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E-STAMP

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Non-Judicial

Rs 500/-

Description : AGREEMENT OR MEMORANDUM OF AN AGREEMENT - 5(d)
 First Party : Mughal Iron and Steel Industries Limited [35202-9750871-7]
 Second Party : PAK OMAN INVESTMENT COMPANY LIMITED [42201-0612185-9]
 Agent : Waqas Ramzan [35104-0359445-9]
 Stamp Duty Paid by : Mughal Iron and Steel Industries Limited [35202-9750871-7]
 Issue Date : 19-Dec-2023, 04:23:30 PM
 Paid Through Challan : 2023571484AFF2C4
 Amount in Words : Five Hundred Rupees Only

Please Write Below This Line

SUKUK ISSUANCE AGREEMENT

THIS SUKUK ISSUANCE AGREEMENT ("Agreement") is made at Lahore on Dec. 21, 2023;

BY AND BETWEEN

1. **MUGHAL IRON & STEEL INDUSTRIES LIMITED**, a company incorporated under the laws of Islamic Republic of Pakistan and having its registered office at 31-A, Shadman - I, Lahore (hereinafter referred to as the "Issuer", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and assigns);

AND

2. **PAK OMAN INVESTMENT COMPANY LIMITED**, a development financial institution incorporated under the laws of Pakistan and having its registered address at 1st Floor, Tower – A, Finance and Trade Centre, Shahrah-e-Faisal, Karachi (hereinafter referred to as the "Investment Agent" which expression shall mean and include where the context so requires or admits, its successors-in-interest and assigns).

WHEREAS:

a. The Issuer is proposing to raise finances under the Islamic mode of Musharaka (shirkat-ul-aqd) in the form of redeemable capital by issuance of Shariah compliant Sukuk Certificates (issued in scrip less form) in the aggregate amount of up to PKR 2,500,000,000/- (Pak Rupees Two Billion Five Hundred Million) inclusive of a green shoe of up to PKR 1,000,000,000/- (Pak Rupees One Billion) (the "Sukuk Issue") to eligible institutional and other investors by way of private placement pursuant to the provisions of Section 66 of the Companies Act, 2017 ("Investors" or the "Certificate Holders").



- b. The sums paid by the Investors / Certificate Holders shall be applied towards investment of the Musharaka Agent's Investment in the Designated Business for the purposes of meeting its working capital requirements ("**Purpose**") in accordance with the Musharaka Agreement.
- c. This Agreement is intended to secure the Issuer's obligation towards the Certificate Holders to pay the Provisional Profit Payment on the relevant dates for the Profit Period and to redeem the Sukuk Certificates on the Redemption Date and to secure all other obligations of the Issuer under the Transaction Documents.
- d. The Certificate Holders shall rank as pari passu creditors inter se with respect to the sums due to them from the Issuer in respect of the Sukuk Issue.
- e. The Investment Agent has agreed to act as Investment Agent under this Agreement and to protect the interests of the Certificate Holders and hold the benefit of the covenants and obligations of the Issuer under the Transaction Documents for the benefit of the Certificate Holders.
- f. By a resolution of the Board of Directors of the Issuer passed on August 15, 2023, the Board of Directors of the Issuer has resolved to approve the Sukuk Issue, to issue the Sukuk Certificates, execute the Transaction Documents and to take all steps necessary for completing the Sukuk Issue.

NOW THEREFORE, this Agreement witnesseth and it is hereby agreed by and between the parties as follows:

PART 1

DEFINITIONS AND INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

- 1.1.1 The following terms shall in this Agreement have the meaning assigned hereunder. In addition, all capitalized terms used in this Agreement, unless specifically defined shall have the meaning ascribed thereto under the Musharaka Agreement:

"**Articles**" means the articles of association of the Issuer;

"**Account Bank**" means Faysal Bank Limited;

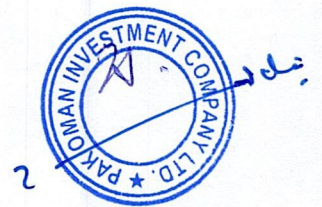
"**Account Bank II**" means MCB Islamic Bank Limited;

"**Authorised Representative**" means:

- (i) in respect of the Issuer, any officer of the Issuer nominated by or on behalf of the Issuer as an Authorized Representative by notice to the Investment Agent; and
- (ii) in respect of the Investment Agent, any officer of the Investment Agent nominated by or on behalf of the Investment Agent as an Authorised Representative by notice to the Issuer;

