

**SCHEDULE 1
SPECIFIED CONSENTS**

PART I – CONSENTS REQUIRED FOR FINANCIAL CLOSING

| Sr # | Particulars of Company Consent | Relevant Authority |
|-------------|--|---------------------------|
| 1. | Where required, approval to open and operate Foreign Currency account or accounts of the Seller in Pakistan to receive and retain therein Foreign Currency remitted from abroad for issuance of shares to Foreign Investors and in respect of any claim against Contractors/insurers/re-insurers for as long as the shares are issued and to remit the Foreign Currency from Pakistan to such Foreign Investors (if the shares are not issued) and to use the amounts therein for meeting its Foreign Currency obligations to Foreign Investors and to its Contractors in respect of the construction and operation of the Complex, in accordance with the Implementation Agreement. | SBP |
| 2. | Where required, commitment to make available to the Seller such Foreign Currency as may be required for making all payments referred to in and consistent with the provisions of Section 10.4 of the Implementation Agreement. | SBP |
| 3. | Such consents, authorizations and permissions as are required under the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 and the Rules and Regulations made thereunder to give full effect to the relevant provisions of the Implementation Agreement, | NEPRA |
| 4. | Statutory Notifications and/or import permits, licenses and other required consents giving effect to the provisions of Article IX, in particular, import permits, licenses and other required consents to allow the Seller and the Contractors to import into Pakistan all plant, machinery, equipment, spare parts, materials and supplies required to be imported for the Project. | MOC/FBR |

PART II -- CONSENTS REQUIRED AFTER FINANCIAL CLOSING

| Sr # | Particulars of Seller Consent | Relevant Authority |
|-------------|---|---------------------------|
| 1. | Licences for firearms for the purpose of Complex security. | GOP. |
| 2. | Confirmation that the Company qualifies for exemption from taxation on its profits and gains derived from the Project as contemplated in Section 9.1 of the Implementation Agreement. | FBR |
| 5. | Certificate of Registration under the Factories Act, 1934. | GOP. |

SCHEDULE 2
COMPENSATION AMOUNTS

This Schedule 2 consists of two (2) parts. Part I is a compensation table showing in a matrix format the amounts payable by the GOP in connection with a transfer of the Complex following a termination of the Implementation Agreement in accordance with Article [XV](#) and Section [14.1](#). The table refers to various compensation elements, labeled as a, b, c, d, and e, which are set forth in Part II.

The calculations with respect to each such compensation element shall be verified by an international accounting firm operating in Pakistan (directly or through an affiliate) acceptable to the Parties.

PART I OF SCHEDULE 2 – COMPENSATION TABLE

| | TERMINATION EVENT | COMPENSATION PAYABLE BY THE GOP |
|----|---|---------------------------------|
| 1. | Not Used. | |
| 2. | Termination for a GOP Event of Default - Section 15.1(b). | a + b + c + d |
| 3. | Termination following a Change in Law - Section 15.1(c) | a + b + c + d |
| 4. | Termination by Purchaser (with GOP approval) for a Restoration Schedule Default following an Other Force Majeure Event - Section 15.1(d). | a + e |
| 5. | Termination of the Energy Purchase Agreement following a Pakistan Political Event where the Report concludes that Restoration is feasible but the Purchaser (with GOP approval) elects to terminate - Section 15.1(e)(i). | a + b + c + d |

| | | |
|-----|--|--|
| | | |
| 6. | Termination of the Energy Purchase Agreement following a Pakistan Political Event where Restoration is not feasible - Section 15.1(e)(ii). | a + b + d |
| 7. | Termination of the Energy Purchase Agreement following a Pakistan Political Event where Restoration is feasible but financing is not available - Section 15.1(e)(iii). | a + b + d |
| | TERMINATION EVENT | COMPENSATION PAYABLE BY THE GOP |
| 8. | Termination of the Energy Purchase Agreement by the Purchaser (with GOP approval) for a Restoration Schedule default despite diligence following a Pakistan Political Event - Section 15.1(e)(iv). | a + e |
| 9. | Termination of the Energy Purchase Agreement by the Purchaser (with GOP approval) after one hundred and eighty (180) Days of a Pakistan Political Event – Section 15.1(e)(v). | a + b + c + d (provided, that if the termination occurs prior to the Commercial Operations Date, the component “c” shall be multiplied by a ratio the numerator of which is the equity invested by the Seller at the time of termination and the denominator of which is the Project Base Equity. |
| 10. | Termination of the Energy Purchase Agreement by the Seller after one hundred and eighty (180) Days of a Pakistan Political Event - Section 15.1(e)(v). | a + b + (c/2) + d (provided, that if the termination occurs prior to the Commercial Operations Date, the component “c” shall be multiplied by a ratio, the numerator of which is the equity invested by the Seller at the |

