RUNNING FINANCE AGREEMENT

BETWEEN

SPUD ENERGY PTY LIMITED
(As the Customer)

AND

JS BANK LIMITED
(As the Bank)

EXECUTED ON NOVEMBER 3, 2020

EXECUTED AT KARACHI, PAKISTAN

A&Q
AHMED & QAZI
ADVOCATES & LEGAL CONSULTANTS

RUNNING FINANCE AGREEMENT

This **RUNNING FINANCE AGREEMENT** is entered into at Karachi, Pakistan on this **3rd** day of **November** 2020:

BETWEEN

SPUD ENERGY (PTY) LIMITED, a proprietary company incorporated under the laws of the Commonwealth of Australia and allowed to operate in Pakistan under the Companies Act 2017, having its registered branch office at 3rd Floor, 22 East, Saeed Plaza, Jinnah Avenue, Blue Area, Islamabad (hereinafter referred to as the **"Customer"** which expression shall mean and include, wherever the context so permits, its successors-in-interest, liquidators, assigns and legal representatives)

AND

JS BANK LIMITED, a banking company incorporated under the laws of Pakistan and licensed by the SBP to conduct the business of banking, having its registered office at Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, P.O. Box No. 4847, Karachi (hereinafter referred to as the **"Bank"**, which expression shall wherever the context so permits, mean and include its successors-in-interest, liquidators, permitted assigns and legal representatives)

(The **Customer** and the **Bank** shall hereinafter be singly referred to as the **"Party"** and collectively referred to as the **"Parties"**)

WHEREAS:

A. The Customer has approached the Bank with a request to extend a running finance facility for an amount of PKR 200,000,000/- (Pak Rupees Two Hundred Million only) (the **"Facility"**) for the Purpose.

B. The Bank, specifically on the request of, and strictly on the terms and conditions as stated in this Agreement, has agreed to provide the Facility to the Customer.

NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED AND DECLARED AS UNDER:

1. **INTERPRETATION**

1.1 **Definitions**

In this Agreement, unless the context shall otherwise require:

"Agreement" shall mean this Running Finance Agreement.

"Assets" shall mean the assets of the Customer as described in Schedule 1 *(Assets)* that the Bank may purchase and that the Customer may sell to the Bank as part of the sale and buy-back arrangement under the terms of this Agreement.

"Authorized Representative" shall mean:

(i) in respect of the Bank, any officer of the Bank nominated as an Authorized Representative of the Bank by notice to the Customer; and

(ii) in respect of the Customer, any officer of the Customer nominated as an Authorized Representative of the Customer by notice to the Bank.

"Bank's Legal Counsel" shall mean Ahmed & Qazi, Advocates and Legal Consultants having its principal offices at 402, 403, 404 & 417, Clifton Centre, Clifton, Karachi.

"Base Rate" shall mean the average rate 'Ask Side' of the one (1) month's Karachi Inter Bank Offer Rate (KIBOR) as published on 'Reuters' page KIBOR or as published by the Financial Market Association of Pakistan (FMA), as the case may be, and the Base Rate for the first time will be the rate that may be prevailing on the last business day before first drawdown of the Sale Price and subsequently, on the last business day prior to the beginning of every month. In the event that this rate is not published on Reuters on the rate fixing date or if less than 8 banks provide their rates for the KIBOR fixing, the FMA or other relevant market body will be contacted for fixation of the rate.

"Business Day" shall mean a day on which the Bank is open for business in Pakistan.

"Charged Assets" shall mean the assets of the Customer and FHL as described in Schedule 2 *(Charged Assets)* attached hereto that the Customer, in order to secure all the Customer's payment obligations towards the Bank under this Agreement, shall charge or procure charge in favour of the Bank.

"Clean-up Period" shall mean the period commencing from 3 (three) days prior to the Termination Date till the Termination Date, during which the Customer shall be required to make payment of all outstanding amounts due to the Bank under this Agreement.

"Closing Date" shall mean the date not later than 30 (thirty) days from the date of execution of this Agreement on which all the Conditions Precedent as stated in this Agreement shall stand fulfilled or waived after which the Customer may commence availing the Sale Price or any part thereof, in accordance with this Agreement.

"Events of Default" shall mean any of the events or circumstances described in Article 22 *(Events of Default)* hereto.

“Facility” shall mean the running finance facility of an amount of PKR 200,000,000/- (Pak Rupees Two Hundred Million only) being extended to the Customer by the Bank in terms of this Agreement.

“Financial Indebtedness” shall mean any obligation, whether present or future, actual or contingent to pay or deliver any moneys under or in respect of any financial accommodation, facility or arrangement granted to the Customer including, without limitation, in respect of any:

(i) moneys borrowed or raised by the Customer including, without limitation, any finances or loans as defined in the Financial Institutions (Recovery of Finances) Ordinance No. XLVI of 2001;

(ii) guarantee that may have been given or that may be given in future by the Customer in favour of any banking company or in favour of any other associate or other company;

(iii) bond, debenture, promissory note, redeemable securities, or bill of exchange (whether or not transferable or negotiable);

(iv) option that may have been given or that may be given in future by the Customer to anyone to sell or buy any of the Customer’s property at normal or discounted price;

(v) hire, purchase or deferred payment obligation for any property acquired or service employed;

(vi) obligation under any swap or future or option contract;

(vii) arrangement which achieves the same or equivalent commercial effect as to any of the above, or

(viii) action to indemnify against the consequences of default in the payment of otherwise to be responsible for, any obligation or indebtedness, or otherwise to be responsible for the solvency or financial condition, of any other person.

“FHL” shall mean Frontier Holdings Limited.

“JURA” shall mean Jura Energy Corporation.

“Material Adverse Effect” shall mean whatever in the sole opinion of the Bank is material adverse effect on the business assets or financial condition of the Customer or the ability of the Customer to perform its obligations under this Agreement.

“Pakistan” shall mean the Islamic Republic of Pakistan.

"Payment Schedule" shall mean the tentative payment schedule given in Schedule 3 (*Payment Schedule*) in accordance with which the Customer shall be required to pay off the Purchase Price.

"Permitted Security Interest" shall mean any Security Interest which arises solely by operation of law in the ordinary course of business, any Security Interest that is inferior to the Security that the Bank may be holding under the terms of this Agreement or any Security Interest which is created on any asset of the Customer other than the Charged Assets.

"PKR" or **"Rs."** or **"Rupees"** shall mean the lawful currency of Pakistan.

"Purpose" shall mean the object for which the Customer seeks to avail the Facility i.e. to finance the ongoing business operations of the Customer as permitted by its memorandum and articles of association.

"Purchase Price" shall mean the sum at which the Bank shall sell the Assets back to the Customer and the same shall be payable by the Customer to the Bank in accordance with the Payment Schedule given in Schedule 3 (*Payment Schedule*).

"Sale Price" shall mean the sum of PKR 200,000,000/- (Pak Rupees Two Hundred Million only), being the price at which the Bank shall purchase the Assets from the Customer if so requested by the Customer.

"Security" shall mean the Security Interests created or to be created over the Charged Assets along with other such charges to be created through the Security Documents that the Bank requires the Customer to sign and deliver in terms of this Agreement to secure the Customer's payment obligations towards the Bank under this Agreement as more particularly described in Article 11 *(Security)*.