"**Business Day**" means a day on which banks are open for the transaction of general banking business in Pakistan;

"**Buy Out Price**" means the amount to be paid by the Issuer to the Certificate Holders as payment for the redemption by the Issuer of the Musharaka Agent's Investment as appearing in Schedule 2 hereto;



“Buy Out Payment Date(s)” means the date(s) on which the Issuer shall redeem the Musharaka Agent’s Investment from the Certificate Holders as set out in Schedule 2 hereto;

“Buy Out Price (Early-Purchase)” means the amount to be paid by the Issuer to the Certificate Holders as payment for acquisition by the Issuer of the Musharaka Agent’s Musharaka Investment upon exercise of a full or partial Call Option by the Issuer pursuant to clause 2.5 below;

“Certificate Holders” means the persons and/ or the institutions for the time being entered as the holders of Sukuk Certificates in the Register of Certificate Holders maintained by the Issuer or a Registrar appointed by the Issuer with the approval of the Investment Agent and/or in case of the Sukuk Certificates inducted in the Central Depository System (“CDS”), as shown as such holders in the records of the CDS, who shall be the beneficiaries under this Agreement;

“Conditions Precedent” means the conditions precedent stipulated in Clause 4.1;

“Collection Arrangement Agreement” means the collection arrangement agreement dated on or about the date hereof executed between *inter alia* the Issuer, Account Bank, and the Investment Agent;

“Current Assets” means the aggregate of all assets which would, in accordance with generally accepted accounting principles, be classified as current assets which can reasonably be expected to be converted into cash in the normal course of business within 1 (one) year of the date of the relevant balance sheet including, without limitation, cash, notes and accounts receivable, inventories (including spares and loose tools), prepaid expenses, guarantee deposits, accrued income and short-term advances;

“Current Liabilities” means the aggregate of all liabilities which would, in accordance with generally accepted accounting principles, be classified as current liabilities including, but not limited to, notes and accounts payable, short-term borrowings, current maturities of long-term debt, creditors' charges, accruals, deposits, unclaimed and proposed dividends and current maturity of finance lease payments and other obligations due within 12 (twelve) months;

“Current Ratio” means Current Assets divided by Current Liabilities;

“Debt” means a sum of short-term loans/financings and long-term loans/financings and lease/ijarah finance along with current maturity of long term debt / lease finance;

“Debt to EBITDA Ratio” means Debt divided by EBITDA;

“EBITDA” means earnings before interest, taxes, depreciation, and amortization;

“Designated Business” means the business of the Managing Partner for the manufacturing and sale of various ferrous and nonferrous products;

“Equity” means capital plus reserves and accumulated profits (net of losses) plus curative equity and surplus on revaluation of fixed assets / subordinated debt (as per Prudential Regulations);

“Events of Default” means an Event of Default & Termination and includes each of the events and circumstances described in Clause 8 after the expiry of the relevant cure period provided under Clause 8.1.1 (where applicable);

“Existing Creditors” means the existing creditors of the Issuer over the Hypothecated Assets as detailed in the relevant section of the Letter of Hypothecation;

"Financial Indebtedness" means any indebtedness (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent for or in respect of:

- (a) moneys borrowed or raised by the Issuer including, without limitation, any loans or finances as defined in the Financial Institutions (Recovery of Finances) Ordinance, 2001;
- (b) any amount raised by acceptance under any acceptance credit facility;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, sukuk, notes, debentures, debt stock, redeemable capital or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted accounting principles in Pakistan, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (g) any derivative transaction entered into, in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (i) any amount raised by the issue of redeemable shares;
- (j) any amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into this agreement is to raise finance; and
- (k) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above;

"Finance Service Coverage Ratio" means earnings before interest, taxes, depreciation, and amortization during the financial year, divided by current maturity of long-term debt (including any lease liabilities) as at last financial year and financial charges during the financial year;

"Finance Payment Account" means the account of the Issuer to be opened and maintained with the Account Bank in terms of Clause 3 of this Agreement;

"Finance Service Reserve Amount Account" means the account of the Issuer to be opened and maintained with the Account Bank II in terms of Clause 3 of this Agreement;