| | | |
|-----|--|--|
| | | time of termination and the denominator of which is the Project Base Equity. |
| 11. | Termination of the Energy Purchase Agreement for a Restoration Schedule default without diligence following a Pakistan Political Event - Section 15.1(e)(iv). | $a + (e/1.25)$ |
| 12. | Termination of the Energy Purchase Agreement by the Purchaser (with the approval of the GOP) following a revision of the Restoration Schedule by the expert - Section 15.1(e)(vi). | $a + b + d$ |

PART II OF SCHEDULE 2 – COMPENSATION ELEMENTS

Glossary:

“**Project Base Cost**” means the total cost of the Project determined on the basis that the debt to equity ratio is 80:20 and that the debt portion of such cost per Megawatt is the principal sum of the debt in row 1 (corresponding to the first quarter) of the second column of Annexure II of the Tariff Determination multiplied by the Contract Capacity (as defined in the Energy Purchase Agreement).

“**Project Base Equity**” means twenty percent (20%) of the Project Base Cost.

“**Loan Repayment Component**” and “**Interest Charges Component**” bear the meaning given in the Energy Purchase Agreement.

~~a~~ = the sum of

~~(i)~~ = (A) the outstanding principal amount payable to the Lenders under the Financing Documents at the Commercial Operations Date, up to a maximum sum of the Project Base Cost; added to (B) the total amount of interest or mark-up (or any other term connoting the return payable to the Lenders on debt) on the amount in (A) from Commercial Operations Date upto the date of the Termination Invoice at KIBOR (as revised from time to time in accordance with the Tariff Determination) plus three percent; reduced by (C) the sum of payments made on account of the Loan Repayment Component and the Interest Charges Component; plus

~~(ii)~~ = the total amount outstanding under any loan agreements for capital improvements to or Restoration of the Complex that are required as a result of a Change in Law Force

Majeure Event or a Pakistan Political Force Majeure Event under the Energy Purchase Agreement, as approved by the Purchaser pursuant to the terms thereof, taking into account all Supplemental Tariffs, made by the Purchaser; less any insurance proceeds received by the Seller following a Force Majeure Event and not spent for Restoration (unless such insurance proceeds are accounted for in the determination of the Supplemental Tariff), plus

~~(iii)~~—any winding-up costs, breakage costs, prepayment penalties and charges, fees and expenses or similar charges or costs passed through by or payable on the amount in (i) above upto a maximum sum of two and one-half percent (2.5%) of the total amount of principal sum of the debt outstanding under the Financing Documents at the Commercial Operations Date.

Provided that if termination occurs before the Commercial Operations Date, the “a” component will be equal to the amounts outstanding under the Financing Documents, at the date of the Termination Invoice plus the amounts under clauses (ii) and (iii) above.

~~b~~— as of the date of transfer of the Complex to the GOP, the actual equity investment in the Complex, not to exceed the Project Base Cost reduced on a straight-line basis from the Commercial Operations Date through the Term of this Agreement to twenty percent (20%) of the value of such equity, which amount shall be further reduced by the estimated cost of the maintenance (if any) to be performed during the next major maintenance overhaul, as such cost is prorated by the ratio of (i) the number of days in the period from the last such maintenance until the date of termination to (ii) the number of days in the period between the last such maintenance and the scheduled date for the next such maintenance.

