

RESOLUTION PASSED AND ADOPTED BY THE MEMBERS OF THE HUB POWER COMPANY LIMITED AT EXTRA ORDINARY GENERAL MEETING HELD ON FRIDAY, JUNE 22, 2018 AT MARRIOTT HOTEL, KARACHI AT 10.30 AM

1. Approval for execution of Sponsor Support Agreement for 330MW mine-mouth Coal Power Plant at Thar

To consider and if thought appropriate, to pass with or without modification, the following resolutions as special resolutions:

a. Investment in Thar Energy Limited ('TEL')

“RESOLVED THAT, the approval of the members of the Company be and is hereby accorded in terms of Section 199 to make “investments” in Thar Energy Limited ('TEL') up to an amount not exceeding USD 78 million (or PKR equivalent) by way of a subscription of shares at the rate of Rs. 10 per share plus premium, if any, finalized by the Board of TEL. Such investment shall be for a period up till December 2022.

FURTHER RESOLVED THAT the CEO, CFO and the Company Secretary, acting jointly or severally are authorized to take all necessary actions to make the above investment and to acquire the shares of TEL.”

b. Equity Standby Letter of Credit (SBLC)

“RESOLVED that the approval of the members of the Company be and is hereby accorded in terms of Section 199 to arrange and provide a Standby Letter of Credit to the Lenders of TEL or TEL to cover for the equity investment of (and up to an amount not exceeding) USD 78 million (or PKR equivalent) to guarantee the subscription of equity. Such SBLC shall be for a period up till December 2022.

FURTHER RESOLVED that the CEO, CFO and the Company Secretary, acting jointly or severally are authorized to negotiate and procure the Standby Letter of Credit from banks/ financial institution(s); provide security on such terms and conditions as may be deemed appropriate (including creation of charge, or hypothecation for the guarantee amount with appropriate margin over (movable and immovable) assets of the Company) for the issuance of Standby Letter of Credit and for the said purpose do or cause to do all acts, deeds and things that may be necessary or required in connection therewith and to negotiate and execute agreements, security documents, confirmations, notices, filings and certificates as may be agreed with the lenders, including any amendments thereto, or required by law.”

c. Working Capital Undertaking

“RESOLVED that the approval of the members of the Company be and is hereby accorded in terms of Section 199 to undertake to the Lenders of TEL and to arrange and/or provide working capital financing to TEL equivalent to an aggregate amount of US\$ 36 million. Such ‘investment’ shall be for a period up till December 2032.

FURTHER RESOLVED that, the CEO, CFO and the Company Secretary, acting jointly or severally are authorized to negotiate and procure the Working Capital Financing from banks/ financial institution(s) (including Islamic financing institutions), if applicable; and provide security on such terms and conditions as may be deemed appropriate (including creation of charge, or hypothecation for the guarantee amount with appropriate margin over (movable and immovable) assets of the Company) for the provision of the Working Capital Financing and for the said purpose

negotiate and execute agreements, security documents, confirmations, notices, filings and certificates as may be agreed with the lenders including any amendments thereto, or required by law.”

d. Assignment of Equity Subordinated Debt

RESOLVED that the approval of the members of the Company be and is hereby accorded in terms of Section 199 to assign its rights in respect of any investment made in TEL by way of Subordinated loan (which loan is to be treated as subordinated to the debt of the Lenders of TEL), in favour of the Lenders of TEL”. Such ‘investment’ shall be for a period up till December 2032.

FURTHER RESOLVED that the CEO, CFO and the Company Secretary, acting jointly or severally are authorized to assign any loan given to TEL (which loan is to be treated as subordinated to the debt of the lenders of TEL) on such terms and conditions as may be deemed appropriate for the assignment of such debt to TEL, and for the said purpose do or cause to do all acts, deeds and things that may be necessary or required in connection therewith and to negotiate and execute agreements, security documents, confirmations, notices, filings and certificates as may be agreed with the lenders including any amendments thereto, or required by law.”

e. Share Pledge Agreement

“RESOLVED that the approval of the members of the Company be and is hereby accorded in terms of Section 199 to pledge its shares (if any) in TEL with the Lenders of TEL, whether such shares are acquired directly by way of subscription or otherwise. Such ‘investment’ shall be for a period up till December 2032.”

