



INVESTMENT GUIDELINE

MALÉ | VILLIMALÉ

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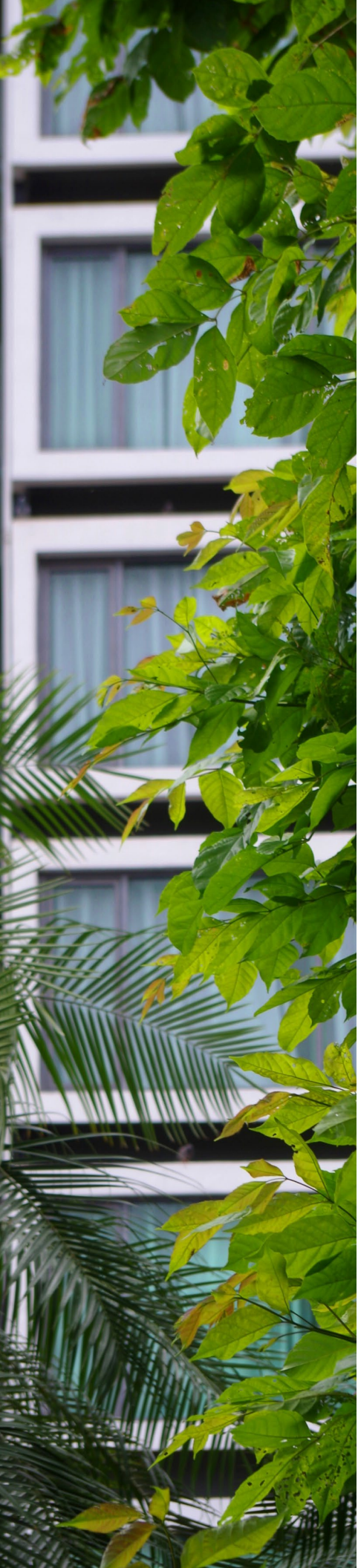


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INTRODUCTION

All investments falling under the mandate of the Malé City Council for Malé and Villimalé shall be carried out under the guidelines and procedures as set out below.

The basis of these guidelines and procedure is to follow a transparent, fair and equitable process for giving opportunities for investments to proponents who have an interest in partnering with the Malé City Council in the developments as planned out for the greater Malé region.

The investment opportunities shall be invited through Request for Proposals (RFP's), which shall define the specifics of each opportunity and the procedure for submission, evaluation and confirmation of an award of an investment. The RFP process shall be carried out as per the general guideline and procedures as detailed below.

1. ANNOUNCEMENT OF REQUEST FOR PROPOSAL (RFP)

The Malé City Council or its subsidiary companies or entities shall make a formal announcement in related public medium opening up opportunities for submission of Request for Proposal (RFP).

Each RFP shall be specific to the investment opportunity and the terms of investment shall be based on the requirements of the investment.

Proponents who wish to partake in the opportunity should comply with the requirements as set out in the announced RFP's and any submission not in conformity with the RFP requirements may not be accepted.

2. STAGE I – SUBMISSION OF PROPOSAL

Any proponent who takes part in the Request for Proposal (RFP) shall submit the proposal by filling out the relevant Application form as given in the RFP document.

Along with the requirements as given in each RFP and the relevant application form, the following is a general checklist of documents/details that may be required for submission for the application to be valid. Note that the list proposed below is also for reference purposes only and the requirement may differ based on the specifics of the RFP.

- **RFP Application Form** – Cover application form specific to the Investment
- **Company Profile** – Profile of the Proponent and/or related subsidiaries
- **Project Selection** – The specific investment opportunity selected by the Proponent
- **Bid Security and Performance Security** – Refer RFPs for individual requirements
- **Summary of Investment Model** – Method of investment proposed
- **Operating Business Model** – Method of operating/managing the investment
- **Audited Financial Statements** – The most recent Audited Financial statements
- **Reference Documents** – Project award / completion documents, project profiles ... etc.
- **Due Diligence Declaration** – Tax and Litigation clearances as may be required
- **Business Plan** – Details of how the Proponent shall operate the asset and generate income

3. STAGE 2 – EVALUATION OF PROPOSAL

Following any required clarifications, the submitted proposals shall be evaluated in compliance with the requirements as specific to the announced RPF requirements.

