

RESOLUTIONS PASSED AND ADOPTED BY THE MEMBERS OF THE HUB POWER COMPANY LIMITED AT THE EXTRA ORDINARY GENERAL MEETING HELD ON TUESDAY, APRIL 16, 2019 AT 10.00 AM AT MARRIOTT HOTEL, KARACHI

1. Approval for Extension of Issuance of Letter of Support (“LOS”) Guarantee to Private Power & Infrastructure Board (“PPIB”) for Thar Energy Limited (“TEL”).

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

“RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 to authorize the Company to arrange and provide a bank guarantee to Private Power & Infrastructure Board (“PPIB”) to cover the obligations of Thar Energy Limited (“TEL”) to USD 1.98 M. The bank guarantee shall be for a period up till December 31, 2019.

FURTHER RESOLVED THAT, subject to Shareholders’ approval, the Chief Executive Officer, Chief Financial Officer and/or the Company Secretary, acting jointly or severally are authorized to procure finance facility(ies) from banks/financial institution(s) for the issuance of Bank Guarantee to PPIB 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 or immovable) assets of the Company and for the said purposes execute agreements, security documents, confirmations, notices, filings and certificates as may be agreed with the financiers, including any amendments thereto, or as required by law.”

2. Investment in China Power Hub Generation Company (Private) Limited (“CPHGC”)

“RESOLVED THAT, the approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 for making “investments” in China Power Hub Generation Company (Pvt.) Limited (“CPHGC”) (directly or through HPHL) to make investment in CPHGC up to USD 250 million plus applicable taxes (Equivalent PKR) by way of subscription of shares at PKR 10 per share or at premium, and purchase of shares from China Power International (Pakistan) Investment Limited (“CPIPIL”) as applicable.

FURTHER RESOLVED THAT subject to the approval of the Shareholders, the Chief Executive Officer, Chief Financial Officer and the Company Secretary be and are hereby jointly or severally authorized to take all necessary action to make the above investment and to acquire shares of CPHGC.”

3. Approval of the Sponsor Support Agreement for 330MW mine-mouth coal power plant at Thar.

a. Investment in ThalNova Power Thar (Private) Limited

“RESOLVED THAT the approval of the members of the Company be and is hereby accorded, to make “investments” directly or through its subsidiary Hub Power Holdings Limited (“HPhL”) in ThalNova Power Thar (Private) Limited (“TN”) up to an amount not exceeding USD 50.5 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 TN. Such investment shall be for a period up till July 31, 2026 or such period until the liabilities/obligations of Sponsors remain undischarged, whichever is later.

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 TN.”

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 ThalNova Power Thar (Pvt) Limited (“TN”) or to TN, directly or through its subsidiary Hub Power Holdings Limited (HPhL), to cover for the equity investment of (and up to an amount not exceeding) USD 50.5 million (or PKR equivalent) to guarantee the subscription of equity. Such investment shall be for a period up till July 31, 2026 or such period until the liabilities/obligations of Sponsors remain undischarged, whichever is later.

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 as may be required by the lenders on such terms and conditions as may be deemed appropriate 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 ThalNova Power Thar (Pvt) Limited (“TN”) or to arrange and/or provide working capital financing to TN, directly or through its subsidiary Hub Power Holdings Limited (“HPhL”), equivalent to an aggregate amount of US\$ 23 million. Such ‘investment’ shall be for a period up till August 31, 2033 or such period until the liabilities/obligations remain undischarged, whichever is later.

FURTHER RESOLVED that subject to Shareholders’ approval, 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 as may be required by the lenders on such terms and conditions as may be deemed appropriate 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, benefits and interests in respect of any investment made in ThalNova Power Thar (Pvt) Limited (“TN”) by way of Subordinated loan (which loan is to be treated as subordinated to the debt of the Lenders of TN) including the benefits of any indemnities, warranties and guarantees, in favour of the lenders of TN, directly or through its subsidiary Hub Power Holdings Limited (“HPhL”). Such ‘investment’ shall be for a period up till August 31, 2033 or such period until the liabilities/obligations remain undischarged, whichever is later.

FURTHER RESOLVED that the CEO, CFO and the Company Secretary, acting jointly or severally are authorized to assign any loan given to TN (which loan is to be treated as subordinated to the debt of the lenders of TN) on such terms and conditions as may be deemed appropriate for the assignment of such debt to TN, 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 ThalNova Power Thar (Pvt) Limited (“TN”) held by it from time to time, in favour of the Lenders of TN, whether such shares are acquired directly by way of subscription or otherwise. Such ‘investment’ shall be for a period up till August 31, 2033 or such period until the liabilities/obligations remain undischarged, whichever is later.

FURTHER RESOLVED that subject to Shareholders’ approval, the CEO, CFO and the Company Secretary, acting jointly or severally, be and are hereby authorized to negotiate and 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 Lenders of TN including any amendments thereto, or as required by law.

f. Sponsor Support Contribution LC

“RESOLVED 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 ThalNova Power Thar (Pvt) Limited (“TN”) and Intercreditor Agent for an aggregate amount of US\$ 20 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 31 July 2026.

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 as required by lenders on such terms and conditions as may be deemed appropriate 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.”

g. Initial Debt Service Reserve Account (“DSRA”) and DSRA LC (“DSRA Letter of Credit”)

“RESOLVED 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

14 million (or PKR equivalent), but which could be higher as detailed in the explanation. Such SBLC shall be for a period up till the earlier of first payment of the installment of the loan or 31 January 2024.

FURTHER RESOLVED that subject to the approval of the Shareholders, 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 14 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 31 August 2033.

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 as required by lenders on such terms and conditions as may be deemed appropriate 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. ThalNova Power Thar (Pvt) Limited (“TN”) 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”) in favour of the foreign lenders and contributing payment up to USD 10 million (or PKR equivalent) (“Put Option / CRG Contribution Amount”) under the same as primary obligor in accordance with the terms of the Agreement Regarding Procedures Following Event of Default. Such sponsor obligation shall be valid till 31 August 2033.

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 TN 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 07 million), or such other amount as may be agreed with the Put Option / CRG Financiers from time to time (“Put Option / CRG Support Amount”). Such Sponsor obligation shall be valid till 31 August 2033.”


FURTHER RESOLVED that the Company is authorized to provide security in form and substance acceptable to the Put Option / CRG Financiers or such other alternate/additional security as the Put Option / CRG Financiers may require from time to time up to 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 carryout any other act or step which may be ancillary and / or incidental to do the above and necessary, to fully achieve the object of the aforesaid resolutions.”

i. **Parent Company Guarantee for Hub Power Services Limited (“HPSL”) to ThalNova Power Thar (Private) Limited (“TN”)**

“RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act 2017 to provide (if required) a contractual commitment and a parent company guarantee to ThalNova Power Thar (Private) Limited 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 the expiry of the O&M Agreement.

FURTHER RESOLVED THAT the Chief Executive Officer, Chief Financial Officer 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 ThalNova Power Thar (Private) Limited and for the said purpose negotiate and execute such documents, corporate guarantees, instruments, and confirmations as may be agreed with the Lenders and ThalNova Power Thar (Private) Limited, including any amendments thereto, or required by law.”



Shaharyar Nashat
Company Secretary