"Security Documents" shall mean all the documents that the Customer shall have to execute and deliver and if required, register with the relevant authority, to create and perfect the Security in favour of the Bank to secure all its payment obligations under this Agreement.

"SBP" shall mean the State Bank of Pakistan.

"SECP" shall mean the Securities and Exchange Commission of Pakistan.

"Security Interest" means:

(i) a mortgage, pledge, lien, charge, assignment by way of security, hypothecation, secured interest, title retention arrangement, trust arrangement or other arrangement having the same or equivalent legal effect as a grant of security, or

(ii) an agreement to create or provide for any arrangement that is similar to any of those referred to in paragraph (i) of this definition.

"Termination Date" shall mean the date falling six (6) months from the date of first disbursement of the Sale Price by the Bank to the Customer under the terms of this Agreement.

1.2 **General**

In this Agreement, unless the context shall otherwise require:

(i) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation under, that legislative provision

(ii) the singular includes the plural and vice versa

(iii) a reference to an individual or person includes a company, firm, trust, authority or government and vice versa

(iv) a reference to any gender includes all genders

(v) a reference to a recital, Article, schedule or annex is to a recital, Article, schedule or annex of or to this Agreement

(vi) a recital, schedule or annex forms part of this Agreement

(vii) a reference to any agreement or document is to that agreement or document (and, where applicable, any of its provisions) as amended, novated, restated or replaced from time to time

(viii) a reference to any party to this Agreement or any other document or arrangement includes that party's executors, administrators, successors, permitted substitutes, permitted transferees and permitted assigns

(ix) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning, and

(x) a reference to a matter being 'to the knowledge' of a person means that the matter is to the best of the knowledge and belief of that person after making reasonable enquiries in the circumstances.

1.3 **Headings**

In this Agreement, headings are for convenience of reference only and they may not affect interpretation of the terms of this Agreement.

1.4 **Business Day**

If the day on which any act, matter or thing is to be done under or pursuant to this Agreement is not a Business Day, that act, matter or thing:

(i) if it involves a payment other than a payment which is due on demand, shall be done on the preceding Business Day; and

(ii) in all other cases, shall be done no later than the immediate succeeding Business Day.

1.5 **Termination Date**

This Agreement shall stand terminated on the Termination Date and all the amounts that may be payable by the Customer to the Bank on that day, or earlier if so demanded by the Bank under this Agreement, shall become payable to the Bank forthwith. The nature of the Facility is one-off and therefore this Agreement and the Facility cannot be renewed by the Parties.

1.6 **Utilization of Funds**

Subject to the terms and conditions of this Agreement, the Customer shall be entitled to utilize the Sale Price as the Facility for the Purpose only.

2. **SALE PRICE AND PURCHASE PRICE**

2.1 **Purchase of Assets by Bank and Sale Price**

The Parties agree that the Bank shall purchase the Assets from the Customer at the Sale Price in accordance with and subject to the terms and conditions stated in this Agreement.

2.2 **Sale of Assets by Bank and Purchase Price**

The Parties agree that subsequent to the purchase of Assets by the Bank as described in Article 2.1 *(Purchase of Assets by Bank and Sale Price)* above, the Customer shall purchase the same at the Purchase Price to be paid by the Customer to the Bank in accordance with the Payment Schedule attached as Schedule 3 *(Payment Schedule)* hereto.

3. **DISBURSEMENT**

On the Closing Date, while intimating the Customer in writing, the Bank shall make available the Facility for disbursement to the Customer.

4. **PAYMENT OF PURCHASE PRICE BY CUSTOMER**

Each payment in respect of the Purchase Price shall be deposited by the Customer and depositing of such amount shall be deemed a valid discharge of the obligation of the Customer to pay the Bank to the extent of the amount.

5. **MODIFICATION IN PAYMENT SCHEDULE**

5.1 In any of the following situations, the Bank shall be entitled to modify the Payment Schedule:

(i) Non-utilization of Sale Price or any portion thereof by the Customer by the Closing Date

(ii) For whatever reason, the Base Rate is replaced with any other similar benchmark as determined by the Bank, or

(iii) If, at any time, the Base Rate is discontinued.

5.2 Upon receiving a notice from the Bank containing a modified Payment Schedule, the Customer shall have the right not to accept the same in which case it shall be liable to pay off the entire outstanding amount to the Bank within thirty (30) Business Days. The Customer's omission, for whatever reason, to pay all the outstanding amount to the Bank within thirty (30) Business Days shall amount to acceptance of the modified Payment Schedule by the Customer and the Customer shall be deemed to have unconditionally agreed to pay all the outstanding amount to the Bank in accordance with the modified Payment Schedule.

6. **SUBSTITUTION OF KIBOR**

In the event that the Karachi Inter-Bank Offer Rate (“**KIBOR**”) is discontinued or, in the sole opinion of the Bank, ceases to be a realistic representation of the prevailing cost of funds in the money market, the Bank shall have the right to substitute the KIBOR with any other alternative that it deems fit. Within two (2) Business Days of such substitution, the Bank shall inform the Customer of the same without seeking or requiring any form of consent from the Customer with regard to the substitution.

7. **CALCULATION OF MARK-UP**

7.1 **Quarterly Mark-Up**

The mark-up component of the Purchase Price will be paid quarterly in arrears and will be calculated on a daily basis from the date of first drawdown of the Sale Price, on actual number of days elapsed in a year of 365 days on the outstanding balance of the Facility.

7.2 **Standard Mark-Up Rate**

If the Customer pays the Purchase Price and/or the mark-up component of the Purchase Price after fifteen (15) calendar days of its due date/specified date, then a standard mark-up rate (**"SMR"**) of Base Rate + 5.00% per annum will be applied to instalments of the mark-up component. The adjustment amount will be paid accordingly by the Customer to the Bank. This right to recover a delayed instalment at the SMR is without prejudice to the right of the Bank to recover liquidated damages as mentioned in Article 26 *(Liquidated Damages)*.

7.3 **Timely Payment Mark-up Rate**

In the event that the Customer pays the mark-up component of the Purchase Price on or prior to fifteen (15) calendar days from its relevant due date/specified date, then a timely payment mark-up rate of Base Rate + 2.25% per annum will be applied to instalments of the mark-up component.

7.4 **Rebate**

The mark-up rebate shall be calculated as follows:

Mark-up Rebate = M – {P X R (N / 365/366)}

M = the mark-up paid

P = The outstanding amount of the Sale Price

R = The Base Rate plus 2.25% per annum

N = Number of days being the difference: (1) in case of first payment between the day of disbursement and the due date for the first payment of mark-up under this Agreement, and (2) in case of any subsequent payment between the due date of the previous payment and the due date for the relevant payment of mark-up under this Agreement.

8. **COSTS AND CHARGES**

8.1 **Processing Fee**

The Customer shall pay a processing fee to the Bank of PKR 2,500,000/- (Pak Rupees Two Million and Five Hundred Thousand only) (being 1.25% of the amount of the Facility) upon signing of this Agreement.

8.2 **Commitment fee**

The Customer shall pay a fee equal to 0.25% (zero point two five percent) of the undrawn/unutilized Sale Price per annum, payable quarterly from the date of first drawdown of the Sale Price.