"Hypothecated Assets" means all the present and future current assets of the Issuer as defined in detail in the relevant schedule to the Letter of Hypothecation;

"Issue Date" means the effective date of issuance of the Sukuk Certificates as specified on the face of the Sukuk Certificates, on which date the complete disbursement/drawdown of the Sukuk Issue is effected being a date no later than January 31, 2024;

"Issue Price" means the amount invested / to be invested by the Investors / Certificate Holders,



being the aggregate face value of the Sukuk Certificates;

"Letter of Hypothecation" is defined in Clause 3.1.1 (i) below;

"Letter of Lien" is defined in Clause 3.1.1 (ii) below;

"Letter of Lien" is defined in Clause 3.1.1 (iii) below;

"Material Adverse Effect" means, in respect of the Issuer, the occurrence of any event or series of events including in relation to the business, assets or financial condition of the Issuer, which in the reasonable opinion of the Investment Agent might have a material adverse effect on the Issuers ability to perform its obligations under this Agreement;

"Majority Certificate Holders" mean Certificate Holders holding together more than 75% (Seventy Five percent) of the total outstanding face value of the Sukuk Certificates;

"Memorandum" means the memorandum of association of the Issuer;

"Musharaka" means the musharaka to be established by the Issuer and the Musharaka Agent whereby each one of them have contributed towards the Musharaka Capital, pursuant to the Musharaka Agreement;

"Musharaka Agent" means Pak Oman Investment Company Limited as the Musharaka Agent for and on behalf of the Investors;

"Musharaka Agent's Investment" means the share of the Musharaka Agent (on behalf of the Investors) in the Musharaka to the extent of PKR 2,500,000,000/- (Pak Rupees Two Billion Five Hundred Million) inclusive of a green shoe of up to PKR 1,000,000,000/- (Pak Rupees One Billion);

"Musharaka Agreement" means the Musharaka Agreement dated Dec. 21, 2023 entered into between the Musharaka Agent and the Issuer;

"Musharaka Capital/ Investment" means the aggregate sum of the Musharaka Agent's Investment and the Issuer's Investment;

"Musharaka Commencement Date" means the date of the first disbursement/contribution of the Musharaka Agent's Investment;

"Musharaka End Date" means the date falling 15 (fifteen) months from the Issue Date;

"Musharaka Loss" means the musharaka loss of the Musharaka incurred in connection with the Designated Business during the Loss Period;

"Musharaka Profit" means the musharaka profit of the Musharaka incurred in connection with the running of the Designated Business of the Issuer during the Profit Period and as further detailed in the relevant quarterly, semi-annual, or annual financial statements of the Issuer;

"PACRA" means The Pakistan Credit rating Agency Limited;

"Payment Obligations" means the amounts, which is outstanding and payable to the Certificate Holders pursuant to the Sukuk Certificates or the Transaction Documents;

"PKR" or "Pak Rupees" means the lawful currency of Pakistan;

Potential Event of Default & Termination" means any event or circumstance which, with the passage of time or the giving of notice or both, is likely to become an Event of Default & Termination;

“Proceeds” means all the proceeds/monies realized from the Secured Property by the Investment Agent;

“Private Placement Rules” means collectively the (i) Private Placement of Securities Rules, 2017 and (ii) Sukuk (Privately Placed) Regulations, 2017, issued by the SECP;

“Profit/ Loss Period” means the 3 (three) months period (i) between the Musharaka Commencement Date and due date for payment of the Buy Out Price/ first Provisional Profit Payment; and (ii) between due date for payment of an upcoming Buy Out Price/ Provisional Profit Payment and the respective due date for payment of the immediately subsequent Buy Out Price/ Provisional Profit Payment;

“Provisional Profit Payment” means the profit payment to be made by the Issuer to the Investment Agent for the Profit Period, to be calculated in accordance with Schedule 3 attached hereto;

“Provisional Profit Payment Date” means the dates on which the Provisional Profit Payments shall be made to the Musharaka Agent, in accordance with Schedule 3;

“Receiver” means any person or persons appointed by the Investment Agent as administrative receiver or a receiver and manager or receivers and managers with respect to administration of the Secured Property;

“Redemption Amount(s)” means the amount payable by the Issuer to the Certificate Holders in respect of the face value of each Sukuk Certificate, representing the aggregate Buy Out Price payable on each Redemption Date(s) as specified on the Sukuk Certificates and Schedule 2 attached hereto;