For the purposes of calculation and payment of the Compensation Amounts, the aggregate sum of the outstanding principal amount under the Financing Documents as of the Commercial Operations Date under clause (i) of compensation element „a” and the actual equity investment in compensation element „b” (without taking into account any reductions as set out in compensation element „b”) shall not exceed the Project Base Cost.

~~e~~— for a period equal to the lesser of (i) four (4) years and (ii) the remainder of the initial term of the Energy Purchase Agreement, an amount equal to the NEPRA approved annual amount of Return on Equity (ROE), using the applicable assumptions in the Tariff Determination, multiplied by the number of years in such period .

~~f~~— any additional equity amounts that are contributed by the shareholders of the Seller for any of the events described under Article XV of the Energy Purchase Agreement plus any such other equity contributions, approved by either the GOP, NEPRA or the Purchaser, as the case may be, in each case reduced on a straight-line basis for each year following the date of such equity contribution to the end of the Term.

~~e~~— The summation of (i) any additional equity amounts, that are contributed by the shareholders of the Seller for any of the events that are described under Article XV of the Energy Purchase Agreement consequent upon the occurrence of a Force Majeure Event (as defined in the Energy Purchase Agreement) giving rise to the Restoration

which led to termination of the Energy Purchase Agreement pursuant to Article XV thereof, reduced on a straight-line basis for each year following the date of such equity contribution to the end of the Term, plus (ii) original equity contributions, adjusted in the manner described in item (b) hereinabove, plus other equity contributions, prior to such Force Majeure Event and approved by the GOP, NEPRA or the Purchaser, as the case may be, reduced on a straight-line basis for each year following the date of such equity contribution to the end of the Term.

SCHEDULE 3
FORM OF GUARANTEE

THIS GUARANTEE is made at Islamabad as of the ___ of _____ 200_ by and between:

- ~~(1)~~—THE PRESIDENT OF THE ISLAMIC REPUBLIC OF PAKISTAN for and on behalf of THE ISLAMIC REPUBLIC OF PAKISTAN (the “Guarantor”); and
- ~~(2)~~—[NAME OF SELLER], a [public/private] limited Seller incorporated under the Laws of Pakistan, whose registered office is located at _____, Pakistan (the “Seller”).

RECITALS

- ~~(A)~~—**WHEREAS**, the Guarantor and the Seller have entered into an Implementation Agreement (the “Implementation Agreement”);
- ~~(B)~~—**WHEREAS**, the Purchaser has entered into or will enter into a Energy Purchase Agreement with the Seller (the “Energy Purchase Agreement”); and
- ~~(C)~~—**WHEREAS**, in accordance with Article XVII of the Implementation Agreement, the Guarantor has agreed to enter into this Guarantee of the payment obligations of the Purchaser under the Energy Purchase Agreement.

NOW IT IS HEREBY AGREED as follows:

GUARANTEE

Guarantee

In consideration of the Seller entering into the Energy Purchase Agreement with the Purchaser, the Guarantor hereby irrevocably and unconditionally Guarantees and promises to pay the Seller any and every sum of money the Purchaser is obligated to pay to the Seller under or pursuant to the Energy Purchase Agreement that the Purchaser has failed to pay when due in accordance with the terms of that agreement, which obligation of the GOP shall include monetary damages arising out of any failure by the Purchaser to perform its obligations under the Energy Purchase Agreement to the extent that any failure to perform such obligations gives rise to monetary damages.

Waiver of Defences

The obligations of the Guarantor under this Guarantee shall be absolute and unconditional and shall remain in full force and effect until all the covenants, terms, and agreements set forth in the Energy Purchase Agreement shall have been completely discharged and performed, unless waived by the Seller in writing. The obligations of the Guarantor shall not be modified or impaired upon (and the Guarantor waives any defence to the performance of such obligations based upon) the happening from time to time of any event, including the following:

- 1.2.1 the extension of time for payment of any amounts due or of time for performance of any of the covenants, terms, or agreements of the Purchaser set forth in the Energy Purchase Agreement;
- 1.2.2 Subject to Section 18.3 of the Implementation Agreement, amendments to the Energy Purchase Agreement;