8.3 **Other costs and expenses**

In addition to the above, after written intimation by the Bank, payment of all other costs, charges, fees and expenses incurred by the Bank in connection to the Facility, by the Customer to the Bank shall be made within ten (10) days after receipt of a demand from the Bank requiring such payment. Upon request from the customer, the Bank shall be liable to provide within seven (7) days reasonable evidence that such cost was incurred by the Bank.

9. **BANK NOT RESPONSIBLE FOR ASSETS**

The Parties hereto agree that notwithstanding the sale to the Bank of the Assets by the Customer and the purchase thereof by the Customer, the Bank shall in no way be responsible for the specifications, condition, quality or quantity of the Assets either to the Customer or to any third party. The Bank shall not be responsible in any way whatsoever for the efficacy of the Assets and the Customer hereby undertakes to indemnify and keep indemnified the Bank against any and all actions, proceedings, liabilities, claims, losses, damages, costs and expenses in relation to or arising out of the sale of the Assets that may be instituted against or suffered or incurred by the Bank.

10. **DETERMINATIONS ADVERSELY AFFECTING THIS AGREEMENT**

During the currency of this Agreement, in case this Agreement or any provision thereof is finally held by any court, tribunal or authority to be unenforceable or if it is necessary for any other reason whatsoever to amend or modify the terms or any provision of this Agreement, then the parties hereto, whilst acknowledging that the terms and covenants herein contained have been prepared in absolute good faith and in accordance with information and knowledge currently available, agree that in such eventuality, they shall forthwith suitably substitute this Agreement or such of its provisions as may have been declared unenforceable or which are necessary to amend for any other reason whatsoever, provided always that the new terms are in accordance with the directions of the court or tribunal or authority concerned.

11. **SECURITY**

11.1 In consideration of the Bank agreeing to provide the Facility to the Customer under this Agreement and as security for all its payment obligations towards the Bank under this Agreement, the Customer shall:

(i) create and perfect a ranking hypothecation charge in favour of the Bank over all its present and future movable assets (including plant and machinery), as more particularly described in Schedule 2 (Charged Assets) hereto, for a maximum secured amount of PKR 266,666,667/- (Pak Rupees Two Hundred Sixty Six Million, Six Hundred and Sixty Six Thousand, Six Hundred and Sixty Seven only) inclusive of a 25% margin,

(ii) procure the creation and perfection of a first priority hypothecation charge in favour of the Bank over all present and future movable assets (including plant and machinery) of FHL, as more particularly described in Schedule 2 (Charged Assets) hereto, for a maximum secured amount of PKR 266,666,667/- (Pak Rupees Two Hundred Sixty Six Million Six Hundred and Sixty Six Thousand Six Hundred and Sixty Seven only) inclusive of a 25% margin,

(iii) create a ranking charge in favor of the Bank by way of assignment over all proceeds from gas sales (current and future proceeds in respect of gas sales off-take agreements) from the working interest of the Customer and FHL under concession agreements and create a charge by way of assignment over the rights accruing under relevant contracts, as more particularly described in Schedule 2 *(Charged Assets)* hereto, for a maximum secured amount of PKR 266,666,667/- (Pak Rupees Two Hundred Sixty Six Million Six Hundred and Sixty Six Thousand Six Hundred and Sixty Seven only) inclusive of a 25% margin,

(iv) create and perfect a charge by way of lien over its bank accounts and procure the creation and perfection of a charge by way of lien over the bank accounts of FHL, as more particularly described in Schedule 2 (Charged Assets) hereto, in favor of the Bank,

(v) procure the issuance of a corporate guarantee of FHL in favor of the Bank,

(vi) procure the issuance of a corporate guarantee of JURA in favor of the Bank,

(vii) undertake to ensure that all surplus cash flows of the Customer, which it is currently routing through its existing lenders, shall be routed through such existing lenders towards the Bank and shall eventually be placed with the Bank, and

(viii) create such other securities in favour of the Bank as the Bank may reasonably require the Customer to furnish from time to time.

12. CUSTOMER TO COMPLY WITH FORMALITIES

The Customer undertakes to fulfil, at its own cost and expense, all the legal and procedural formalities for the creation of all the charges and other Security Interests in favour of the Bank as required under Article 11 *(Security)* above, including, if required, due registration of those Security Documents with the relevant authorities.

13. CONDITIONS PRECEDENT TO DISBURSEMENT

The Bank shall not be liable to disburse the Facility or any portion thereof unless the Customer has provided the Bank with the evidence as to each of the following and has also fulfilled each of the conditions as stated below:

13.1 **Board Resolution for Facility**

A certified copy of the Customer's board resolution, containing the following:

(i) Decision to avail the Facility from the Bank, and

(ii) Appointing someone as the authorized signatory or signatories to execute all the financing and security documents that may be required by the Bank to be signed on behalf of the Customer to avail the Facility.

13.2 **Agreement Signed by Authorised Person**

The signatory of this Agreement and of all Security Documents that are required to be to be executed to create and perfect the charges specified in Article 11 *(Security)* above or any other document executed in pursuance of this Agreement, on behalf of the Customer, were, at the time of signing, duly authorised to do so and also to bind the Customer to the covenants and undertakings contained herein.

13.3 **Executed Original Documents in Bank Possession**

The following documents and agreements, to the satisfaction of the Bank, have been duly executed and handed over in original to the Bank, with the originals, where applicable, filed with relevant authorities for registration:

(i) this Running Finance Agreement, and
(ii) the Security Documents.

13.4 **Charges to be Created and Perfected**

The Customer has created and perfected all the charges in favour of the Bank that it was required to create and perfect under Article 11 *(Security)* of this Agreement.

13.5 **Agreement in line with Constitution Document**

Nothing herein contained or the Customer's performance under this Agreement conflicts with any of the provisions of its constitutional documents.

13.6 **All Documents Duly Filed and Registered**

The Customer has taken all the steps that may be required to be taken under this Agreement and has executed all the documents that were required to be executed under the terms of this Agreement, and that each of these documents have been duly filed with or registered wherever so required under any applicable laws or regulations.

13.7 **Bank has received all Fees and Expenses**

The Bank has received from the Customer all the fees, including the processing fee, and other expenses that it may have incurred for having all the legal documents prepared or for having other related legal and other work done, or for any of its own fees and charges for processing Customer's application for the Facility or for finalization and registration of this Agreement and the Security Documents.

13.8 **No Event of Default has occurred or is continuing**

The Bank is satisfied that no Event of Default has occurred or is continuing and because of the absence of any information to the contrary from the management of the Customer which they are legally liable to report to the Bank, the Bank shall be entitled to assume that no Event of Default has occurred or is continuing.

13.9 **Bank has Received all Documents Requested**

The Bank has received all such other documents as it may have requested from the Customer and the Customer has met all the conditions that may have been laid down by the Bank.

13.10 **Agreement not in violation of any directive or order**

Neither party is aware of any law, directive, notification, order or decree of any Provincial or Federal government, or the SBP or any court in Pakistan, as the case may be, that prevents or may prevent either party from legally performing its obligations under this Agreement.

13.11 **No Material Adverse Effect on Customer**

No event or circumstance has occurred or exists that is likely to have a Material Adverse Effect on the Customer or its business and operations.

13.12 **Information to Ensure Compliance with Prudential Regulation**

The Customer has provided to the Bank all the information that it was required to provide under this Agreement or under any other law including but not limited to the information or documents that may be required by the Bank for the purpose of complying with the current Prudential Regulations of the SBP.