“Redemption Date(s)” means each of the date(s) on which the Issuer shall pay the Redemption Amount(s) to the Certificate Holders as specified on the Sukuk Certificate and Schedule 2 attached hereto;

“Register of Certificate Holders” means the Register of Certificate Holders herein covenanted to be kept by the Issuer or a Registrar appointed by the Issuer;

“Representations and Warranties” means the representations and warranties made by the Issuer to the Investment Agent and detailed in Clause 5.1;

“SBP” means the State Bank of Pakistan;

“SDS Regulations” means the Structuring of Debt Securities Regulations, 2020 issued by the SECP, as amended from time to time;

“SECP” means the Securities and Exchange Commission of Pakistan;

“Security Documents” means the security documents executed / to be executed /furnished in favour of the Investment Agent pursuant to Clause 3.1 including any replacements, additional documents, or supplemental documents thereof;

“Security Interest” means:

- (i) a mortgage, pledge, lien, charge, assignment by way of security, hypothecation, secured interest, title retention arrangement, preferential right, or other arrangement (including, without limitation, any set-off) having the same or equivalent commercial effect as a grant of security; or

- (ii) an agreement to create or give any security or arrangement referred to in paragraph (i) of this definition;

“Secured Property” means:

- (i) all the assets comprised in the Security and all benefits and rights attached thereto, including the realization of any of these benefits and rights, held by the Investment Agent pursuant to the Security Documents;
- (ii) rights and benefits under the Transaction Documents; and
- (iii) all benefits and rights of the Certificate Holders in the Musharaka Capital/ Investment, including the realization of any of these benefits and rights, held pursuant to the any of the Transaction Documents;

“Shariah Advisor” means Al Hilal Shariah Advisors (Pvt.) Limited;

“Shariah Governance Regulations” mean the Shariah Governance Regulations, 2023;

“Sukuk Certificate” means a Sukuk certificate in the form set out in Schedule 1 hereto together with Terms and Conditions, to be issued by the Issuer by way of redeemable capital pursuant to the provisions of Section 66 of the Companies Act, 2017, each certificate having a face value of PKR 1,000,000/- (Pak Rupees One Million) each, with an aggregate face value of up to PKR 2,500,000,000/- (Pak Rupees Two Billion Five Hundred Million) inclusive of a green shoe option of PKR 1,000,000,000/- (Pak Rupees One Billion). The term **“Sukuk Certificates”** shall mean and include the Sukuk Certificates issued in the CDS which shall be subject to the Terms and Conditions;

“Sukuk Subscription and Agency Agreement(s)” means the Agreements dated on or about the date hereof entered into between the Musharaka Agent, Issuer, and the Investors / Certificate Holders;

“Terms and Conditions” means terms and conditions applicable to the Sukuk Certificates endorsed on the reverse of the Sukuk Certificates and attached as Schedule 1 to this Agreement;

“Transaction Documents” means the documents to be entered into in respect of the Sukuk Issue being; and

- (i) the Sukuk Subscription and Agency Agreement(s);
- (ii) this Sukuk Issuance Agreement;
- (iii) the Sale Undertaking;
- (iv) the Collection Arrangement Agreement;
- (v) the Musharaka Agreement; and
- (vi) the Security Documents; and

“Transaction Legal Counsel” means Mohsin Tayebaly & Co. | Corporate Legal Consultants | Barristers and Advocates.

1.2. Interpretation

1.2.1. In this Agreement, unless the context shall otherwise require:

- (i) a reference to any legislation or legislative provision includes any statutory modification of re-enactment of, or legislative provision substituted for, and any subordinate legislation under that legislation or legislative provision;
- (ii) the singular includes the plural and vice versa;
- (iii) a reference to a gender includes the other gender;
- (iv) a reference to an individual or person includes a company, firm, trust authority or government and vice versa;
- (v) a reference to a Recital, Clause or Schedule is to a recital, clause or schedule of or to this Agreement;
- (vi) a recital, definition and/or schedule forms an integral and operative part of this Agreement;
- (vii) headings are for convenience of reference only and do not affect interpretation;
- (viii) 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; and
- (ix) a reference to any party to this Agreement or any other agreement, document or arrangement includes that party's executors, administrators, successors, permitted substitutes, permitted transferees and permitted assigns.