- 1.2.3 the failure, omission, or delay by the Seller to enforce, ascertain, or exercise any right, power, or remedy under or pursuant to the terms of the Energy Purchase Agreement or this Guarantee;
- 1.2.4 the bankruptcy, insolvency, or other failure or financial disability of the Purchaser or the Seller;
- 1.2.5 the addition, or partial or entire release of any guarantor, maker, or other party (including the Purchaser) primarily or secondarily responsible for the performance of any of the covenants, terms, or agreements set forth in the Energy Purchase Agreement or by any extension, waiver, amendment, or thing or circumstance whatsoever in law or in equity that may release or create a defence or discharge for a guarantor (other than complete performance in accordance with the terms of the Energy Purchase Agreement);
- 1.2.6 any failure of the Purchaser to comply with the requirements of any law, regulation or order;
- 1.2.7 the dissolution, privatisation, reorganization or any other legal alteration of the legal structure of the Purchaser ;
- 1.2.8 any assignment as security pursuant to Section 11.2(a) of the Implementation Agreement or the Energy Purchase Agreement, by the Seller; and
- 1.2.9 any invalidity or unenforceability of the Energy Purchase Agreement or the Implementation Agreement or any of their respective terms or conditions solely caused by the GOP or the Purchaser.

Continuing Guarantee

This Guarantee shall be a continuing security and, accordingly, shall extend to cover the balance due to the Seller at any time from the Purchaser under the Energy Purchase Agreement. No demand made by the Seller hereunder shall prejudice or restrict the right of the Seller to make further or other demands.

Additional Security

- 1.4.1 This Guarantee shall be in addition to, and not in substitution for or derogation of, any other security that the Seller may at any time hold in respect of the obligations of the Purchaser under the Energy Purchase Agreement.
- 1.4.2 The Seller may enforce this Guarantee notwithstanding that it may hold any other guarantee, Lien, or security of or for the obligations of the Purchaser under the Energy Purchase Agreement or have available to it any other remedy at law or equity.

Preliminary Demand

- 1.5.1 Notwithstanding that this Guarantee is the unconditional obligation of the Guarantor, before taking steps to enforce this Guarantee and demand payment from the GOP, the Seller agrees to notify the GOP of the non-payment by the Purchaser and make demand in writing for payment from the Purchaser. After thirty (30) Days from the date notice of such non-payment was delivered to the GOP, the Seller may notify the GOP in writing that payment from the Purchaser, continues to be past due, and make a demand for payment from the GOP under this Guarantee, and the GOP shall make payment within ten (10) Business Days following such demand for payment. Late payments hereunder shall bear mark-up at an annual rate equal to the Delayed Payment Rate.

1.5.2 Except as provided in Section 1.5.1, the Seller shall not be obliged before taking steps to enforce this Guarantee, to exercise any other remedies that may be available to it under or in respect of the Energy Purchase Agreement, or to initiate any proceedings or obtain judgment against the Purchaser thereon.

Certification

Any demand for payment made pursuant to this Guarantee shall be made in person by a duly authorized officer of the Seller at the Guarantor's offices at [identify location], and shall be accompanied by a certificate signed by a duly authorized officer of the Seller, stating that:

"We hereby certify that (A) _____ (the "Seller") is making this demand on the Government of the Islamic Republic of Pakistan (the "Guarantor") in the amount of Rupees [insert amount] in accordance with Section 1 of the Guarantee dated _____ 200_, by and between the Guarantor and the Seller; (B) the amount specified hereinabove is due and payable by the ("the Purchaser") under the Energy Purchase Agreement between the Seller and the Purchaser; (C) demand in writing for payment from the Purchaser was delivered to the Purchaser on or after the date payment was due and notice of such non-payment was delivered to the GOP not less than thirty (30) Days prior to the date hereof; and (D) such amount, on the date hereof, remains unpaid by the Purchaser."

Subordination

Any right that the Guarantor may at any time have to be indemnified by the Purchaser in respect of sums paid out by the Guarantor in performance of this Guarantee, shall be subordinated to the rights of the Seller to recover from the Purchaser in full all sums that are then due from the Purchaser under the Energy Purchase Agreement.