13.13 **Positive Opinion from Bank Legal Counsel**

The Bank has received from the Bank's Legal Counsel, a legal opinion on the satisfactory execution and validity of this Agreement and the Security Documents in respect of the Facility and also on the satisfactory creation and perfection of all the Security Interests that the Customer is required to create in favour of the Bank under Article 11 *(Security)*.

13.14 **Clean eCIB Report**

Clean eCIB report from SBP database of the Customer.

13.15 **Documents to be received by Bank**

The Customer has submitted all the documents that may be required by the Bank including but not limited to the following:

(i) **Certified Copy of Incorporation Certificate**

Latest copy of Certificate of Incorporation of the Customer and FHL (duly certified by the SECP or Customer's company secretary)

(ii) **Certified Copy of Memorandum, Articles**

Latest copy of Memorandum and Articles of Association of the Customer and the constitutional documents of FHL duly certified by Customer's company secretary

(iii) **Certified Copy of Forms**

Latest copy of applicable SECP Forms of the Customer duly certified by SECP or Customer's company secretary

(iv) **Certified Copy of Signatories List**

Customer's company secretary certified List of Authorised Signatories with signatures

(v) **Certified List and CNIC of Directors**

Customer's company secretary certified list and CNIC/passports of Board of Directors

(vi) **Certified Borrowers Basic Fact Sheet**

Duly filled up, signed and stamped Borrower Basic Fact Sheet

(vii) **Customer's Loan Application**

Customer's Loan Application Form.

(viii) **Duly Executed Term Sheet**

Term sheet duly executed and stamped by the Customer

(ix) **Board Resolution**

Customer's board resolution authorizing acceptance of the Facility on the terms and conditions set out in this Agreement.

13.16 **All Government, Corporate Approvals in Place**

Each of the Customer, FHL and JURA have obtained all consents, approvals, registrations and authorizations, both government and corporate, that are required to be in place for availing the Facility and that are required to create the Security and the same are in full force and effect and shall continue to be in effect.

13.17 **Due Diligence**

Due diligence of the Customer has been completed to the satisfaction of the Bank.

14. **BANK DISCRETION CONCERNING CONDITIONS PRECEDENT**

14.1 **Discretion to Waive, Postpone Conditions Precedent**

The Bank shall be entitled to waive or postpone the fulfilment of any Condition Precedent or the time for fulfilment of any Condition Precedent.

14.2 **Customer to Comply with Condition of Waiver, Postponement**

Where the Bank allows waiver or postponement under this Article, the Customer shall comply with the terms on which the waiver or postponement is granted and if the Customer fails to meet that condition, the Bank shall be entitled to treat the same as an Event of Default.

15. **BANK NOT LIABLE FOR DELAY IN DISBURSEMENT OF SALE PRICE**

The Bank shall not be liable for any direct or indirect expenses, damages or losses that may be incurred by the Customer resulting directly or indirectly from any delay in the disbursement of the Sale Price or any portion thereof taking place due to the Customer's failure to comply with the Conditions Precedent as listed in Article 13 *(Conditions Precedent)* above.

16. **PAYMENT OF FEES AND CHARGES BY CUSTOMER**

16.1 **Payment of fees and charges**

The Customer shall pay on first demand to the Bank all the costs, fees, expenses and losses as well as legal fees, and any other professional fees and costs that may be incurred by the Bank:

(i) For any action that may be taken by the Bank upon the failure by the Customer to perform any of its obligations under this Agreement including, without limitation, suits for the recovery of the outstanding amounts due to the Bank and/or for the enforcement of all or any of the securities

(ii) For the preservation by the Bank of its rights

(iii) As a result of prepayment of the amount payable in respect of the Purchase Price or acceleration of payment of the Purchase Price or due to cancellation of the Facility

(iv) For collection of any debt due to the Bank, the enforcement of any of the rights under this Agreement and for the enforcement of any Security provided by the Customer under Article 11 *(Security)* above, or

(v) During the currency of this Agreement, and even in case this Agreement does not come into effect because of non-fulfilment of any of the Conditions Precedent as stated above, all fees, taxes (excluding those applicable on income of the Bank), duties and levies and expenses that may be incurred or borne by the Bank for the drafting, preparation, printing, communication cost, travel, execution, perfection, negotiation or registration of any document creating a charge on the Charged Assets in terms of this Agreement in favour of the Bank in particular any excise duty or any other tax or levy that may become payable by the Bank from time to time with regard to the Security Documents or the amount advanced to or that may be outstanding against the Customer.

16.2 **Customer to Pay within 7 Days**

The Customer shall pay any amount within seven (7) Business Days of receiving a demand from the Bank under this Article 16 *(Payment of Fees and Charges by Customer)*.

17. **PAYMENTS GENERALLY**

17.1 **Payment to be within 10 Days**

Except where shorter time has been specified in Article 16 *(Payment of Fees and Charges by Customer)* above, all the other sums that are required to be paid by the Customer under this Agreement shall be paid within ten (10) Business Days after receiving a written demand from the Bank.

17.2 **Manner of Payment**

The Customer shall make all payments, or reimburse to the Bank, under this Agreement without any set-off or counterclaim and free and clear of and without any deduction or withholding for or on account of any taxes (excluding those applicable on the income of the Bank), duties, costs or expenses, except for corporate income tax. Each payment made by the Customer to the Bank under this Agreement will be grossed up in the event of any deduction or withholding is required to be made for any such payment so that the Bank will receive the amount which it would have received had no such deduction or withholding was required to be made.

18. **CUSTOMER'S REPRESENTATIONS AND WARRANTIES**

The Customer hereby represents and warrants to the Bank:

18.1 **Customer duly Incorporated Company**

It is a proprietary company limited by shares incorporated and existing under the laws of the Commonwealth of Australia and is duly licensed to operate as a branch office in Pakistan and it is not in liquidation.

18.2 **Full Legal Capacity**

It has full legal capacity and power:

(i) To own its property and assets and to carry on its business as it is now being conducted

(ii) To enter into and exercise its rights and perform its obligations under this Agreement

(iii) To utilize the Sale Price for the Purpose mentioned in this Agreement.

18.3 **Rights or Performance not in Contravention**

Neither its execution of, nor its exercise of, its rights or performance of its obligations under this Agreement:

(i) Contravenes any laws to which the Customer or any of its properties and businesses are subject

(ii) Contravenes any undertaking or obligation on the Customer or any of its properties

(iii) Contravenes any provision of the Customer's memorandum and articles of association

(iv) Requires the Customer to make any payment or delivery in respect of any Financial Indebtedness before the scheduled date of that payment or delivery

(v) Renders the Customer in breach of any limit or ceiling that it may be legally or contractually subject to with regard to its Financial Indebtedness.

18.4 **Legal and Binding Obligations**

This Agreement constitutes its valid and legally binding obligations and is enforceable against it in accordance with its terms.

18.5 **Financial Statements**

Its latest audited financial statements have been prepared at all times in accordance with the applicable laws and generally accepted accounting principles consistently applied and shall always give a true and fair view of its financial condition as of the relevant date.

18.6 **Completion of Formalities**

All the conditions and formalities that are required to be fulfilled or done under applicable laws in order to enable it to lawfully enter into and exercise its rights and perform its obligations under this Agreement, have been fulfilled.