1.3 Business Day

1.3.1. 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 shall be done on the succeeding Business Day.

1.3.2. If the day on which any payment under this Agreement is to be made is not a Business Day, then such payment shall be made on the immediately next Business Day.

PART 2

SUKUK CERTIFICATES

2. SUKUK CERTIFICATES

2.1 Investment in the Designated Business

2.1.1 Subject to satisfaction of the Conditions Precedent, all amounts paid by the Investors / Certificate Holders shall be used by the Investment Agent for the investment in the Designated Business, pursuant to the terms of the Musharaka Agreement.

2.2 Sukuk Certificates

2.2.1 Each Sukuk Certificate shall represent a beneficial ownership of the Certificate Holders in the Designated Business in accordance with the terms of the relevant Transaction Documents.

2.2.2 Each Sukuk Certificate shall be *mutatis mutandis* in the form attached to this Agreement as Schedule 1 and shall be governed by the Terms and Conditions printed on the reverse of the Sukuk



Certificate, which shall also be in the form attached to this Agreement as Schedule 1.

- 2.2.3 The Sukuk Certificates are intended to be directly inducted in the CDS, accordingly, the rules and regulations relating to the CDS with respect to Sukuk Certificates shall be applicable to the Sukuk Issue, including maintenance of Register of the Sukuk Holders and transfer of the Sukuk Certificates through CDS. The issuance and transfers of the Sukuk Certificates shall be subject to the Central Depositories Act, 1997 and the regulations and rules promulgated under the Central Depositories Act, 1997 and any provisions of this Agreement or the Terms and Conditions of the issuance of Sukuk Certificates to the extent applicable, shall stand modified accordingly.
- 2.2.4 The Certificate Holders shall have the benefit of the Transaction Documents and any other document executed pursuant to the aforesaid documents.
- 2.2.5 The Issuer shall insert the name of the Investors, or their nominees, as the case may be, on the Sukuk Certificates and shall cause such name to be entered as the registered holder of the Sukuk Certificates in the Register of Certificate Holders.
- 2.2.6 The Issuer shall bear the stamp duty payable on initial issuance of the Sukuk Certificates to the Investors (if applicable).

2.3 Payment of Buy Out Price

- 2.3.1 The Issuer, pursuant to the Musharaka Agreement, irrevocably undertakes that it will acquire the Musharaka Agent's Investment from the Certificate Holders (through the Investment Agent) on the Buy Out Payment Date at the applicable Buy Out Price. The distribution of Buy Out Prices, as per the Musharaka Agreement, will be pro-rata to the Certificate Holders based on the total Contribution by each Certificate Holder and in accordance with the Terms and Conditions.

2.4 Payment of Provisional Profit Payments

- 2.4.1 The Issuer, pursuant to the Musharaka Agreement, undertakes that it will make payment of the Provisional Profit Payment for the Profit Period to the Certificate Holders from time to time on the relevant Provisional Profit Payment Dates in accordance with the terms and conditions of the Musharaka Agreement. Such payments will be made pro-rata to the Certificate Holders and in accordance with the Terms and Conditions.

2.5 Call Option

- 2.5.1 The Issuer may at any time upon expiry of 6 (six) months from the Musharaka Commencement Date, purchase all or any of the Sukuk Certificates from the Certificate Holders at their applicable Buy Out Price (Early Purchase) ("**Call Option**") to be calculated in terms of the Sale Undertaking and the Terms and Conditions.
- 2.5.2 The Issuer shall serve upon the Certificate Holders a prior written notice of at least 30 (thirty) days to exercise the Call Option, which notice once issued shall be irrevocable and such purchase of Sukuk Certificates shall be in multiples of PKR 100,000,000/- (Pak Rupees One Hundred Million) or all the Sukuk Certificates. Such purchase shall be on a Provisional Profit Payment Date ("**Call Option Date**").
- 2.5.3 Upon exercise of Call Option, the Issuer will pay to the Certificate Holders, the Buy Out Price (Early Purchase) as per the Sale Undertaking. In case of exercise of Call Option in respect of certain Sukuk Certificates (not 100%), Provisional Profit Payments will be revised by the Investment Agent (based on the outstanding Sukuk Certificates) in terms of this Agreement, and any amounts received under the Call Option shall be applied in inverse order to which they were due and notified to the Issuer and the Certificate Holders, which in the absence of manifest error will be binding on all the parties.