FURTHER RESOLVED that the CEO, CFO and the Company Secretary, acting jointly or severally, be and are hereby authorized to execute the Share Pledge Agreement including all necessary documentation related thereto and for the said purpose do or cause to do all acts, deeds and things that may be necessary or required in connection therewith, as may be deemed appropriate and as mutually agreed with the Lenders of TEL including any amendments thereto, or as required by law.”

f. Sponsor Support Contribution LC

“RESOLVED that that the approval of the members of the Company be and is hereby accorded in terms of Section 199 to provide a guarantee (in the form of standby letter of credit) for the benefit of TEL and Intercreditor Agent for an aggregate amount of US\$ 31 million (or PKR equivalent) to guarantee an investment in the form of equity or subordinated debt to cover (a) cost overrun, (b) any obligation under financing documents prior to Project Completion Date (“PCD”), and (c) Commercial Operation Date (“COD”) undertakings. Such ‘investment’ shall be for a period up till the earlier of Project Completion Date or December 2025.

FURTHER RESOLVED that the CEO, CFO and the Company Secretary, acting jointly or severally are authorized to negotiate and procure the Standby Letter of Credit from banks/ financial institution(s); provide security on such terms and conditions as may be deemed appropriate (including creation of charge, or hypothecation for the guarantee amount with appropriate margin over (movable and immovable) assets of the Company) for the issuance of Standby Letter of Credit and for the said purpose do or cause to do all acts, deeds and things that may be necessary or required in connection therewith and to negotiate and execute agreements, security documents, confirmations, notices, filings and certificates as may be agreed with the lenders including any amendments thereto, or required by law.”

g. Initial DSRA and DSRA LC

“RESOLVED that that the approval of the members of the Company be and is hereby accorded in terms of Section 199 to authorize the Company to issue a sponsor standby letter of credit to cover for the Initial Debt Service Reserve Account Shortfall, of an amount estimated not to exceed USD 20 million (or PKR equivalent), but which may be higher. Such SBLC shall be for a period up till the earlier of first payment of the installment of the loan or December 2023.

FURTHER RESOLVED that the Company is hereby authorized to issue a sponsor standby letter of credit to cover for the Debt Service Reserve Account, of an amount estimated not to exceed USD 20 million (or PKR equivalent), but which could be higher as detailed in the explanation. Such sponsor obligation shall be for a period earlier of the tenure of the project loan or December 2032.

FURTHER RESOLVED that the CEO, CFO and the Company Secretary, acting jointly or severally are authorized to negotiate and procure the Standby Letter of Credit from banks/ financial institution(s); provide security on such terms and conditions as maybe deemed appropriate (including creation of charge, or hypothecation for the guarantee amount with appropriate margin over (movable and immovable) assets of the Company) for the issuance of Standby Letter of Credit and for the said purpose negotiate and execute agreements, security documents, confirmations, notices, filings and certificates as may be agreed with the lenders, including any amendments thereto, or required by law.”

h. Excess Debt Support

“RESOLVED that that the approval of the members of the Company be and is hereby accorded in terms of Section 199 to authorize the Company to provide contractual commitments up to USD 22 million (or PKR equivalent) to Lenders for the purpose of TEL taking excess debt, which is over and above the cost approved by NEPRA. Such sponsor obligation shall be for a period earlier of the tenure of the project loan or December 2032

FURTHER RESOLVED that the CEO, CFO and the Company Secretary, acting jointly or severally are authorized to negotiate and finalize finance documents containing certain commitments in the form reasonably required by Lenders, to provide excess debt support to TEL with banks / financial institution(s); provide security on such terms and conditions as may be deemed appropriate (including creation of charge, or hypothecation for the guarantee amount with appropriate margin over (movable and immovable) assets of the Company) and for the said purpose negotiate and execute agreements, security documents, confirmations, notices, filings and certificates as may be agreed with the Lenders, including any amendments thereto, or required by law.”

i. TEL Put Option

RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 to participate in the Put Option / Commercial Risk Guarantee (“Put Option / CRG”) to be provided by local banks and financial institutions (including Habib Bank Limited) (“Put Option / CRG Financiers”) to the foreign lenders and contributing payment of a sum not exceeding USD 15 million, (“Put Option / CG Contribution Amount”) under the same as primary obligor in accordance with the terms of the Put Option / CRG Agreement. Such sponsor obligation shall be valid till December 2032.

FURTHER RESOLVED that the Company be and is hereby authorized to provide sponsor support to the Put Option / CRG Financiers for various exposures being assumed by the Put Option / CRG Financiers in respect of the Put Option / CRG to cover any shortfall that TEL is unable to provide to the Put Option / CRG Financiers (which includes any foreign exchange risk and mark-up /

interest) up to the extent of USD 10 million, or such other amount as maybe agreed with the Put Option / CRG Financiers from time to time (“Put Option / CRG Support Amount”). Such sponsor obligation shall be valid till December 2032.