No Set-off

No set-off, counterclaim, reduction, or diminution of any obligation that the Guarantor has or may have against the Seller, nor any right of subrogation that the Guarantor has or may have against the Seller, shall be available to the Guarantor against the Seller in connection with any obligation of the Guarantor to the Seller under this Guarantee.

Arbitration; Jurisdiction

Arbitration

The Parties irrevocably agree that any dispute or difference arising under, out of, in connection with, or relating to, this Guarantee, including, without limitation, any dispute or difference concerning the existence, validity, or enforceability of this Guarantee or any provisions hereof (including the existence, validity or enforceability of the agreements contained in this Section 1.9.1) or as to whether this Guarantee or any provisions hereof (including agreements contained in this Section 1.9.1) are invalid, illegal, or unenforceable (each a "Dispute") shall be resolved in accordance with the provisions of Section 16.3 of the Implementation Agreement, which provisions are, mutatis mutandis, incorporated herein by reference. Each Party hereby consents to the jurisdiction of any courts of competent jurisdiction for any action filed by the other Party under this Guarantee to enforce any award

or decision of any tribunal duly appointed under this Guarantee to resolve any Dispute hereunder between the Parties.

Commercial Acts

The Guarantor unconditionally and irrevocably agrees that the execution, delivery and performance by it of this Guarantee constitute private and commercial acts.

Sovereign Immunity; Jurisdiction

~~(a)~~—The Guarantor irrevocably and unconditionally:

~~(i)~~—agrees that should any proceedings be brought against it or its assets, other than its aircraft, naval vessels and other defence related assets or assets protected by the diplomatic and consular privileges under the Laws of Pakistan (the “Protected Assets”), no claim of immunity from such proceedings will be claimed by or on behalf of the Guarantor, on behalf of itself or any of its assets (other than the Protected Assets) that it now has or may in the future have in any such jurisdiction in connection with any such proceedings;

~~(ii)~~—waives any right of immunity which it or any of its assets (other than the Protected Assets) now has or may in the future have in connection with any such proceedings; and

~~(iii)~~—consents generally to the jurisdiction of any court of competent jurisdiction for any action filed by the Seller to enforce any award or decision of any tribunal which was duly appointed under this Guarantee to resolve any Dispute between the Parties (including, without limitation, the making, enforcement or execution against or in respect of any of its assets whatsoever (other than the Protected Assets)) regardless of its use or intended use, and specifically waives any objection that any such action or proceeding was brought in an inconvenient forum and agrees not to plead or claim the same. The Guarantor agrees that service of process in any such action or proceeding may be effected in any manner permitted by the law applicable to the aforementioned court.

~~(b)~~—The Seller hereby waives any and all rights it may have to enforce any judgment claim against the Protected Assets in the courts of any jurisdiction.

UNDERTAKING

Duration

This Guarantee shall remain in full force and effect from and after the date hereof until the termination of the initial term of the Energy Purchase Agreement, and for so long thereafter as any amount owed to the Seller by the Guarantor or Purchaser in relation to such initial term is or may be outstanding.

2.2 Tax

In addition to any amount then due and payable to the Seller by the Purchaser under the Energy Purchase Agreement and payable by the Guarantor under the terms of this Guarantee, the Guarantor shall be liable for any duty, impost, levy, charge, fee, or tax of whatsoever nature (“Tax”) levied or imposed by a Federal Entity or any political subdivision or authority thereof on or with regard to any payment hereunder, unless the payment, if made by the Purchaser would itself have caused the Seller to become liable for the Tax. If, under the applicable law the Guarantor is unable to pay the Tax and the Seller is required to pay the Tax,

the amount to be paid to the Seller hereunder shall be increased by an amount sufficient so that such payment, net of the Tax, would equal the payment the Seller would have received from the Purchaser, net of any Taxes applicable to payment from the Purchaser to the Seller.