18.7 **Customer to Disclose All Existing Liabilities**

The Customer has disclosed to the Bank in writing all the existing liabilities and commitments or any other matter which is likely to have a Material Adverse Effect on it.

18.8 **All Information provided to be Complete and Accurate**

All the information furnished by the Customer to the Bank is accurate and that it has not omitted or concealed any material fact which would render such information incorrect, misleading or inaccurate and that no adverse change has taken place in the business of the Customer since the time the financial statements were furnished by the Customer to the Bank and based on which the Bank decided to extend its portion of the Sale Price to the Customer.

18.9 **No Adverse Change**

To the best of the Customer’s knowledge, no significant change in circumstances and no change in law has occurred that may seriously affect its business or that may make it impossible or illegal for it to fulfil its obligations under this Agreement.

19. **BANK'S RELIANCE ON REPRESENTATIONS AND WARRANTIES**

The Customer acknowledges that the Bank has entered into this Agreement in reliance on the representations and warranties as given by the Customer in Article 18 *(Representations and Warranties)* above and the same shall be deemed to have been repeated by the Customer as true and accurate till such time that all the payments that the Customer is liable to pay to the Bank have been made.

20. **CUSTOMER'S POSITIVE COVENANTS**

The Customer undertakes and covenants with the Bank that it shall:

20.1 **Use Sale Price for stated purpose only**

Use the Sale Price or any part thereof only for the Purpose described in this Agreement.

20.2 **Manage Business Efficiently**

Manage all its business operations efficiently and prudently and shall avoid any inefficiencies or negligence or risks that may seriously affect its business and hence its capacity to make timely payments of the Purchase Price to the Bank strictly in accordance with this Agreement.

20.3 **Promptly Deliver Copies of Accounts**

Deliver to the Bank adequate number of copies of its unaudited quarterly accounts within 90 (ninety) days from each quarter end and annual audited accounts as of the closing of each preceding financial year within 180 (one hundred and eighty) days of the relevant financial year end. These financial statements shall reflect the true and fair view of the financial position of the Customer and shall be drawn in conformity with generally accepted accounting principles.

20.4 **Provide to Bank all Shareholders Information**

Provide the Bank, upon the request of Bank, copies of all the documents, reports, notices, circulars and particulars that the Customer provides to its shareholders at the same time as they are provided to its shareholders.

20.5 **Provide all Requested Information**

Provide the Bank, on request, any information relating to its financial condition, business assets, affairs and to verify that the Facility is being used solely for the Purpose as the Bank may reasonably request.

20.6 **Inform Bank about Change in Corporate Information**

Inform the Bank about any change in its constitutive documents, board of directors, registered address of the Customer or any other corporate information that would need to reasonably be informed to the Bank.

20.7 **Provide Bank Access to its Books and Accounts**

Keep proper records and books of account and provide to the Bank or its employees necessary details relating to its activities at all times and permit the representatives of the Bank to inspect such books and records at any time after receiving 96 hour notice from the Bank.

20.8 **Regularly Pay All Taxes on Charged Assets**

Pay and keep paying all taxes, dues, rents, rates and charges of any governmental or municipal authority or other competent authority (excluding those challenged by the Customer in good faith), and in particular, to punctually pay all the rates, rents, property taxes in respect of the Charged Assets and in respect of the properties in which the Charged Assets may be located.

20.9 **Keep Charged Assets Well Maintained**

Maintain all its buildings, sites, works, constructions, plants, equipment, facilities and other assets in particular the Charged Assets in a usable state and take all reasonable precautions against such risks including fire, arson, riots, earthquakes, and acts of terrorism.

20.10 **Keep Bank Informed of Litigation against Customer**

Give the Bank prompt notice of any litigation, arbitration or administrative proceedings which, if adversely determined, could, either separately or in aggregate, have a Material Adverse Effect on it.

20.11 **Execute all Required Documents**

Execute all documents and do all acts and things as are stated in this Agreement or as the Bank may reasonably require in terms of this Agreement.

20.12 **Enter into Supplementary Agreements if Required**

Enter into supplementary agreement with the Bank, which shall be deemed to be part of this Agreement, if at any time, pursuant to the Government or State Bank of Pakistan directives, any term or condition of this Agreement is required to be altered or some new conditions are required to be incorporated therein.

20.13 **Allow Bank Access to All its Assets**

Furnish to the Bank such information as it may from time to time reasonably request and allow the Bank or their employees or representatives, at their request, which may reasonably be made from time to time for examination of the Charged Assets and other premises, and movable and immovable assets of the Customer. All the costs and expenses incurred by the Bank in such inspection/examination, including the fee of any agent appointed for this purpose, of the Charged Assets shall be borne by the Customer and the Bank shall have the right to make any deduction from the Customer's accounts in this respect.

20.14 **Keep Charged Assets Insured**

Insure and always keep insured the Charged Assets and all additions thereto at least for the value of the aggregate outstanding amount of all loans obtained by the Customer on the security of such assets against all reasonable risks including, but not limited to, loss or damage by fire, explosion, lightening, storm, flood, earthquake, war, subversive activities, riots, theft, dacoity and civil commotion with a well reputed insurance company or companies, and share the amendment slips, premium paid receipts and policies of such insurance with the Bank, and to duly pay or cause to be paid the premiums and other sums of money that may be payable in respect of such insurance and if requested, to produce to the Bank the receipts for the same within ten (10) days of the same becoming due and to assign the policies of insurance in favour of the Bank to the extent of the amount from time to time due to the Bank hereunder, and to cause the notice of the interest of the Bank to be noted on the policies of insurance. Any insurance advisor that may be appointed for the benefit of the Parties shall be paid for by the Customer.

20.15 **Make Due Payments to Bank Promptly**

Make prompt payment of all amounts due to the Bank under this Agreement and under the Security Documents.

20.16 **Keep its Existence, Licenses, and Concessions Intact**

Maintain its existence and right to carry on business, ensure that all the documents that are required to be filed with SECP are regularly filed, and take all steps necessary to maintain and renew its lease or hire agreements, other contracts, rights, powers, privileges, concessions, licences and franchises which are necessary or materially useful for the conduct of its business and properly maintain its books of accounts and other record to reflect truly and fairly its financial position and the results of its respective operations in conformity with generally accepted accounting principles consistently applied.

20.17 **Comply with Applicable Laws**

Comply with all applicable laws and regulations.

20.18 **Comply with Terms of Facility**

Comply with all the terms and conditions of all the documents that are or that will need to be executed in respect of the Facility.

20.19 **Rectify Material Adverse Effect**

Immediately inform the Bank if there is any event having a Material Adverse Effect on the Customer and take all the steps to rectify that situation.

20.20 **Notify Bank of Event of Default**

Immediately inform the Bank of the occurrence of any Event of Default.

20.21 **Reports**

Submit with the Bank the monthly stock reports.

20.22 **Approved Auditor Firm only**

Maintain as its independent auditor a firm that is from the approved list of SBP and that is acceptable to the Bank.

20.23 **Compliance with Prudential Regulations**

The Customer will, throughout the tenor of the Facility, stay in full compliance with the Prudential Regulations of the State Bank of Pakistan and the Customer hereby indemnifies the Bank against any loss suffered by it in connection with the Customer's non-compliance with the Prudential Regulations or any other banking law.

