

SCHEDULE 1
TARIFF, INDEXATION AND ADJUSTMENT
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PART I: GENERAL

1. Introduction

This Schedule 1 is attached to and constitutes an integral part of the Energy Purchase Agreement (the “EPA”) dated as of April 05, 2011 by and between the Purchaser and the Seller. This Schedule 1 specifies the methods for calculating:

- (a) the monthly Energy Price for Energy Payments to be made to the Seller by the Purchaser under Section 9.1 of the EPA (*Energy Payments*), calculated in the manner provided in Part II consistent with the Tariff Determination;
- (b) the Pass-Through Item(s) to be paid to the Seller by the Purchaser under Section 9.2 (a) of the EPA (*Pass-Through Item(s); Supplemental Tariffs*) stated in Part IV;
- (c) the Supplemental Tariffs to be paid to the Seller by the Purchaser under Section 9.2 (b) of the EPA (*Pass-Through Item(s); Supplemental Tariffs*), calculated in the manner provided in Part III;
- (d) the Liquidated Damages to be payable by the Seller to the Purchaser under Section 9.3 of the EPA (*Liquidated Damages*) stated in Part II; and
- (e) The methods for calculating indexations and adjustments for price index changes (local and foreign), for foreign exchange rate variations and interest rate variations against the reference values are set forth in Part V consistent with the Tariff Determination.

- 1.2 The billing and payment procedures as set forth in Article IX of the EPA shall apply to all payment obligations referred to in this Schedule 1, unless otherwise specified in this Schedule 1.

2. Definitions

Capitalised terms used but not defined in this Schedule 1 shall have the meaning given to them in the body of the Energy Purchase Agreement. Wherever the following terms appear in this Schedule 1, they shall have the meanings stated below:

“Annual Benchmark Energy” the meaning ascribed thereto in Annex 2 of this Schedule 1.

“Current Indices” means the Quarterly \$FX, the Quarterly USCPI, the Quarterly WPI, and the Semi-Annual IAF, the Yearly \$FX, as applicable and as determined by NEPRA, calculated for the Quarter, the Semi-Annual Period or the year immediately preceding the current Quarter, Semi-Annual Period or year, and applicable for the current Quarter, Semi-Annual Period or year (as the case may be) in which the relevant payment is to be made.

“Exchange Rate” means the TT&OD selling rate for Dollars expressed in Rupees, as published by the National Bank of Pakistan and prevailing at the close of Wednesday that is also a Business Day, and with respect to any Wednesday that is not a Business Day, the TT&OD selling rate for Dollars expressed in Rupees, as published by the National Bank of Pakistan as prevailing at the close of the last preceding Business Day prior to such Wednesday.

“Fixed O&M Component (Foreign) – (FO&M_(FREVE))” has the meaning ascribed to it under Section 4.1 of this Schedule 1 as determined by NEPRA from time to time.

“Fixed O&M Component (Local) – (FO&M_(LREV))” has the meaning ascribed to it under Section 4.1 of this Schedule 1 as determined by NEPRA from time to time.

“Foreign Inflation Adjustment Factor” means the factor that is used to adjust the Reference Fixed O&M Foreign Component of the Reference Tariff Table for variation in the consumer price index (all urban consumers) in the United States, which factor shall be calculated as specified in Section 7.3.

“Quarterly \$FX Adjustment Factor” means the factor that is used to adjust (to the extent provided and applicable in each relevant case) the Reference Fixed O&M Foreign Component, Reference Return on Equity Component for variation in the value of the Rupee against the Dollar, which factor shall be calculated as specified in Section 7.1 (a).

“Insurance Component – (Insurance_(REV))” has the meaning ascribed to it under Section 4.1 of this Schedule 1 as determined by NEPRA from time to time.

“Interest Charges Component – (Int_m)” has the meaning ascribed to it under Section 4.1 of this Schedule 1 as determined by NEPRA from time to time.

