

DRAFT

[ON PAKISTAN STAMP PAPER]

GUARANTEE

To: The Alternative Energy Development Board
[Address]

Date of the Guarantee: [•]¹

Amount of the Guarantee²: [US\$ • (United States Dollars •)]³
(hereinafter referred to as the "**Guaranteed Sum**").

Date of issuance: [•]

Validity up to: [twenty four (24) months from the date of issue of guarantee]

THIS GUARANTEE is executed at [•] on this [•] day of [•] 20• **BY:**

[*Name of the issuing Bank*] having our registered office at [•] [and branch office at •] ⁴ (hereinafter referred to as the "**Guarantor**", which expression shall mean and include its successors, administrators, assigns and legal representatives, whether jointly or severally);

On the request and on behalf of [•] (hereinafter referred to as the [**Sponsor(s)**]/ "**Project Company**"), which expression shall mean and include [its/their] successors, executors, administrators, permitted assigns, legal representatives, whether jointly or severally);

In favour of the Alternative Energy Development Board ("**AEDB**") (hereinafter referred to as the "**Beneficiary**", which expression shall mean and include its successors, administrators and legal representatives, whether jointly or severally).

WHEREAS:

- A. Upon the request and proposal of the Sponsor(s) to set up an electricity generation facility utilizing wind as the renewable energy resource in Pakistan, the Beneficiary has approved the issuance of a Letter of Intent (the "**LOI**") to the [Sponsor(s)/Project Company] subject to submission of this Guarantee.

¹ Dates and figures should also be mentioned in words.

² The Sponsor will be required to post a Guarantee of US\$ 500 per MW (in favor of AEDB).

³ Amount must be only in US\$.

⁴ Insert if issuing branch is at an address other than the registered address.

- B. As required by the Beneficiary in terms of the Policy, and in consideration thereof, the Guarantor, at the request and on behalf of the [Sponsor(s)/Project Company], hereby furnishes this irrevocable, unconditional, without recourse, on demand bank guarantee (hereinafter referred to as the “**Guarantee**”) in favour of the Beneficiary in order to secure the performance of the Sponsor’s obligations under the LOI, being the conduct and completion of a feasibility study (“**Feasibility Study**”) and submission of Performance Guarantee for acquiring Letter of Support (LOS) in accordance with the requirements stipulated in the LOI (hereinafter referred to as the “**Guaranteed Obligation**”).

NOW THEREFORE, this Guarantee witnesseth as under:-

1. In the event that the [Sponsor(s)/Project Company] defaults in, delays, or fails, to perform the Guaranteed Obligation, of which event the Beneficiary shall be the sole arbiter, the Guarantor shall, on the Beneficiary’s first written demand, pay to the Beneficiary the entire sum of, or any part of, the Guaranteed Sum as specified in the Beneficiary’s written demand within three (3) days of the receipt of the written demand (the “**Due Date**”). Such first written demand of the Beneficiary shall only state that the Sponsor has defaulted in, or delayed, or failed, to perform the Guaranteed Obligation stated in the written demand under and in accordance with the terms of the LOI.
2. The Guarantor hereby binds itself unconditionally and irrevocably, and undertakes and guarantees to pay the Guaranteed Sum, as primary obligor and not merely as surety, on first written demand of the Beneficiary, without protest or demur and without reference, notice or recourse to the Sponsor(s) or to the Project Company or any other person, and hereby expressly waives all rights to deny its obligation to the Beneficiary irrespective of any dispute, difference or disagreement between the Sponsor(s)/Project Company and the Beneficiary or contest by any other party or person.
3. At any time during the validity of this Guarantee, the Beneficiary may, at its sole discretion and decision, demand payment of the entire Guaranteed Sum, or any part thereof, from the Guarantor. The decision of the Beneficiary as to the Sponsor(s) / Project Company’s default, delay, or failure in performing the Guaranteed Obligation shall be final and binding on the Guarantor, which shall not be questioned by the Guarantor in any manner whatsoever.
4. This Guarantee shall remain in full force and be effective for a period up to [state the date that is 24 months after the date of the Guarantee].
5. The Beneficiary may, if and when and in such manner as the Beneficiary in its sole discretion deems appropriate, grant time or other indulgence to or accept or make any composition or arrangement with the Sponsor(s) and/or the

Project Company and such acts shall not in any way whatsoever discharge the Guarantor from its obligations under this Guarantee.

6. The Guarantor's obligations as set out in this Guarantee shall be continuing obligations and shall not be modified or impaired upon the happening, from time to time, without the Guarantor's assent or otherwise, of any act or omission, or any circumstances or events which would otherwise discharge, impact or otherwise affect any of Guarantor's obligations contained in this Guarantee.
7. Demands under this Guarantee may be made from time to time in accordance with its terms. Partial payments of the Guaranteed Sum shall not discharge this Guarantee and this Guarantee shall remain in full force and effect in accordance with its terms for the difference from time to time between the aggregate total of the partial payments made and the Guaranteed Sum.
8. No delay or failure to exercise any right or remedy under this Guarantee by the Beneficiary 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 of any other right or remedy. No waiver by the Beneficiary shall be valid unless made in writing.
9. No set-off, counter claim, reduction, or diminution of any obligation that the Guarantor has or may have against the Beneficiary shall be available to it against the Beneficiary in connection with any of its obligations to the Beneficiary under this Guarantee. The Guarantor shall make all payments under this Guarantee in United States Dollars (or equivalent Pakistan Rupees calculated at the average of the National Bank of Pakistan TT & OD selling rate for United States Dollars prevalent on the business day preceding the date on which payment is made under this Guarantee) and in full, without set-off or counterclaim and free and clear of any deductions or withholdings in immediately available, freely transferable, cleared funds for value on the Due Date to the Beneficiary, provided that if the Guarantor is required to make any deduction or withholding from such payments under applicable law, it shall pay to the Beneficiary such additional amount necessary to ensure that the Beneficiary receives an amount equal to the amount which it would have received had no such deduction or withholding been made.
10. The Guarantor hereby declares and confirms that under its constitution and applicable laws and regulations, it has the necessary power and authority, and has obtained all necessary authorizations, approvals and consents thereunder to enter into, execute, deliver and perform the obligations it has undertaken under this Guarantee, which obligations are valid and legally binding on and enforceable against the Guarantor under the Laws of Pakistan, and that the signatory(ies) to this Guarantee are the Guarantor's duly authorized officers.

11. This Guarantee shall be governed by the laws of Pakistan.
12. Capitalised terms not otherwise defined herein shall bear the meaning ascribed to them in the LOI.

For and on behalf of the Guarantor:

[To be signed by the authorized signatory of the Bank,
Dated and Stamped with the Bank's Stamp]

[Also to be witnessed by two adult male witnesses, specifying in each case, the full name,
National Identity Card # if any, and address]