a “person” includes any individual, partnership, body corporate, corporation sole or aggregate, state or agency of a state, and any unincorporated association or organisation, in each case whether or not having separate legal personality.

## **2. DUTY OF CONFIDENTIALITY**

- 2.1. We will hold the Confidential Information in strict confidence and will not disclose, reproduce or distribute any Confidential Information in whole or in part, directly or indirectly, (or permit any of the foregoing) to any persons, other than to the Permitted Parties to the extent that such disclosure, reproduction or distribution is strictly necessary for the purposes of evaluating, negotiating, advising on and/or financing the Proposed Transaction.
- 2.2. Neither we nor any of our Permitted Parties will, without your prior written consent, use any Confidential Information for any purpose other than the evaluation of the Proposed Transaction or make, permit or assist any other person to make any public announcement in relation to the Proposed Transaction.
- 2.3. We will take all reasonable steps to ensure that proper and secure storage is provided for all Confidential Information to protect against theft or unauthorised access and immediately inform you if we or any of our Permitted Parties becomes aware or suspect that Confidential Information has been disclosed to or has come into the possession of any unauthorised person.

- 2.4. The undertakings given by us in this letter agreement are given on our own behalf and on behalf of each of our Permitted Parties with their full knowledge and authority. We shall ensure that each of our Permitted Parties is informed of the terms of this letter agreement and we shall procure that each of our Permitted Parties adheres to the terms of this letter agreement as if it had entered into this letter agreement in our place (notwithstanding that it is not a party hereto) and we will be responsible to the extent that any of our Permitted Parties do not do so.
- 2.5. If we desire to disclose any Confidential Information to any third party (who is not a Permitted Party), we shall arrange for such third party to execute a non-disclosure agreement, substantially in the form of this letter agreement, as well as obtaining your prior written consent.

### **3. PERMITTED DISCLOSURE**

- 3.1. The undertakings in paragraphs 2.1 and 2.2 will not apply to Confidential Information which we can establish to your reasonable satisfaction:
  - 3.1.1. is, at the time of disclosure to us or one of our Permitted Parties, or subsequently becomes, public knowledge (other than as a direct or indirect result of the information being disclosed in breach of this letter agreement) and could be obtained by any person with no more than reasonable diligence;
  - 3.1.2. was known to us or one of our Permitted Parties before the date of this letter agreement and such person was not under any obligation of confidence in respect of that information; or
  - 3.1.3. we or one of our Permitted Parties found out from a source not connected with you or any of your Permitted Parties and which is not under any obligation of confidence in respect of that information.
- 3.2. The undertakings in paragraphs 2.1 and 2.2 will not apply to any disclosure of Confidential Information that is required by any stock exchange or competent governmental or regulatory authority or any order of any court of competent jurisdiction.

### **4. RETURN OR DESTRUCTION OF CONFIDENTIAL INFORMATION**

Where we determine that we do not wish to proceed with the Proposed Transaction or where you, in your sole discretion, at any time, so demand in writing, we and each of our Permitted Parties will within five Business Days destroy or return to you (at your sole election) any documents containing Confidential Information and use all reasonable endeavours to expunge all Confidential Information from any computer, word processor or other device containing Confidential Information; provided that (i) neither us nor our Permitted Parties will be required to destroy any electronic copy of Confidential Information created pursuant to our or our Permitted Parties' standard electronic backup and archival procedures; and (ii) we and each of our Permitted Parties may each retain one copy of any Confidential Information, to the extent required to defend or maintain any litigation relating to this letter agreement or the Confidential Information, comply with applicable legal, regulatory or internal compliance policies or to demonstrate compliance with this letter agreement; provided further that, in each case, the confidentiality provisions of this letter agreement shall continue to apply to any Confidential Information so retained.

### **5. GENERAL**

- 5.1. We will be responsible for making our own decision regarding the Proposed Transaction and we acknowledge and agree that no representation or warranty is made by any person as to the accuracy, reliability or completeness of any of the Confidential Information.
- 5.2. Without prejudice to any other rights or remedies that we each may have, we each acknowledge and agree that a person with rights under this letter agreement may be irreparably harmed by any

breach of its terms and that damages alone may not be an adequate remedy. Accordingly, a person bringing a claim under this letter agreement shall be entitled to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of the terms of this letter agreement.

- 5.3. No variation or amendment of this letter agreement shall be valid unless it is in writing and duly executed by or on behalf of all of the parties.
- 5.4. Any notice or other communication given under this letter agreement or in connection with the matters contemplated herein shall, except where otherwise specifically provided, be in writing in the Arabic or English language, addressed to the registered office of the addressee.
- 5.5. A person who is not a party to this letter agreement shall have no right to enforce any of its terms.
- 5.6. This letter agreement may be executed in any number of counterparts. Each counterpart shall constitute an original of this letter agreement but all the counterparts together shall constitute but one and the same instrument.
- 5.7. This letter agreement and any non-contractual rights or obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of the Kingdom of Saudi Arabia.
- 5.8. Any dispute arising out of or in connection with this letter shall be referred to the competent courts of Saudi Arabia for resolution. All determinations by the courts of Saudi Arabia shall be deemed conclusive and binding on the parties.

We agree to the terms set out in this letter agreement and would appreciate if you sign and return to us a signed duplicate copy.

Yours faithfully,

\_\_\_\_\_

For and on behalf of

*[insert]*

*[Corporate Seal (if applicable)]*

We acknowledge receipt of this letter agreement

\_\_\_\_\_

**Name:**

For and on behalf of  
**GRAINS PRIVATIZATION COMMITTEE**

\_\_\_\_\_

**Name:**

For and on behalf of  
**NATIONAL CENTER FOR PRIVATIZATION & PPP**