Generally, the proposals shall be evaluated based on the following criteria:

- **Income realized to Council**

As the primary goal of implementing the developments by the Malé City Council is to generate sustainable income to the Malé City Council, the RFP shall factor in options for the Proponents to propose income to the council either as lease rent or spaces from the development for the Malé City Council to generate income.

- **Financials of the Proponent**

The proponent's capability and capacity to undertake the investment as proposed shall be assessed based on areas such as the liquidity, gearing and financial support available to the proponent. The primary requirement being assessed in this area shall be the financial capacity of the proponent to undertake as proposed.

- **Experience of the Proponent**

Whilst proponents are at liberty to undertake various investments in terms of diversification of their portfolio or the perceived profitability of investments, the primary assessment requirement here is for proponents to have sufficient experience in the proposed area of investment to give confidence that the proponent has the technical capacity to undertake the investment as proposed.

- **Project Financial Model**

With the primary goal of the opportunities being the development of assets and creation of value on the asset, the key assessment criteria is that the proponent proposes financing models for the development which minimizes the risk and leverage on the asset being developed.

- **Project Operating Model**

The long-term goal is for the development of the assets and to add the assets to the overall product portfolios of the Malé City Council as a means of generating sustainable income. Hence, the key assessment criteria shall be the best match towards the creation of the asset and the maximum sustainable income derived by the Malé City Council on completion of the investment.

- **Proponents Due Diligence clearance**

Whilst the Malé City Council welcomes development partners who have the potential to help achieve the vision of the Malé City Council, preference shall be given to investment partners who comply with the regulatory requirements of the operating and home countries in terms of key areas such as tax, regulatory and legal compliance.

4. STAGE 3 – APPROVAL OF THE PROPOSAL

Should the proponent’s proposal pass the initial evaluation, the proposal shall be forwarded to management for decision on moving forward. Whilst the proposal may have passed the evaluation stage, it shall be the management’s decision, on whether the proposal shall move onto the next stage.

Where possible, the management shall strive to facilitate the investments in compliance with any further regulatory approvals as may be required.

Along with the requirements as given in the RFP, the management is at liberty to propose any additional requirements or conditions of award.

Should the proposal be confirmed as accepted, the final decision of the management, along with any subsequent requirements that need to be fulfilled, shall be offered to the proponent for confirmation.

5. STAGE 4 – FRAMEWORK AGREEMENT

A Framework Agreement shall be signed between the proponent for the investment on finalization of the final terms of award.

The Framework Agreement shall provide provisions and timelines for fulfillment of the detailed requirements for the investments covering any payment commitments, time periods for complying with specific requirements or submissions, confirmation of any further development arrangements or commitments as may be required for the investment.

The concept of the Framework Agreement is provided to give a fair opportunity to any proponent to outline their investment offer without engaging into any substantial overheads prior to the submission of the detailed proposals or engagement of the required finances for the investment during the time of submission for the proposal.

The time periods given in the Framework Agreement will primarily address any detailed submissions in terms of any design requirements, confirmation of any financing arrangements for the Projects and for submission of the detailed Business Plan and operational plans for the investment.

Once the proponent complies with the conditions as required under the Framework Agreement, the investment shall be forwarded to the management for final approval.

Typically, the Framework Agreement shall cover the timeframes for completion of designs and details, registration or creation of the business entities were required, completion of any payments related to the awards, submission of the performance guarantees, confirmation of financing or other requirements to comply with the requirements for the final award of the contract.

6. STAGE 5 – FINAL APPROVAL

The management shall review the performance and compliance of the Framework Agreement and will give the final approval on the award of the investment opportunity, should the conditions as required have been met.

On confirmation of the award, the proponent shall be given the Letter of Award and the final Investment Agreement for review and confirmation.

7. STAGE 6 – FINAL AGREEMENT

Should both parties come to agreement on the terms of the final award of the investment, a final Investment Agreement shall be signed with the Proponent confirming the award of the Investment.

The terms of award shall be specific to the Proponents proposal and final terms of award shall reflect the agreements between all parties for undertaking the investment.

On signing of the final Agreement, the proponent shall be given access to the asset for commencement of implementation of the Investment.

8. WORKFLOW SUMMARY

The table below gives a summary of the overall workflow process from announcement to award of the contract.