“Interest Rate Adjustment Factor – (IAF)” means the factor for adjustment of interest rate component of Reference Tariff for variation in KIBOR determined in the manner provided in Section 7.4.

“Local Inflation Adjustment Factor” means the factor that is used to adjust the Reference Fixed O&M Local Component of the Reference Tariff Table for variation in the wholesale price index (manufacturers) in Pakistan, which factor shall be calculated as specified in Section 7.2.

“Pass-Through Items” comprises of the items identified under Section 6.3 of this Schedule 1.

“Quarter” means each three (3)-Month period of a calendar year, being 1 January through 31 March, 1 April through 30 June, 1 July through 30 September, or 1 October through 31 December, as the case may be, and the period commencing on the Commercial Operations Date and ending at the beginning of any such three (3)-Month period.

“Quarterly \$FX” means the average of each of the Exchange Rates in the Quarter immediately preceding the relevant Quarter in which payment is to be made, which shall equal the sum of the Exchange Rates in such immediately preceding Quarter divided by the number of such Exchange Rates.

“Quarterly USCPI” means the average of each of the end of Month values for the USCPI in the Quarter immediately preceding the relevant Quarter in which payment is to be made, provided, that if any such values for any of such Quarter are not available, then the average of the end of Month values for the most recent available three (3) Months shall be used.

“Quarterly WPI” means the average of each of the end of Month values for the WPI in the Quarter immediately preceding the relevant Quarter in which payment is to be made, provided, that if any such values for any of such Quarter are not available, then the average of the end of Month values for the most recent available three (3) Months shall be used.

“Reference Exchange Rate – (FXRate_(Ref))” means [] Rupees to One (1) Dollar

“Reference Whole Sale Price Index – (WPI_(REF))” means the WPI for the month of June [], which is [] as may be rebased by GOP Federal Bureau of Statistics from time to time.

“Reference United States Consumer Price Index – (USCPI_(REF))” means the USCPI for the month of June [], which is [] as may be rebased by US Bureau of Labor Statistics from time to time.

“Reference Fixed O&M Foreign Component – (FO&M_(FREF))” means the rate expressed in Rs. / kWh under the Fixed O&M Foreign column of the Reference Tariff Table for the relevant Agreement Year that includes the month “m”

“Reference Fixed O&M Local Component – (FO&M_(LREF))” means the rate expressed in Rs. / kWh under the Fixed O&M Local column of the Reference Tariff Table for the relevant Agreement Year that includes the month “m”

“Reference Insurance Component – (I_(REF))” means the rate expressed in Rs. / kWh under the Insurance column of the Reference Tariff Table for the relevant Agreement Year that includes the month “m”

“Reference Interest Component – (Int_(REF))” means the rate expressed in Rs. / kWh under the Interest Charges column of the Reference Tariff Table for the relevant Agreement Year that includes the Month “m”

“Reference Loan Repayment Component - (P_(REF))” means the rate expressed in Rs. / kWh under the Loan Repayment column of the Reference Tariff Table for the relevant Agreement Year that includes the Month “m”.

"Reference Return on Equity Component – (ROE_(REF))" means the rate expressed in Rs. / kWh under the Return on Equity column of the Reference Tariff Table for the relevant Agreement Year that includes the Month "m"

"Return on Equity – (ROE_(REV))" has the meaning ascribed to it under Section 4.1 of this Schedule 1 as determined by NEPRA from time to time.

"Semi-Annual Period" means each six (6)-Month period of a calendar year, being 1 January through 30 June, or 1 July through 31 December, as the case may be, and the period commencing on the Commercial Operations Date and ending at the beginning of any such six (6)-Month period.

"USCPI" means the consumer price index (all urban consumers) as notified from time to time by the US Bureau of Labour Statistics (or any successor or replacement agency thereto).

"Withholding Tax Component" has the meaning ascribed to Withholding Tax on Dividends under Section 4.1 of this Schedule 1.

"WPI" means the wholesale price index (manufacturers) as notified from time to time by the GOP's Federal Bureau of Statistics (or any successor or replacement agency thereto).

"Yearly \$FX" means the average of the Quarterly \$FX for the immediately preceding last four Quarters of the relevant year.

"Yearly \$FX Adjustment Factor" means the factor that is used to adjust the Reference Insurance Component for variation in the value of the Rupee against the Dollar, which factor shall be calculated as specified in Section 7.1 (b).

3. Construction

- 3.1 This Schedule 1 (including the Annexes) shall be read in conjunction with and subject to Article IX of the Energy Purchase Agreement. To the extent that any provision of this Schedule 1 is inconsistent with Article IX or any other article or section of the Energy Purchase Agreement, the provisions of Article IX or the other relevant article or section of the Energy Purchase Agreement, as the case may be, shall prevail unless otherwise specified.
- 3.2 This Schedule 1 (including the Annexes) shall be read in conjunction with and subject to the Tariff Determination. To the extent that any provision of this Schedule 1 is inconsistent with the Tariff Determination, the provisions of the Tariff Determination, as the case may be, shall prevail.
- 3.3 References to Parts and Sections in this Schedule 1 are to Parts and Sections of this Schedule 1, unless indicated otherwise. References to Tables and Annexes in this Schedule 1 are to the Tables and Annexes of this Schedule 1, unless indicated otherwise. References to Articles and Sections of the Energy Purchase Agreement are to articles and sections contained in the body of the Energy Purchase Agreement.

PART II: ENERGY PRICE & LIQUIDATED DAMAGES

4. Energy Price

4.1 From and after the Commercial Operations Date, the Energy Price for the Energy Payment for the Month, expressed in Rs./kWh, shall be calculated as follows:

$$EP_m = FO\&M_{(FREVE)} + FO\&M_{(LREVE)} + Insurance_{(REV)} + ROE_{(REV)} + Withholding\ Tax\ on\ Dividends + P_{(REF)} + Int_m$$

Where:

$$FO\&M_{(FREVE)} = FO\&M_{(FREVE)} * FIadjust_q * \$FXadjust_q$$

where:

$FO\&M_{(FREVE)}$ = the rate expressed in Rs. / kWh under the Fixed O&M Foreign column of the Reference Tariff Table for the relevant Agreement Year that includes the month "m"

$FIadjust_q$ = the Foreign Inflation Adjustment Factor for the relevant Quarter

$\$FXadjust_q$ = the Quarterly \$FX Adjustment Factor for the relevant Quarter

$$FO\&M_{(LREVE)} = FO\&M_{(LREVE)} * LIadjust_q$$

where:

$FO\&M_{(LREVE)}$ = the rate expressed in Rs. / kWh under the Fixed O&M Local column of the Reference Tariff Table for the relevant Agreement Year that includes the month "m"

$LIadjust_q$ = the Local Inflation Adjustment Factor for the relevant Quarter

$$Insurance_{(REV)} = I_{(REF)} * \$FXadjust_y$$

where:

$I_{(REF)}$ = the rate expressed in Rs. / kWh under the Insurance column of the Reference Tariff Table for the relevant Agreement Year that includes the month "m"

$\$FXadjust_y$ = the Yearly \$FX Adjustment Factor for the relevant year

$$\mathbf{ROE}_{(REV)} = \mathbf{ROE}_{(REF)} * \$FXadjust_q$$

where:

- $\mathbf{ROE}_{(REF)}$ = the rate expressed in Rs. / kWh under the Return on Equity column of the Reference Tariff Table for the relevant Agreement Year that includes the Month "m"
- $\$FXadjust_q$ = the \$FX Adjustment Factor for the relevant Quarter

Withholding Tax on Dividends = it has been considered as a Pass Through Item and shall be subject to Section 6.3 of this Schedule 1

$\mathbf{P}_{(REF)}$ = the rate expressed in Rs. / kWh under the Loan Repayment column of the Reference Tariff Table for the relevant Agreement Year that includes the Month "m"

$$\mathbf{Int}_m = \mathbf{Int}_{REF} * \mathbf{IAF}_s$$

where:

- \mathbf{Int}_{REF} = the rate expressed in Rs. / kWh under the Interest Charges column of the Reference Tariff Table for the relevant Agreement Year that includes the Month "m"
- \mathbf{IAF}_s = the \mathbf{IAF}_s as determined in accordance with Section 7.4 of Part V of this Schedule for the relevant Semi-Annual Period.

4.2 One-Time Adjustment

On request of the Seller, the Reference Tariff shall be adjusted at the Commercial Operations Date or Financial Closing as the case may be, to adjust such component for the following by NEPRA:

- a. principal repayment and the cost of debt shall be adjusted as at Financial Close as per actual borrowing composition;
- b. interest during construction shall be adjusted at Commercial Operations Date as per actual based on actual disbursement of loans and prevailing KIBOR rates during the project construction period;
- c. specific items of project cost to be paid in foreign currency (i.e. US\$) shall be adjusted at Commercial Operations Date for variations in Rupee / Dollar

exchange rate based on rate prevalent on actual date of transaction on production of verifiable documentary evidence by the Seller;

- d. Customs Duty and other Taxes levied shall be adjusted as per actual at Commercial Operations Date based on verifiable documentary evidence by the Seller;
- e. Return on Equity component of the Reference Tariff shall be adjusted at Commercial Operations Date in accordance with the Government of Pakistan's Policy for Development of Renewable Energy for Power Generation, 2006 in order to ensure a Seventeen (17) percent internal rate of return on equity while treating the project on Build-Own-Operate basis.
- f. The Seller has procured financing on the basis of [LIBOR/ KIBOR] plus [] %. [The benefit of [] % (being lower than 3.00%) in the debt servicing cost shall be shared in a ratio of 60:40 between the Purchaser and the Seller in accordance with the government of Pakistan Policy for Development of Renewable Energy for Power Generation, 2006].

4.3 The payment obligations of the Purchaser towards the Seller in relation to Reference Tariff and each component thereof, are limited to the extent of tariff payment by the Purchaser to the Seller, whether or not such tariff payments actually compensate the Seller for the cost(s) actually incurred by the Seller in relation to each of the components of the Reference Tariff.

4.A Liquidated Damages

a) Delay in Commissioning

In the event the Complex is not Commissioned on or before the Required Commercial Operations Date, then the Seller shall pay to the Purchaser pursuant to Section 9.3(b) of the Energy Purchase Agreement, Monthly in arrears, as liquidated damages as calculated hereunder for delays in the occurrence of the Commercial Operations Date at the rate of US\$ 2.5 per kW of the Contract Capacity per month prorated daily until the Commercial Operations Date:

$$LD_M = \frac{US\$2.5 \times \text{Contract Capacity in MW} \times 1,000}{\text{Number of days in the Month}} \times \text{No. of Days delayed in a Month}$$

LD_M = Liquidated Damages due to delay in Commissioning in any Month

b) Liquidated Damages due to reduction of Contract Capacity

Pursuant to Section 2.9 of the Energy Purchase Agreement in the event the reduction in the Contract Capacity elected by the Seller is greater than 5% and less than or equal to 10% of the Contract Capacity, then the Seller shall pay to the Purchaser Liquidated Damages for such shortfall in Contract Capacity as per the following formula:

$$LD_M = SF_{CC} \text{ in MW} \times \text{US\$ } 350,000$$

Where

LD_M = Liquidated damages due to reduction in Contract Capacity

SF_{CC} = The reduction in Contract Capacity elected by Seller pursuant to Section 2.9 (b) of the Energy Purchase Agreement (i.e. $> 5\%$ and $\leq 10\%$ of the Contract Capacity)

PART III: SUPPLEMENTAL TARIFFS

5. Supplemental Tariff Payment for Pakistan Political Event or Change in Law

5.1 If, due to a Pakistan Political Force Majeure Event (“**PPFME**”) or a Change in Law Force Majeure Event (“**CLFME**”), a Supplemental Tariff Payment is due and payable to the Seller from the Purchaser as provided in Sections 15.8 (b) and 15.8 (c) of the Energy Purchase Agreement, the Purchaser shall, following the completion of the Restoration, pay to the Seller the Supplemental Tariff Payment, until the recoverable costs of a Restoration have been received in full by the Seller from the Purchaser, subject to NEPRA determination and notification in official gazette, as applicable. The Supplemental Tariff Payment (which shall be structured to allow the Seller to recover the reasonable and necessary costs of a Restoration net of insurance proceeds, if any, over the remainder of the Term, as provided in this Section 5) shall be calculated in accordance with Section 5.2. Each Pakistan Political Force Majeure Event or Change in Law Force Majeure Event, that may be unrelated to each other, may lead to a separate Supplemental Tariff Payment.

5.2 The Supplemental Tariff Payment for a Month arising from a Restoration (“**Monthly Supplemental Tariff Payment**”) shall be calculated as follows:

$$STP_m = RRR_{\text{fixed}} * MBE_m$$

where:

STP_m = the Supplemental Tariff Payment for a Restoration, in Rs./kWh, for a Month;

RRR_{fixed} = the **Restoration Recovery Rate**, in Rs./kWh, which rate shall be calculated one time following the agreement by the Parties on the Restoration costs, as determined by NEPRA and shall remain fixed thereafter, and which rate shall be equal to:

$$\frac{R_t}{\left(\frac{BE_y}{8760}\right) \times H_{\text{term}}}$$

where:

R_t = the total cost of the Restoration in accordance with Section 15.6 of the Energy Purchase Agreement as determined by NEPRA;

BE_y = the Annual Benchmark Energy, expressed in kWh equal to [] kWh as may be revised by NEPRA upon such restoration;

H_{term} = the total number of hours remaining in the Term from time *t*; and

t = following the Day the Parties agree on Restoration costs to be recovered by the Seller, as per NEPRA determination;

MBE_m = Monthly Benchmark Energy for the relevant Month

- 5.4 Unless NEPRA approves an alternate cost of capital (including debt and equity), the Seller shall be entitled to receive in accordance with Section 15.8 (d) of the Energy Purchase Agreement cost of capital (including debt and equity) of LIBOR plus six and a half percent (6.5%) per annum on the scheduled unpaid portion of the total cost of the restoration as the case may be, through the period of cost recovery. The applicable LIBOR shall be the rate prevailing on the date the Complex returns to operation or if the Complex did not seize operation, the date on which the restoration is completed. Any delay in Supplemental Payment invoice will attract delay payment rate until paid.
- 5.5 At any time after the first (1st) Business Day of each Month, the Seller may submit an invoice to the Purchaser stating in Rupees for the Supplemental Tariff Payment, inclusive of returns thereon, for the previous Month together with supporting information as may reasonably be necessary to substantiate the amounts claimed in the invoice.
- 5.6 The Purchaser may seek to verify the calculation of a Supplemental Tariff Payment for a Restoration inclusive of return thereon and may require the Seller to provide to it copies of its calculations, with reasonable supporting information, which the Seller shall provide within twenty (20) Business Days of such request. Within one (1) year following the commencement of such payments, the Purchaser shall have the right to engage, at its own cost, an independent auditor to audit and examine the costs claimed by the Seller, and the Seller shall make all of its relevant books and records available to the Purchaser and its auditors in connection with such audit or examination, provided however if such Restoration cost is submitted to and approved by NEPRA, no such audit shall be conducted.

PART IV: ADDITIONAL PAYMENTS

6. Pass Through Item(s)

- 6.1 Pass-Through Items shall be payable after Commercial Operations Date by the Purchaser to the Seller on the basis of the actual costs reasonably incurred by the Seller to satisfy the requirements of the Energy Purchase Agreement or to the extent that the Seller is obligated pursuant to the Laws of Pakistan to make payment for such Pass-Through Item.
- 6.2 The Seller may present an invoice(s) to the Purchaser for Pass-Through Items at any time on or after the first (1st) Day of the Month following the Month in which the cost(s) was incurred by the Seller.
- 6.3 The following items shall be Pass-Through Items:
- (a) Subject to NEPRA determination and gazette notification, as applicable, the Purchaser shall make payment on account of withholding tax at the time of actual payment of dividend at a rate of seven and one half percent (7.5%) of seventeen percent (17%) equity according to the formula given below. In case the Seller does not declare a dividend in a particular year or only declares a partial dividend, then the difference in the withholding tax amount (between what is paid in that year and the total entitlement as per the net return on equity) would be carried forward and accumulated so that the Seller is able to recover the same as a Pass-Through Item from the Purchaser in future on the basis of the total dividend payout.

$$\text{Withholding tax payable} = \{ [17\% \times [(E_{\text{REF}}) - E_{\text{Red}}]] \times 7.5\%$$

Where:

E_{REF} = The reference amount of equity for the relevant year

E_{Red} = Equity redeemed (if any)

- (b) payments by the Seller into the Workers' Welfare Fund and the Workers' Profit Participation Fund for its employees required to be paid in relation to the Project pursuant to the Laws of Pakistan;
- (c) Sales tax, excise duty or any other taxes, duties, levies, charges, surcharges, or other governmental impositions (including without limitation export tax, octroi, rawangi mahsool etc.) wherever and whenever payable on the generation, sale, exportation or supply of electricity or electricity generating capacity by the Seller during the Term, provided that the Seller has not been

previously compensated fully for any such item by the Purchaser or by the GOP;

- (d) the cost of the Metering System if not procured by the Purchaser, as provided in Section 7.1 (b) of the Energy Purchase Agreement; and
- (e) any upgrade to the protective devices of the Complex required by the Purchaser pursuant to Section 6.6 (c) of the Energy Purchase Agreement.

For avoidance of doubt, if particular type of Tax is stated to be a Pass-Through Item in this Section 6 then any change in Tax rate for such Tax upwards or downwards shall be treated as a Pass-Through Item.

PART V: INDEXATION AND ADJUSTMENT FACTORS

7. Indexation and Adjustment Factors

Indexations and adjustment factors shall be determined by NEPRA from time to time (for each Quarter, Semi-Annual Period or the year, as applicable) and notified in the official gazette by government of Pakistan.

7.1 (a) The Quarterly \$FX Adjustment Factor shall be calculated according to the following formula:

$$\mathbf{\$FXadjust}_q = \mathbf{ER}_{(REV)} / \mathbf{FXRate}_{(REF)}$$

where:

$\mathbf{\$FXadjust}_q$ = the \$FX Adjustment Factor applicable for the Quarter that includes the Month 'm';

$\mathbf{ER}_{(REV)}$ = the Quarterly \$FX for the Quarter prior to the Quarter that includes the Month 'm'; and

$\mathbf{FXRate}_{(REF)}$ = the Reference Exchange Rate

7.1 (b) The Yearly \$FX Adjustment Factor shall be calculated according to the following formula:

$$\mathbf{\$FXadjust}_y = \mathbf{ER}_{(REV)} / \mathbf{FXRate}_{(REF)}$$

where:

$\mathbf{\$FXadjust}_y$ = the \$FX Adjustment Factor applicable for the year that includes the Month 'm';

$\mathbf{ER}_{(REV)}$ = the Yearly \$FX for the year prior to the year that includes the Month 'm'; and

$\mathbf{FXRate}_{(REF)}$ = the Reference Exchange Rate

7.2 The Local Inflation Adjustment Factor shall be calculated according to the following formula:

$$\mathbf{LIadjust}_q = \mathbf{WPI}_{(REV)} / \mathbf{WPI}_{(Ref)}$$

where:

$\mathbf{LIadjust}_q$ = the Local Inflation Adjustment Factor applicable for the Quarter that includes the Month 'm';

$\mathbf{WPI}_{(REV)}$ = the Quarterly WPI for the Quarter prior to the Quarter that includes the Month 'm'; and

$\mathbf{WPI}_{(REF)}$ = the Reference Wholesale Price Index

7.3 The Foreign Inflation Adjustment Factor shall be calculated according to the following formula:

$$\mathbf{FIadjust}_q = \mathbf{USCPI}_{(REV)} / \mathbf{USCPI}_{(REF)}$$

where:

$\mathbf{FIadjust}_q$ = the Foreign Inflation Adjustment Factor applicable for the Quarter that includes the Month 'm';

USCPI_(REV) = the Quarterly USCPI for the Quarter prior to the Quarter that includes the Month 'm'; and
 USCPI_(REF) = the Reference United States Consumer Price Index

7.4 The IAF shall be calculated as at the Commercial Operation Date and every 1st January and 1st July thereafter according to the following formula:

$$IAF_s = \frac{\{\mathbf{KIBOR}_{(REV)} + \mathbf{NEPRA\ Approved\ Spread}\}}{\{\mathbf{KIBOR}_{Ref} + \mathbf{NEPRA\ Approved\ Spread}\}}$$

Where:

IAF_s = the Interest Rate Adjustment Factor applicable for the Semi-Annual Period following the relevant interest rate adjustment date “t”;

KIBOR_(REV) = the KIBOR on the Day prior to the Commercial Operations Date and thereafter on the last Day of the previous Semi-Annual Period (30th June or 31st December, as applicable);

KIBOR_{Ref} = reference KIBOR rate is [] %; and

NEPRA Approved Spread = As approved by NEPRA i.e [] %

Note:

The Seller has procured financing on the basis of [LIBOR/ KIBOR] plus [] %. [The benefit of [] % (being lower than 3.00%) in the debt servicing cost shall be shared in a ratio of 60:40 between the Purchaser and the Seller in accordance with the government of Pakistan Policy for Development of Renewable Energy for Power Generation, 2006].

7.5 At the beginning of each Quarter following the Effective Date, the Seller shall on or before the fifth (5th) Business Day following the end of a Quarter deliver to the Purchaser the current indices and values determined by NEPRA and notified in official gazette of the government of Pakistan relevant for the determination of the Energy Price. The Purchaser may request the Seller to provide to the Purchaser reasonable supporting information, and the Seller shall do so within ten (10) Business Days of such request. For components of the Reference Tariff subject to indexation and / or adjustment based on Semi-Annual Period, mutatis mutandis, the immediately preceding sentence shall apply.

7.6 If any index used herein ceases to be available, the Parties shall request NEPRA to determine an alternative index, which determination when made shall be binding on the Parties for all purposes of such index hereunder. Pending the determination by NEPRA, the last available value of such index shall be used for all relevant purposes hereunder. Upon the determination of such index by NEPRA, all payments made by either Party during the period of unavailability of a current value of the relevant index, shall be recomputed using the applicable value of the replacement index, and the differences, if any, shall be paid by the owing Party without any interest / mark-up.

ANNEX 1 REFERENCE TARIFF TABLE

[As provided in NEPRA Tariff Determination]

ANNEX 2 BENCHMARK ENERGY TABLE

PART – I: BENCHMARK ENERGY TABLE

[As provided in NEPRA Tariff Determination]

* - **Annual Benchmark Energy** – (mentioned as Annual Energy in above table) as referred in Section 2 Part I of this Schedule

PART – II: COMPLEX MONTHLY POWER CURVE ENERGY TABLE

[As provided in NEPRA Tariff Determination]

ANNEX 3 REFERENCE LOCAL DEBT

[As provided in NEPRA Tariff Determination]