FURTHER RESOLVED that the Company is authorized to create a first ranking pari passu charge and/or mortgage over assets or such other alternate security as the lenders may reasonably require from time to time in favor of Put Option / CRG Financiers for the Put Option / CRG Support Amount and Put Option / CRG Contribution Amount with such margin and on such terms as may be deemed appropriate by the Authorized Persons (defined below).

FURTHER RESOLVED THAT the CEO, CFO and the Company Secretary (“Authorized Persons”), acting jointly or severally are authorized to negotiate and finalize the terms of the Put Option / CRG and to execute all necessary documents and agreements in relation to the same including but not limited to the security, sponsor support and other related documents and do all other matters incidental thereto, and carry out any other act or step which may be ancillary and / or incidental to do the above and necessary, including any amendments to the Amended and Restated Tripartite Amendment Agreement dated January 12, 2018, to fully achieve the object of the aforesaid resolutions.”

j. Parent Company Guarantee for Hub Power Services Limited (HPSL) to TEL

“RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 to provide a contractual commitment and a parent company guarantee to TEL guaranteeing the due and punctual performance of obligations by HPSL pursuant to the terms of the O&M Agreement. Such sponsor obligation shall be for a period the earlier of the tenure of the project loan or December 2032.

FURTHER RESOLVED that the CEO, CFO and the Company Secretary, acting jointly or severally are authorized to negotiate and finalize terms of the contractual commitment and parent company guarantee containing certain commitments in the form reasonably required by Lenders, to TEL and for the said purpose negotiate and execute such documents, corporate guarantees, instruments, and confirmations as may be agreed with the Lenders and TEL, including any amendments thereto, or required by law.”

2. Investment in Sindh Engro Coal Mining Company Limited (‘SECMC’)

“RESOLVED that the approval of the members of the Company be and is hereby accorded in terms of Section 199 to the Company as an investor in Sindh Engro Coal Mining Company Limited (SECMC) be and is hereby authorised to increase the amount for Sponsor Support Guarantee to cover for cost overrun up to USD 5 million agreed with Lenders of SECMC and provide funding either by way of subscription of SECMC shares or by way of subordinated loan. Such Sponsor obligation shall be valid till August 2021

FURTHER RESOLVED that the Chief Executive Officer, Chief Financial Officer and the Company Secretary, acting jointly or severally are authorized to negotiate and execute any amendments to the Sponsors Support Agreement or any other agreements, contracts, and / or security documents, necessary for the or in relation to or in respect of the various phases of the project and take any actions necessary under or in respect thereof.”

3. Increase in Authorized Share Capital

“RESOLVED that approval of the members of the Company be and is hereby accorded for the authorized share capital of the Company to be increased from Rs. 12,000,000,000 (divided into 1,200,000,000 ordinary shares of Rs.10 each) to Rs. 17,000,000,000 divided into 1,700,000,000 ordinary shares of Rs. 10 each in accordance with the provisions of the Companies Act, 2017.

FURTHER RESOLVED THAT the Chief Executive, Chief Financial Officer and the Company Secretary be and hereby jointly or severally authorized to issue, execute and file letters, forms, petitions and applications with the Securities and Exchange Commission of Pakistan and other concerned authorities to ensure compliance of the provisions of the Companies Act, 2017 and PSX Listing Regulations.

RESOLVED that the authorized share capital of the Company be increased from Rs. 12,000,000,000 to Rs. 17,000,000,000 divided into 1,700,000,000 ordinary shares of Rs 10 each.

FURTHER RESOLVED that the Memorandum of Association of the Company be altered by deleting Clause V and replacing the same with the following clause:

“V. The Authorized Share Capital of the Company is Rs. 17,000,000,000/- (Rupees Seventeen Billion) divided into 1,700,000,000 (Seventeen Hundred Million) Ordinary Shares of Rs 10 (Ten) each with the rights, privileges and conditions attaching thereto provided by the regulations of the Company for the time being with power to increase and reduce the capital of the Company and to sub divide the ordinary shares in the capital for the time being into several classes.”

FURTHER RESOLVED that the Articles of Association of the Company be altered by deleting Article 4 and replacing the same with the following:

“4. AUTHORISED SHARE CAPITAL

The authorized share capital of the Company is Rs. 17,000,000,000/- (Rupees Seventeen Billion) divided into 1,700,000,000 (Seventeen Hundred Million) Ordinary Shares of Rs 10 (Ten) each.”

FURTHER RESOLVED that with regard to the aforesaid, the requirements under the Companies Act, 2017 be met.



Shaharyar Nashat
Company Secretary