

212, Cotton Exchange Building,
I.I.Chundrigar Road, Karachi (Pakistan)
UAN:92 21 111000100 Fax: 92 21 32416705
E-mail: contact@sapphiretextiles.com.pk



Sapphire Textile Mills Limited

7-A/K, Main Boulevard, Gulberg-II,
Lahore (Pakistan)
UAN: 92 21 111 000 100 Fax:92 21 35758783, 35713753

SAPPHIRE TEXTILE MILLS LIMITED NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the Shareholders of Sapphire Textile Mills Limited (the "Company") will be held on Monday the 17th February 2014 at the Trading Hall, Cotton Exchange Building, I.I. Chundrigar Road, Karachi at 3.30 p.m. to transact the following business:

1. Ordinary Business:

To confirm the minutes of last Annual General Meeting held on October 29, 2013.

2. Special Business:

To discuss, consider, approve and, if thought fit, pass the following Special Resolution with or without modification(s):

- 2.1 Resolved that the Shareholders' Agreement, the Share Subscription Agreement, the Shareholders' Contribution Agreement, the Sponsor Support Agreement, the Shareholders Subordination Agreement and the Shareholders Loan Assignment Deed (herein collectively referred to as the "Agreements"), along with all exhibits/annexes thereto and all commitments made by the Company therein be and are hereby approved.
- 2.2 Resolved that pursuant to the Agreements Share Subscription Agreement, Shareholder Contribution Agreement and the Shareholders' Agreement, the Company be and is hereby authorized to seek investment in Sapphire Wind Power Company Limited (SWPCL) from Bank Alfalah Limited of up to the PKR equivalent of USD 10,681,518 by way of subscription at par in ordinary shares of PKR 10 each of the SWPCL from time to time over a period of two years; so that, as a result thereof, the shareholding of the Company in SWPCL shall be reduced to 70% of the total issued and paid-up share capital of SWPCL.
- 2.3 Resolved that pursuant to the Share Subscription Agreement, Shareholder Contribution Agreement and the Shareholders' Agreement, the Company be and is hereby authorized in terms of Section 208 of the Ordinance to invest up to the PKR equivalent of USD 24,923,541 in SWPCL, including the amounts already invested, by way of subscription at par in ordinary shares of PKR 10 each of SWPCL from time to time over a period of two years; so that, as a result thereof, on and after the effective date of the aforesaid agreements at least 70% of the total issued and paid-up share capital of SWPCL shall be owned by the Company.
- 2.4 Resolved that the Company be and is hereby authorized to (i) deliver or cause to be delivered a standby letter of credit together with any replacement standby letter of credit in order to secure its aforesaid equity investment of up to the PKR equivalent of USD 24,923,541 (less the amount already invested) in favour of the Security Trustee, on behalf of *inter alia* the Overseas Private Investment Corporation, in accordance with *inter alia* the Finance Agreement and the Shareholders' Contribution Agreement, and (ii) provide such security/collateral as may be required by the issuing bank in order for the same to issue the aforesaid standby letter of credit.
- 2.5 Resolved that in pursuant to the terms and conditions of the Sponsor Support Agreement and the Shareholder Subordination Agreement, the Company be and is hereby authorized in terms of Section 208 of the Ordinance to advance by way of loan up to the PKR equivalent of USD 3,723,942 in SWPCL for a period of up to five years commencing from the commercial operations date; the return on such loan shall be not less than the borrowing cost of the Company.
- 2.6 Resolved that the Company be and is hereby authorized to provide such security/collateral as may be required by the issuing bank in order for (i) the issuing bank to issue, and (ii) SWPCL to thereby deliver or cause to be delivered, a debt service reserve standby letter of credit together with any replacement standby letter of credit in favour of the Offshore Collateral Agent, on behalf of *inter alia* the Overseas Private Investment Corporation, in accordance with *inter alia* the Finance Agreement and the Accounts Agreement, in order to secure the obligations of SWPCL in relation to the Required Balance of the Debt Service Reserve Account pursuant to the Accounts Agreement.