20.23 **Replacement of Security**

In the event that any of the Security listed in Article 11 deteriorates to such an extent that, in the sole opinion of the Bank, it becomes insufficient for the purpose for which it was created, the Bank reserves the right to demand from the Customer any and all additional security that it deems fit. Upon such demand, the Customer shall within whatever period specified by the Bank in its demand, or if no period is specified, within seven (7) Business Days from receiving the demand, create or procure such additional security.

20.24 **Routing of Proceeds**

Undertake to ensure that all its surplus cash flows, which it is currently routing through its existing lenders, shall be routed through such existing lenders towards the Bank and shall eventually be placed with the Bank to the satisfaction of the Bank.

20.25 **Clean up Period**

The Customer shall ensure that, during the Clean-up Period, it settles all of the outstanding amounts due to the Bank under this Agreement to the satisfaction of the Bank.

21. **CUSTOMER'S NEGATIVE COVENANTS**

Until the entire amount of the Purchase Price and all other amounts due and payable by the Customer hereunder shall have been paid in full to the satisfaction of the Bank, the Customer shall not, except with the prior written intimation to and consent from the Bank:

21.1 **Sell Any Assets**

Sell, transfer, lease or otherwise dispose of assets, whether in a single transaction or in a series of transactions, related or otherwise, other than: (i) for the removal, repair or replacement of obsolete or damaged assets; (ii) with respect to assets that are not required for its usual business; or (iii) any other sale, transfer, lease or disposal of assets that do not have a Material Adverse Effect. Provided that the Issuer is permitted to use its assets for the purpose of sale and lease back in relation to certain financing structures as employed by banks in Pakistan, including but not limited to buyback financing transactions.

21.2 **Create Charge or Lien on Assets**

Except for the Permitted Security Interest, create any charge, interest, lien, right or any Security Interest or encumbrance of any nature whatsoever on any asset or on any part or portion thereof, in favour of any bank, financial institution, modaraba company or other person or concern whatsoever.

21.3 **Demolishing Any Buildings, Erections**

Demolish or remove any part of the buildings or erections in which the Charged Assets are located or the fixtures and fittings annexed thereto except in the ordinary course of repair, maintenance, replacement or improvement.

21.4 **Change Memorandum and Articles**

Change its memorandum or articles of association in a manner that materially and adversely affects its ability to perform its obligations under this Agreement, or change its fiscal year or change the nature of its business as stated in the memorandum of association of the Customer.

21.5 **Omit to Prevent Material Adverse Effect**

Take any action or omit to take any action which is likely to have a Material Adverse Effect.

21.6 **Change in Business Structure**

Allow any change in its shareholding structure and otherwise to inform the Bank with immediate effect of any major change in shareholding or management and any major event that is or will be impacting the Customer's operations.

21.7 **Prepayment of Any other Debt**

Not to accelerate repayment of any existing debt or financial liability towards any person or entity before its stated maturity date except when such prepayment has no possibility to have the effect of materially prejudicing the Customer's ability to perform its obligations under this Agreement.

22. **EVENTS OF DEFAULT**

Each of the following events shall constitute an Event of Default:

22.1 **Failure to Pay on Due Date**

Default of the Customer in paying on the due date of payment, any sum payable under this Agreement or when so demanded by the Bank.

22.2 **Failure to Comply with Obligations**

Default by the Customer in performance of any of its commitments, obligations or covenants under this Agreement, or any other agreement or arrangement with the Bank entered into pursuant to or by reference to this Agreement, which would have a Material Adverse Effect on the Customer in the reasonable opinion of the Bank and such default is not rectified (where it is capable of being rectified) within 15 (fifteen) days of a notice received from the Bank

22.3 **Representation or Warranty Proving to Untrue**

Any statement, representation or warranty made or repeated by the Customer in or pursuant to this Agreement is or proves to have been incorrect or misleading in any material respect, or any statement, representation or warranty made or repeated by the Customer in any notice, certificate or statement referred to or delivered under this

Agreement is or proves to have been incorrect or misleading in any material respect, or any such statement, representation or warranty is incorrect in any material respect at any time.

22.4 **Cessation of Business Activity**

Cessation of business activities or cessation of the payment of debts of the Customer, or any other legal or factual situation, including judicial or amicable settlement of debts that has a Material Adverse Effect on the Customer.

22.5 **Attachment of Customer Property**

Attachment or assignment or transfer of or delivery to or takeover of any substantial part of the property or assets of the Customer by any receiver, encumbrancer, assignee, or any other person or body whether appointed by the Customer or a Court or the government under any law or regulation.

22.6 **Winding up Order**

Making of any order (and such order is not vacated or stayed) or passing of a resolution for the winding up of the Customer or if the Customer is merged or amalgamated with another company or corporation or is reconstituted without the written consent of the Bank.

22.7 **Adverse Change in Corporate Objects**

Any material transformation of the form, nature or corporate objects of the Customer that has a Material Adverse Effect on the Customer.

22.8 **Adverse Government Action**

Any governmental measure or decision, whether general moratorium or a specific decision that has a Material Adverse Effect upon the Customer.

22.9 **Adverse Compromise or Arrangement with Shareholders, Creditors**

The taking of any step by the Customer for the purpose of entering into a compromise or arrangement with any of its members, or creditors, generally or any class of them provided that such a compromise or arrangement has a Material Adverse Effect on the Customer.

22.10 **Significant Deterioration in Secured Assets**

The security furnished by the Customer to the Bank under Article 11 *(Security)* deteriorates in quality or value to such an extent that, in the sole opinion of the Bank, it is no longer sufficient for the purpose for which it was furnished and there is no additional security provided, this fact always to be determined in view of the outstanding amount.

22.11 **Any Security Document becomes Unenforceable**

Any security document executed or furnished by the Customer under Article 11 *(Security)* for any reason whatsoever ceases to be in full force and effect or is declared to be void or is repudiated.

22.12 **Any Significant Adverse Event**

The occurrence of any event whatsoever that may have a Material Adverse Effect on the Customer's ability to repay the Purchase Price under this Agreement.

22.13 **Occurrence of any Seriously Adverse Event**

The occurrence of any of the following:

(i) Any amount whatsoever becomes due and payable or becomes capable of being declared due and payable in respect of any Financial Indebtedness of the Customer towards any bank or financial institution before the stated maturity date of that Financial Indebtedness; or

(ii) Any facility or obligation granted by any bank or financial institution to the Customer to provide or underwrite financial accommodation, or to acquire or assume any risk in respect of any Financial Indebtedness, is prematurely terminated; or

(iii) The Customer defaults on any of its payment obligations in respect of any Financial Indebtedness towards any bank or financial institution; or

(iv) Any Security Interest granted by the Customer in respect of any Financial Indebtedness towards any bank or financial institution is enforced and such enforcement has a Material Adverse Effect on the Customer; or

(v) Any bond, debenture, note, certificate, redeemable securities or similar instrument issued by the Customer in favour of any bank or financial institution is required to be redeemed prior to its stated maturity.

22.14 **Agreement becomes Void**

If all or any material provision of this Agreement:

(i) Cease to have effect in accordance with its terms; or

(ii) Is or becomes void, voidable, illegal or unenforceable.

23. NATURE OF EVENTS OF DEFAULT

Each Event of Default is several and independent from other Events of Default and one Event of Default shall not be limited by reference to another Event of Default.

