

DRAFT
SCHEDULE 9
FORM OF SELLER LETTER OF CREDIT

[date and place of issue]

APPLICANT

Name: [●]

Address: [●]

Attention: [●]

ISSUING BANK

Name: [●]

Address: [●]

Attention: [●]

BENEFICIARY

Name: K-Electric Limited (“**Power Purchaser**”)

Address: KE House, 39-B, Sunset Boulevard, Phase II, D.H.A, Karachi, Pakistan

Attention: [●]

We hereby issue our documentary credit as follows:

TYPE OF CREDIT

Irrevocable

SELLER LETTER OF CREDIT NUMBER [●]

DATE: [●]

PLACE OF ISSUANCE: [●]

AMOUNT:

Figure: USD 35/kW

In Words: United States Dollar [●]

(THE “LC AMOUNT”)

EXPIRY DATE¹ [●]

All capitalized terms used herein and not otherwise defined herein shall have the same meaning as provided in the Energy Purchase Agreement entered between the Company and the Power Purchaser dated [●] (“Agreement”).

CONDITIONS PRECEDENT

In the event that the Company is be required to pay liquidated damages or any other amounts owed by the Company to the Power Purchaser, under the terms of the Agreement and the Company fails to pay such liquidated damages or other amount (as the case may be) when due, then the Power Purchaser shall be entitled to draw or collect such amounts, less any amounts disputed by the Company, from this Seller Letter of Credit on the date of presentation of a drawing certificate issued by an authorised officer of the Power Purchaser in the form and manner provided in Annexure 1 hereto (the “Drawing Certificate”).

The Drawing Certificate shall be accompanied by the relevant invoice delivered to the Company and any Invoice Dispute Notice delivered by the Company to the Power Purchaser, to us. The Power Purchaser shall not be entitled to draw any amounts shown in the invoice or demand to the Company that has been disputed by the Company until such amount is determined to be due and payable to the Power Purchaser in accordance with the dispute resolution procedures set forth in this Agreement.

CREDIT AVAILABLE WITH

Presentation of any Drawing Certificate and all communications in writing with respect to this Seller Letter of Credit shall be addressed to us at [Issuing Bank name and address] referencing the Seller Letter of Credit No. [●], Attention: [●]. Such Drawing Certificate may be delivered through electronic mail addressed to [●] or via express courier.

This Seller Letter of Credit sets forth in full the terms of our undertaking and this undertaking shall not in any way be modified, amended, limited, or amplified by reference to any document, instrument, or agreement referred to herein.

Payments will be made on immediate basis upon submission of the Drawing Certificate by the Power Purchaser under this Seller Letter of Credit without set-off and clear of any deductions or charges, fees or

¹ At least twelve (12) Months from the date of issuance

withholding of any nature now or hereafter imposed, levied, collected, withheld or assessed. The Power Purchaser shall be entitled to make partial drawings under this Seller Letter of Credit.

Furthermore, any claims under Seller Letter of Credit that are required to be paid in USD shall be paid in PKR equivalent at the rate prevailing as published by the National Bank of Pakistan on the date any Drawing Certificate is submitted by the Power Purchaser.

Any drawing made by the Power Purchaser under this Seller Letter of Credit shall reduce the Seller Letter of Credit amount available for drawing by the Power Purchaser on any subsequent drawing by the amount of each drawing. The Issuing Bank shall, upon payment of the entire LC Amount, have no further liability to the Power Purchaser under this Seller Letter of Credit and as if the Expiry Date had occurred.

The Issuing Bank shall replace or extend the Seller Letter of Credit for a further period of six (6) months prior to its expiry upon written request of the Company. Such extension or replacement of the Seller Letter of Credit will happen at the expiry of each replaced or extended Seller Letter of Credit until the occurrence of the Commercial Operations Date upon the written request of the Company.

Notwithstanding anything contrary contained in this Seller Letter of Credit, the maximum liability of the Issuing Bank under this Seller Letter of Credit is up to the LC Amount and the Issuing Bank shall not be liable under this Seller Letter of Credit after the Expiry Date. Instruments shall stand expired once original instrument is returned to Issuer.

We hereby engage with you that amounts drawn strictly in compliance with the terms of this Seller Letter of Credit and any amendments thereto shall be met with due honor upon presentation. This Seller Letter of Credit is subject to "Uniform Customs and Practice for Documentary Credits" (2007 Revision), International Chamber of Commerce, Publication No. 600.

This Seller Letter of Credit shall be governed by and construed in accordance with the laws of Pakistan.

Authorized Signature

Authorized Signature

WITNESSES

1. Name: _____

Address: _____

CNIC/Passport No: _____

Signature: _____

2. Name: _____

Address: _____

CNIC/Passport No: _____

Signature: _____

Annexure 1

Format of Drawing Certificate

Irrevocable Seller Letter of Credit

No. _____ dated _____

[*date of certificate*]

To:

(the “**Issuing Bank**”)

Re: Your Seller Letter of Credit Number [●] dated [●] (the “**Seller Letter of Credit**”)

All capitalized terms used herein and not otherwise defined herein shall have the same meaning as provided in the Seller Letter of Credit. The undersigned hereby certifies to the Issuing Bank with reference to the Seller Letter of Credit issued at the request and on account of Company in favour of the Power Purchaser as follows:

A) The Power Purchaser is making a drawing in the full available amount LC Amount of the Seller Letter of Credit because the term of the Seller Letter of Credit shall expire within ten (10) Business Days of the date of this certificate and the Company has failed to deliver a replacement or renewal Seller Letter of Credit acceptable to the Power Purchaser, and security is still required under the terms of Section 2.7 of the Agreement. Accordingly, please make payment of [●] to our account number [●] held with [●];

OR

B) The Company has failed to fulfill its obligations under [Section 4.1(b)/Section 2.9(a)] of the Agreement and/or has further failed to fulfil its payment obligations on account of liquidated damages under Section 9.3(b) of the Agreement on or before the Due Date in respect of our Invoice dated [●] (attached herewith);

The Invoice was delivered to the Company at least thirty (30) Days prior to presentation of this Drawing Certificate to you (the “**Due Amount**”).

The Due Amount has not been paid in accordance with Section 9.5(a)(ii) of the Agreement. Therefore, the Due Amount is now due and payable by the Company to the Power Purchaser. Please make payment of the Due Amount to our account number [●] held with [●].

The undersigned is a duly authorized officer of the Power Purchaser and is duly authorised to execute and deliver this Drawing Certificate and to draw upon the Seller Letter of Credit.

This Drawing Certificate is true and correct in all respects.

Capitalized terms used herein and not otherwise defined shall have the same meaning as provided in the Seller Letter of Credit.

Yours Faithfully,

For and on behalf of the Power Purchaser
(Authorised Signatory)