NO WAIVER; REMEDIES CUMULATIVE

No Waiver

No failure or delay by the Seller to exercise any right or remedy under this Guarantee shall constitute a waiver of such right or remedy. No single or partial exercise of any right or remedy shall preclude any other or further exercise thereof, or the exercise of any other right or remedy. No waiver by the Seller shall be effective unless it is in writing.

Remedies Cumulative

The rights and remedies of the Seller provided by this Guarantee are cumulative and not exclusive of any rights or remedies provided by law.

NOTICES

Address for Notices

All notices or other communications to be given or made hereunder shall be in writing, shall be addressed for the attention of the person indicated below and shall be delivered personally or sent by registered or certified mail or facsimile. All notices shall be deemed delivered (a) when presented personally, (b) if received on a Business Day of the receiving Party, when transmitted by facsimile to the receiving Party's facsimile number specified above and, if received on a Day that is not a Business Day of the receiving Party, on the first Business Day of the receiving Party following the date transmitted by facsimile to the receiving Party's facsimile number specified above, (c) one (1) Day after being delivered to a courier for overnight delivery, addressed to the receiving Party, at the address indicated below (or such other address as such Party may have specified by notice delivered to the delivering Party at its address or facsimile number specified below), or (d) five (5) Days after being deposited in a regularly maintained receptacle for the postal service in Pakistan, postage prepaid, registered or certified, return receipt requested, addressed to the receiving Party, at the address indicated below (or such other address as the receiving Party may have specified by written notice delivered to the delivering Party at its address or facsimile number specified below). Any notice given by facsimile shall be confirmed in writing delivered personally or sent by registered or certified mail, but the failure to so confirm shall not void or invalidate the original notice if it is in fact received by the Party to which it is addressed. The address for service of each Party and its respective facsimile number shall be:

4.1.1 For the Guarantor: Alternative Energy Development Board

Islamabad, Pakistan.

Attention: [Chief Executive
Officer]

Address: []

Facsimile: []

4.1.2 For the Seller: []

Attention:

Address:

Facsimile:

or such other addresses or facsimile numbers as either Party may have notified to the other Party in accordance with this Section 4.1. Notwithstanding the foregoing, if the address of the Lender or Agent is outside Pakistan, any notice delivered to the Lender or Agent pursuant to Section 14.4 shall be sent by international courier or facsimile, and if sent by facsimile confirmed by international courier.

ASSIGNMENT

Assignment by the Guarantor

The Guarantor may not assign or transfer all or any part of its rights or obligations hereunder without the prior written consent of the Seller.

Assignment by the Seller

The Seller may not assign or transfer all or any part of its rights or obligations hereunder without the prior written consent of the Guarantor. Notwithstanding the provision of the immediately preceding sentence, for the purpose of construction or permanent financing of the Complex, the Seller may assign by way of security or create a security interest over its rights and interests in and to this Guarantee in favour of the Lenders.

Successors

This Guarantee shall be binding upon and inure to the benefit of the Guarantor and the Seller and the respective successors and permitted assigns of each.

GOVERNING LAW

The rights and obligations of the Parties under or pursuant to this Guarantee shall be governed by and construed according to the Laws of Pakistan.

MISCELLANEOUS

Severability

If one (1) or more provisions contained in this Guarantee is held or found to be invalid, illegal, or unenforceable in any respect, the provision(s) shall be given effect to the extent permitted by law, and the invalidity, illegality, or unenforceability of any provision shall not affect the validity of the remaining provisions of this Guarantee.

Definitions

Capitalized terms used but not defined in this Guarantee, shall have the meanings ascribed thereto to them in the Implementation Agreement.

| | |
|-----------------------|-----------------------|
| For and on behalf of: | For and on behalf of: |
| THE PRESIDENT | [] |
| OF THE ISLAMIC | |
| REPUBLIC OF | |
| PAKISTAN ON | |
| BEHALF OF | |
| THE ISLAMIC | |
| REPUBLIC OF | |
| PAKISTAN | |

By: _____

Title:

By: _____

Title: Chief Executive Officer
AEDB

Witness:

Witness:

IN WITNESS WHEREOF, this Guarantee has been executed on the Day first hereabove written.

Name: _____

Name: _____