24. CONSEQUENCES OF AN EVENT OF DEFAULT

The Bank, without prejudice to any other right of the Bank, upon the occurrence of an Event of Default, shall have the right to declare an Event of Default and communicate to the Customer the following through a notice:

(i) **Obligation to Disburse Terminated**

That the obligation of the Bank to disburse the Sale Price has been terminated, whereupon the Facility granted under this Agreement shall stand terminated forthwith.

(ii) **All Outstanding Amounts Become Due and Payable**

That the entire outstanding amount of the Purchase Price and other amounts due by the Customer under this Agreement, whether or not due for payment yet, shall become due and payable by the Customer and shall be paid by the Customer to the Bank within fourteen (14) Business Days of the receipt of the said notice, without the need to obtain a judgment or completion of any other formality. In such a case, in addition to paying all outstanding amounts due under this Agreement.

25. DELAY IN CALLING DEFAULT NOT A WAIVER

Any delay on the part of the Bank in the exercise of its rights under Article 24 *(Consequences of an Event of Default)* may not be interpreted as a waiver of its right.

26. LIQUIDATED DAMAGES

Where any amount is required to be paid by the Customer under this Agreement on a specified date and is not paid by the Customer on that date or where any amount is payable by the Customer under this Agreement within a specified period after receiving a demand and is not paid by the Customer within the time period specified then the Bank shall not take any action under Article 24 *(Consequences of an Event of Default)* above provided that the Customer agrees and undertakes to pay to the Bank liquidated damages calculated at the rate of 20 per cent of the amount demanded by the Bank and not paid by the Customer, from the seventh Business Day of the due date of the amount payable or from the seventh Business Day from the end of the specified period as stated in the notice. The Parties agree that liquidated damages payable under this Article shall be by way of compensation for the cost incurred by the Bank for being out of funds and it may not, in any way, be treated as interest.

27. RIGHTS OF BANK AFTER DEFAULT NOTICE

27.1 Customer to Treat Default Notice Amount as Final, binding

The amount of the outstanding Purchase Price along with any other amount that may have been declared in the Bank's notice issued under Article 24 *(Consequences of an Event of Default)* as having become due and payable with immediate effect shall be treated as final, conclusive and binding by the Customer.

27.2 Customer to Pay demanded amount within 14 Business Days

The Customer shall, within fourteen (14) Business Days, pay the stated amounts to the Bank.

27.3 Bank Remedies in Case Customer Fails to Meet Demand

If the Customer fails to pay the outstanding amount within fourteen (14) Business Days from the date of the receipt by the Customer of such notice from the Bank, the Bank shall have the right, *inter alia,* to forthwith avail the following remedies under law:

(i) To forthwith enforce and realize the Security provided under Article 11 *(Security)* hereof including, without limitation, to sell, with or without intervention of the Court, the Charged Assets.

(ii) In case the above fails to satisfy the claim, to file a suit for the recovery of the outstanding amount due from the Customer to the Bank and for the sale of the Charged Assets, including, without limitation, for the appointment of receivers.

(iii) To apply for winding up of the Customer in accordance with the provisions of the Companies Act 2017.

27.4 How to Apply Sale Proceeds

The net amount realized through recovery proceedings and by sale of any Security or any portion thereof after deduction of reasonable expenses on sale, disposal or realization, including, without limitation, reasonable commissions, fees, legal fees, shall be used to adjust the outstanding portion of the Purchase Price.

27.5 **If Sale Proceeds Insufficient**

If the net sale proceeds turn out to be insufficient, the Customer shall continue to be liable to pay the deficit amount to the Bank.

27.6 **If Sale Proceeds Exceed Customer Liability**

If the net sale proceeds exceed the Customer's liability towards the Bank the balance shall be refunded to the Customer.

28. ASSIGNMENT OF RIGHTS AND OBLIGATIONS

28.1 **Bank may assign Rights, Liabilities**

The Bank, at its own cost and expense, wholly or partly, may assign any of its rights, benefits or obligations under this Agreement or under Security Documents or under any other agreement or document signed as part of and in pursuance of this Agreement to any other bank or to any other financial institution.

28.2 **Parties to Execute Necessary Documents**

The Customer shall be liable to execute all such documents as may reasonably be required by the Bank to effectuate such assignment.

28.3 **Assignor to be substituted with Assignee in all Agreements, Security Documents**

The Customer agrees that upon the assignment having taken place under Article 28.1 *(Bank may assign Rights, Receivables)*, the assignor Bank shall no longer be a party to this Agreement, the Security Documents or any other agreement or document that may have been signed between the parties in pursuance of this Agreement and all such agreements and documents to the extent of assignor Bank shall stand novated, with the assignee bank or financial institution having taken its place as a party to all the agreements and documents with exactly the same consequential rights and obligations as those of the assignor Bank.

28.4 **Assignor Entitled to Disclose Customer Information to Assignee**

The Bank may disclose to any actual or potential assignee or to any person who may enter into contractual relations with the Bank with respect to this Agreement such information about the Customer as the Bank may consider appropriate.

28.5 **No Further Consent from Customer Needed for Novation**

The Customer confirms that its signing of this Agreement may be treated as a prior consent for any assignment described in this Article and that no further consent from the Customer may be required to effectuate novation of all the Agreements and documents with the assignor and that the Customer shall be liable to sign any document that may be required to entitle the assignee bank or financial institution to be treated as a new secured lender with exactly the same rights and security as those of the assignor financial institution.

29. COST OF FUNDS IN CASE OF RECOVERY BY LEGAL PROCEEDINGS

Where any amount not paid by the Customer has to be recovered by way of recovery suit, the Bank shall be entitled to claim and recover, in addition to the amount due to it, its cost of funds as notified by SBP and as permitted under the law.

30. TERMINATION OF CUSTOMER'S OBLIGATIONS

If and when the entire amount of the Purchase Price and all other moneys that may be payable by the Customer hereunder shall have been paid to and received by the Bank, this Agreement and all the obligations of the Customer hereunder shall stand terminated and all such Security Interests created by the Customer in favour of the Bank in order to secure the Facility in terms of this Agreement shall, as soon as practicable, be released by the Bank.

31. NOTICES

31.1 Method of Giving Notices

A notice, consent, approval or other communication (each a **"Notice"**) under this Agreement shall be in writing, signed by or on behalf of the person giving it, addressed to the person to whom it is to be given and:

(i) Delivered by messenger or courier;

(ii) Sent by pre-paid mail; and

(iii) Transmitted by facsimile to that person's address.

31.2 Time of Receipt

A Notice given to a person in accordance with this Article is treated as having been given and received:

(i) If delivered, on the day of delivery if delivered before 3:00 PM on a Business Day, otherwise on the next Business Day.

(ii) If sent by mail, on the 4th day after the letter containing the Notice, duly stamped, is posted.

(iii) If transmitted by facsimile and the transmission report states that it was sent in full and without error, on the day of transmission if that report states that the transmission was completed before 3:00 PM on a Business Day, otherwise on the next Business Day.

31.3 **Address for Notices**

For the purposes of this Article, a party (the **"sender"**) may take the address and facsimile number of another party (the **"recipient"**) to be:

(i) the address and number set out in Schedule 4 *(Addresses and Numbers for Notices)*; or

(ii) where the recipient notifies the sender of another address of number, the last address of number so notified to it.

