

Islamic Republic of Afghanistan

Ariana Afghan Airlines

TERMS OF REFERENCE

FOR

Assignment of broker

Project Serial Number: (001-899-Supply)

Project Announcement Date: (30-Nov-2019)

Closing Date and Time of the project: (06-Dec-2019)

Quotation Serial Number: ()

Quotation Dated of Issue: ()

Vendor Name: ()

1- Background of the Client:

Ariana Afghan Airline (AAA) is a State-Owned-Company and is operating in accordance with Afghan laws, Afghanistan Civil Aviation regulations, ICAO standards and recommendations, and IATA rules.

Ariana Afghan Airlines Co. Ltd is the oldest airline of Afghanistan and serves as the country's national carrier, established in 27th January 1955. The company operates from Hamid Karzai International Airport (HKIA)-Kabul, from where it operates domestically and provides international linkages to countries like China, India, Iran, Kuwait, Russia, Saudi Arabia, United Arab Emirates and Turkey.

The company used to be one of the popular carriers in the region as well as in the world and was a reliable partner with Pan American Company (49%) with flights to most of the countries in the world including USA. However, due to the past decades of war.

The company is governed by Board of Management, Board of Supervisors, Board of Directors and Board of Shareholders. The main shareholders of the company are Ministry of Finance, Ministry of Economy, Afghan National Bank and Pashtany Bank.

In recent years the company has tried to hire national and international short term firms to develop/improve policies and strategic plans, business plans, marketing strategy, training programs and etc.

Current Status: The new leadership has conducted initial assessment and started to improve organization setup, operating procedures and new investment activities. Having great scope of works and limited resources of the company, the reform process shall be planned carefully and managed by a central unit. International best practices shall be injected into the procedures, and implementation of policies shall be carefully monitored.

At the moment the company is operating in 8 national and international sectors having 5 operational aircrafts. The profit margin occasionally meets breakeven point as per annual statement of the company. The unity government has great expectation for improvement of works in Ariana, the goal which is possible to achieve based on a proper plan which is definitely time consuming and specialized process.

2- Scope of Services:

2-1 Market Research and Shortlisting:

- BROKER shall identify available list of aircraft closely matching the desired Aircraft by CLIENT within One (1) week.

2-2- Desktop Assessment and Negotiation:

- The BROKER is obliged to source the required aircraft of Ariana Afghan Airlines (Charter OR Procure) during the scheduled period.
- BROKER shall seek complete specifications of target Aircraft and conduct preliminary and in-depth assessment as an assistance to CLIENT.

- BROKER shall provide a short list of potential Aircrafts to CLIENT for review and interim approval.
- BROKER shall facilitate negotiation process with selected seller at the end of this process.
- In case the negotiated price is not acceptable to CLIENT, the process shall be repeated with other sellers in shortest possible time.

3- **Technical Inspection and Assistance:**

BROKER shall conduct a technical inspection of relevant documents as per market standards. The firm shall ensure the provided aircraft is in full compliance with CLIENT requirements and presented specification in papers.

4- **Documentation and Delivery:**

BROKER will collect and share updated document, legal document of Aircraft with CLIENT. BROKER will prepare and share draft purchase agreement with CLIENT. BROKER shall play active role between CLIENT and seller upon preparation of contract terms and conditions. The visual inspection of Aircraft for physical condition and defect will be done by CLIENT team, and BROKER shall facilitate the process and coordinate the events between the CLIENT and aircraft seller.

The test flight will be performed by the BROKER recruited pilot, however CLIENT may send his technical team to participate the process at its own cost (CLIENT's cost).

5- **Project Work Plan:**

5-1 Project Work Plan-Step one		Duty		
	Task	Broker	Ariana	Owner
Market Research & Shortlisting	Perform research on aircraft and shortlist the suitable ones.			
	Engage in discussions with aircraft owners (e.g. leasing companies, financial institutions, etc.)			
	Request associated aircraft general specification from aircraft sellers			

5-2 Project Work Plan-Step Two		Duty		
	Task	Broker	Ariana	Owner
Assessment & Negotiation	Conduct preliminary and in-depth evaluation of aircraft based on provided aircraft general specification.			

	Obtain aircraft valuations from 3rd party databases and providers.			
	Commence negotiation process.			

5-3 Project Work Plan-Step Three		Duty		
Technical Inspection and Assistance	Task	Broker	Ariana	Owner
	Perform technical inspection of documents and aircraft			
	Ensure aircraft compliance with Client's requirements & specs.			

5-4 Project Work Plan-Step Four		Duty		
Documentation & Delivery	Task	Broker	Ariana	Owner
	Prepare evaluation and acceptance report.			
	Negotiate best possible price and delivery terms for the desired aircraft for delivery to the Client			
	Liase with aircraft seller to prepare the aircraft for delivery.			
	Provide, upon separate request by Client & be agreed in advance, necessary support and crew to position the aircraft to pre-agreed delivery location			

6- Location of Delivery:

CLIENT prefers to have a flight test and delivery of Aircraft in nearby countries; specifically, into either one of the following: UAE, Jordan, Turkey, India, Russia and other countries in close proximity, which are to be agreed in advance between BROKER and CLIENT.

7- Time Constraints:

BROKER shall be responsible to find and provide potential Aircraft list to CLIENT as per provided requirements within one (1) week.

Negotiated aircraft shall be available for delivery to CLIENT as soon as possible within next (1 to 2) months.

8- Final Product/ Services Expected from BROKER

The final delivery shall comprise of following:

- Delivery of Aircraft as per set specifications and time frame.
- Submission of required drafts document and draft agreement to CLIENT for review
- Provision of ownership and legal document of Aircraft to CLIENT
- To ensure economic and transparency principles through all processes

9- Service Fees:

CLIENT shall not pay to the BROKER the service fees, for the provision of the Services, based on the market standard terms the Service Fees is payable by owner of the Aircraft to the broker.

10- Validity of the contract:

The contract is valid for six months after the signing date of the contract.

11- Termination of the contract:

The parties have the right to notify the other party during the contract by sending a letter and announcing the termination of the contract within 15 days.

12- Extra and Special Conditions:

No.	Clause	Remarks
1	- This contract is for six months, during the contract period, the broker is responsible to facilitate the client for charter and purchasing of aircrafts if needed.	
2	- During the contract period, the broker is officially notified from client side and allows to work research the market on behalf of AAA for charter or aircraft purchasing. Before notifying the broker, it is not responsible to research and find charter/purchasing aircrafts.	
3	- While client would like to purchase aircraft or charter, client will follow its own procurement process, broker or bidder has to attend the process, and broker has to officially inform and know the client on the aircraft that it would like to offer for charter and purchasing before attending in the procurement process.	

13- Organization Details

Part 1: Organization Detail		
I.	Name of the Organization	
II.	Details of the Organization	<ul style="list-style-type: none"> • Address of the Registered Office: • Telephone: • Facsimile: • Website:
III.	Information about Organization	<ul style="list-style-type: none"> • Year of Establishment: • Status of the Organization: (Public Ltd./Private Ltd./LLP etc.)
IV.	Name and designation of the person authorized	<ul style="list-style-type: none"> • Name • Designation • E-mail • Contact Number
V.	Number of Personnel	<ul style="list-style-type: none"> • Total employee strengths on the payroll of the

Company Name: Ariana Afghan Airlines

Brokerage company Name

Name: Alem Shah IBRAHIMI

Name

Position: President/CEO

Position: