

[ON PAKISTAN STAMP PAPER]

PERFORMANCE GUARANTEE

To: The Alternative Energy Development Board
[Address]

Date of the Performance Guarantee: [•]¹

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

Date of issuance: [•]

Validity upto: [•]⁴

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

[*Name of the issuing Bank*] having our registered office at [•] [and branch office at •] ⁵
(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, 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 utilising wind as the renewable energy resource in Pakistan, the Beneficiary has issued a Letter of Interest (the "**LOI**") to the [Sponsor(s)/Project Company] dated [•].

¹ Dates and figures should also be mentioned in words.

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

³ Amount must be only in US\$.

⁴ The period should not be less than three months in excess of the Required Financial Closing Date . (Para B(2) of the LOS)

⁵ Insert if issuing branch is at an address other than the registered address.

- B. As required by the Beneficiary prior to the issuance of the Letter of Support (the “**LOS**”) to the [Sponsor(s)/Project Company], 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 “**Performance Guarantee**”) in favour of the Beneficiary in order to secure the performance of the Sponsor’s obligations under the LOS including, *inter alia*, the execution of the Project Agreements, the achievement of Financial Closing, payment of Termination Amount on early termination of the LOS by the Sponsor(s)/Project Company under and in accordance with the terms of the LOS (hereinafter referred to as the “**Guaranteed Obligations**”).

NOW THEREFORE, this Performance Guarantee witnesseth as under:-

1. In the event that the Sponsor(s) and/ or the Project Company defaults in, delays, or fails, to perform the Guaranteed Obligations, of which events 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 portion 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 LOS.
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 Performance Guarantee, the Beneficiary may, at its sole discretion and decision, demand payment of the entire Guaranteed Sum, or any portion 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 Obligations shall be final and binding on the Guarantor, which shall not be questioned by the Guarantor in any manner whatsoever.
4. This Performance Guarantee shall remain in full force and be effective for a period up to [•] ⁶and the Guarantor’s obligations under this Performance

⁶ See footnote 4.

Guarantee shall be for payment of the Guaranteed Sum or part thereof as may be demanded by the Beneficiary from time to time.

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/or vary, renew, discharge, realize, release, enforce or deal with any other securities, guarantees, obligations, decrees, contracts, or agreements, now or hereinafter made or held by the Beneficiary, and such acts shall not affect in any way whatsoever the Beneficiary's rights under this Performance Guarantee, and shall not affect in any way whatsoever the Guarantor's liability hereunder, or discharge the Guarantor from its obligations under this Performance Guarantee.
6. The Guarantor's obligations as set out in this Performance 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 Performance Guarantee.
7. Demands under this Performance Guarantee may be made from time to time in accordance with its terms. Partial payments of the Guaranteed Sum shall not discharge this Performance 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 Performance 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 Performance Guarantee. The Guarantor shall make all payments under this Performance Guarantee in United States Dollars 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. In the event under the laws of Pakistan the payment of the Guaranteed Sum in a currency other than Pakistan Rupees is prohibited or becomes unlawful, or the due execution, validity, enforceability or performance of the obligations of the Guarantor hereunder is questioned by any Court, the State Bank of Pakistan or other competent authority or agency with jurisdiction over the Guarantor on the grounds of the Guaranteed Sum being denominated in a foreign currency, this Performance Guarantee shall secure and shall be deemed always to have secured the Guaranteed Sum in equivalent Pakistan Rupees calculated at the average of the National Bank of Pakistan TT & OD selling rate for United States Dollars prevalent on the date of issuance of this Performance Guarantee and payment of the whole or part of the Guaranteed Sum as demanded by the Beneficiary may in such event be made by the Guarantor in Pakistan Rupees.

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 Performance Guarantee, which obligations are valid and legally binding on and enforceable against the Guarantor under the Laws of Pakistan. Further, that the signatory(ies) to this Performance Guarantee are the Guarantor's duly authorized officers.
11. This Performance 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 LOS.
13. This Performance Guarantee shall expire at the official closing of the counters of the Guarantor, [*name of the Branch*] [*city*], on [*expiry date*] (the "**Expiry Date**"). The Guarantor's obligations under this Performance Guarantee are limited to payment of claims lodged in writing and presented at the counters of the Guarantor at [*name of the Branch*] [*city*], on or before the Expiry Date. Except for demands made by the Beneficiary under this Performance Guarantee on or before the Expiry Date, the Guarantor shall stand fully discharged and released from any and all obligations, claims and liabilities under this Performance Guarantee whether or not this instrument of Performance Guarantee is returned to the Guarantor.

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]