32. GENERAL

32.1 Bank Statement Conclusive

A statement signed by any of the Authorised Representative of the Bank as to any matter under this Agreement or any amount due, including, without limitation, amount owed by the Customer, at the date specified in the statement shall be conclusive and binding on the Customer in the absence of manifest error.

32.2 Information concerning the Customer

The Bank may share with any of its subcontractors or any other person if required by law to do so, any information relating to the business, financial condition, status or affairs of the Customer that comes into its knowledge.

32.3 Attorney Duly Authorised

The Authorized Representative of each Party to this Agreement who executes this Agreement on behalf of each Party confirms that he or she has no notice of any revocation or suspension by the grantor of its power to sign this Agreement and thus bind that Party to the terms of this Agreement.

33. AGREEMENT SHALL BIND SUCCESSORS, ASSIGNS

This Agreement shall be binding upon and inure to the benefit of each Party's successors or assigns.

34. CUSTOMER MAY NOT ASSIGN RIGHTS OR BENEFITS

The Customer shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder without the prior written consent of the Bank.

35. **OMISSION TO SEEK ANY REMEDY NOT A WAIVER**

Any failure to exercise or any delay in exercise, on the part of the Bank, any right or remedy hereunder shall not operate as a waiver thereof, nor shall any partial or single exercise of any right or remedy prevent any further exercise of that right or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies that may be available to the Bank under law.

36. **AGREEMENT TO SUPERSEDE**

This Agreement represents the entire agreement and understanding between parties in relation to the Facility being extended hereof and supersedes all previous agreements or understandings between the Parties in relation thereto. In case of any contradiction between the terms of this Agreement and that of any document executed between the Parties prior to this Agreement, the terms of this Agreement shall prevail.

37. **FURTHER DOCUMENTS**

The Customer agrees to execute and deliver all such other and additional instruments and documents and to do all such other acts as may be necessary to more fully effectuate this Agreement, to give effect to the true intent of the Parties and for the purposes of creating and perfecting any Security Interests to be given to the Bank to secure all its payment obligations towards the Bank under this Agreement.

38. **AMENDMENTS**

No amendment or modification in this Agreement shall be effective unless in writing and executed by both parties to this Agreement or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.

39. **GOVERNING LAW AND JURISDICTION**

39.1 This Agreement shall be governed by and construed in accordance with the substantive and procedural laws of Pakistan.

39.2 The Parties irrevocably agree that the competent courts at Karachi shall have non-exclusive jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute that may arise out of or in connection with this Agreement and, for such purposes, the Parties irrevocably submit to the jurisdiction of such courts.

SIGNATURE PAGE

IN WITNESS WHEREOF the Customer has executed this Agreement by affixation of its Common Seal to this Agreement and the Bank has executed this Agreement through its attorneys/Authorized Representatives on the day, month and year first above written.

FOR AND ON BEHALF OF
SPUD ENERGY PTY LIMITED
(In its capacity as the Customer)

1.	Signature:	________________	2.	Signature:	________________
	Name:	________________		Name:	________________
	C.N.I.C.:	________________		C.N.I.C.:	________________
	Designation:	________________		Designation:	________________

Witnesses:

1.	Signature:	_______________	2.	Signature:	_______________
	Name:	_______________		Name:	_______________
	C.N.I.C.:	_______________		C.N.I.C.:	_______________

FOR AND ON BEHALF OF
JS BANK LIMITED
(In its capacity as the Bank)

1.	Signature:	_______________	2.	Signature:	_______________
	Name:	_______________		Name:	_______________
	C.N.I.C.:	_______________		C.N.I.C.:	_______________
	Designation:	_______________		Designation:	_______________

Witnesses:

1.	Signature:	________________	2.	Signature:	________________
	Name:	________________		Name:	________________
	C.N.I.C.:	________________		C.N.I.C.:	________________

SCHEDULE 1

Assets

All movable assets (including plant and machinery) of the Customer.

SCHEDULE 2

Charged Assets

Customer

1. All the present and future movable assets (including plant and machinery) of the Customer located within Pakistan.

2. All the present and future gas sale proceeds accruing from gas sales off-take agreements from the working interest of the Customer under concession agreements and all rights, interests and benefits of the Customer under such contracts and agreements.

3. Bank accounts of the Customer bearing details given in the relevant Security Document.

FHL

1. All the present and future movable assets (including plant and machinery) of FHL located within Pakistan.

2. All the present and future gas sale proceeds accruing from gas sales off-take agreements from the working interest of FHL under concession agreements and all rights, interests and benefits of FHL under such contracts and agreements.

3. Bank accounts of FHL bearing details given in the relevant Security Document.

SCHEDULE 3

Payment Schedule

I	II	III	IV	V
Purchase Price Payment Date	**Payment of Purchase Price**	**Markup Portion of Purchase Price Payment**	**Sale Price (Principal) Portion of Purchase Price**	**Amount of Sale Price Outstanding**
November 5, 2020	200,000,000	-	-	200,000,000
February 5, 2021	-	7,500,000	-	200,000,000
May 5, 2021	-	7,500,000	200,000,000	-

Facility: **PKR 200,000,000/-**

Tenor: 6 months

Principal Repayment: 200,000,000/-

Mark-up Repayment: 15,000,000/-

For the avoidance of doubt, the above Payment Schedule given in this Schedule 3 *(Payment Schedule)* is tentative in nature and may be mutually amended by the Parties due to any reason including changes in the mark-up rate and variations in the outstanding principal amount under the Facility from time to time.

SCHEDULE 4

Addresses and Numbers for Notices

FOR SPUD ENERGY PTY LIMITED

Attention:	Muhammad Arif Siddiq
Address:	3rd Floor, Saeed Plaza, 22 East, Jinnah Ave, Blue Area Islamabad
Telephone:	051 – 2270702-5
Facsimile:	051 – 2270701

FOR JS BANK LIMITED

Attention:	Muhammad Mateen Farooq, Head – Investment Banking Group
Address:	Investment Banking Group, JS Bank Limited, First Floor, Shaheen Commercial Complex, Dr Ziauddin Ahmed Road, Karachi
Telephone:	021-32272540-1
Email:	mateen.farooq@jsbl.com

SCHEDULE 5

Format of Drawdown Notice

To: **JS BANK LIMITED**
[insert branch address]
Karachi

For the attention of: _______________

Dear Sir:

RUNNING FINANCE AGREEMENT DATED 2020

We refer to the running finance agreement dated _____________ 2020 (the **"Agreement"**) entered into by and between **SPUD ENERGY PTY LIMITED** (the **"Customer"**) and **JS Bank Limited** (the **"Bank"**).

Unless the context otherwise requires, all capitalized terms used in this Drawdown Notice shall have the same meaning as ascribed thereto in the Agreement.

We hereby give you notice that we wish to draw down an amount of PKR _______________/- (Pak Rupees _______________________ only) on __________________ (**"Drawdown Date"**).

All Conditions Precedent required to be fulfilled in terms of Article 13 *(Conditions Precedent)* of the Agreement have been duly satisfied or waived (as the case may be).

The representations and warranties set out in Article 18 *(Representations and Warranties)* of the Agreement are and will be true and not misleading (whether by omission or otherwise) on the Drawdown Date with reference to the facts and circumstances then subsisting.

Yours truly

FOR AND ON BEHALF OF
SPUD ENERGY PTY LIMITED
(As the Customer)

____
Authorised Signatory

Dated this ______ day of ______________.