Shariah Vetting Certificate of the Shariah Compliant Security for Sukuk by Shariah Advisor

The structure is based on the Musharakah (Shirkat-ul-Aqd) and is in conformity with Shariah principles. The undersigned hereby approves the above structure for the short term working capital financing facility through the issuance of Rated, Privately Placed, Unsecured, Sukuk Issue of Upto PKR 5,000 million (PKR Five Billion inclusive of green shoe option of PKR 1,000 Million) in the form of Certificates (Sukuk Certificates), inducted directly into the CDS, having a face value of PKR 1,000,000 /- (Pak Rupees One Million) each or in multiples thereof. In addition, Shariah advisor further pronounce that:

1. There is no involvement of Riba as there is not any profit on loan instead the structure is based on Musharakah (Shirkat-ul-Aqd).

2. The return to investors will be derived from the profit generated through Musharakah business as the contribution of Sukuk will be utilized for advancing funds to the company on Musharakah basis for generation, transmission and distribution of electricity to its consumers / customers.

3. The structure is based on Musharakah (Shirkat-ul-Aqd) concept and does not carry excessive Gharar in relation to tenure, profit/loss sharing and principal redemption, as the same is clearly stated in relevant Musharakah agreement.

4. The financing arrangement is consistent with the relevant Shariah principles with benefits to the Company and Investors.

5. Sukuk subscription and Investment Agency Agreement, Musharakah Agreement, and Sukuk Issuance Agreement ("Legal Agreements") have been reviewed. The Legal Agreements are in line with Shariah structure and are consistent with the Shariah principles. There is no need of SPV as Investors are investing on Shirkat-Ul-Aqd basis to finance working capital needs that's why assets can't be segregated for generating and distributing electricity to consumers / customers.

Mufti Muhammad Abdullah
SECP Registered Shariah Advisor
SECP/IFD/SA/115
Dated: 08th April, 2024