PART 3

3. SECURITY

3.1 Security

3.1.1 It is understood and agreed that the Security to be held by the Investment Agent for the benefit of the Certificate Holders) shall comprise the benefits of the following:

- (i) a charge by way of hypothecation over the Hypothecated Assets in favour of the Investment Agent (for the benefit of the Certificate Holders) in the amount of PKR 3,333,333,333/- (Pak Rupees Three Billion Three Hundred Thirty Three Million Three Hundred Thirty Three Thousand Three Hundred Thirty Three) (inclusive of margin of 25% (twenty five per cent)) in terms of a letter of hypothecation in form and substance acceptable to the Investment Agent (for the benefit of the Certificate Holders) ("**Letter of Hypothecation**") which charge shall initially constitute a ranking charge, ranking subordinate and subservient to the charges created in favour of the Existing Creditors and shall be upgraded to a pari passu charge ranking pari passu with the charges of the Existing Creditors within 120 (One Hundred Twenty) days from the Musharaka Commencement Date;
- (ii) a lien and right of set-off over the Finance Payment Account maintained with the Account Bank, in favour of, the Investment Agent in terms of the letter of lien and right of set-off, in form and substance acceptable to the Investment Agent (for the benefit of the Certificate Holders / Participants) ("**Letter of Lien**");
- (iii) create a lien and right of set-off over the Finance Service Reserve Amount Account maintained with the Account Bank II, in favour of, the Investment Agent in terms of the letter of lien and right of set-off, in form and substance acceptable to the Investment Agent (for the benefit of the Certificate Holders / Participants) ("**Letter of Lien II**"); and
- (iv) execute / procure the execution of such other documents and deeds from time to time as may be mutually agreed between the parties for the purpose of more fully perfecting the Security created in favour of the Investment Agent in terms of Clause 3.1.1.

3.1.2 The Investment Agent may from time to time accept as additional or replacement security for the Payment Obligations or any part thereof the benefit of any additional assets, instruments, encumbrances as may from time to time be offered to it by the Issuer as security for the Payment Obligations.

PART 4

CONDITIONS PRECEDENT

4. CONDITIONS PRECEDENT

4.1 Conditions Precedent

4.1.1 The Issuer shall be entitled to request payment of the Musharaka Agent's Investment in terms of the Musharaka Agreement only if the Issuer has provided evidence as to the following to the Investment Agent:

- (i) that the Issuer has the necessary power to enter into this Agreement and the Transaction Documents, and that the execution and delivery of this Agreement and the relevant

Transaction Documents by the Issuer and issuing the Sukuk Certificates is duly authorized by a resolution of the Board of Directors of the Issuer passed in a meeting;

- (ii) that the signatories of this Agreement and the relevant Transaction Documents on behalf of the Issuer are duly empowered to sign this Agreement and the relevant Transaction Documents to enter into on behalf of the Issuer and to bind the Issuer into the covenants and undertakings herein contained or which may arise as a consequence of the entering into this Agreement and the relevant Transaction Documents by the Issuer;
- (iii) the Investment Agent is satisfied that nothing herein contained or in this Agreement conflicts with any of the provisions of the Memorandum and Articles of Association of the Issuer;
- (iv) completion and fulfilment of all the legal formalities for the documentation and the Sukuk Issue by the Issuer and the Investment Agent;
- (v) this Agreement is valid, binding, effective and enforceable against the parties in terms thereof;
- (vi) the Issuer has taken all steps and executed all documents required under or pursuant to this Agreement or any other agreement between the parties or any documents creating, evidencing, and perfecting the Security in favour of the Investment Agent;
- (vii) there exists no charge, encumbrance, or lien upon the Security, other than the charges of the Existing Creditors (to the extent applicable);
- (viii) the charge registration certificates, and Form 10s have been issued by the companies registration office of the SECP in respect of the Security Documents and copies of the same have been provided to the Investment Agent;
- (ix) the Issuer has obtained a long-term entity rating of "A+" (A Plus) and a minimum short term entity rating of "A-1" (A One) from PACRA;
- (x) the Issuer has issued a certificate that there is no Event of Default & Termination as on the date thereof;
- (xi) the authorized person of the Issuer has issued a certificate that the Issuer is not in breach of any representation, warranty or covenant made under this Agreement;
- (xii) that the Issuer has obtained all material consents, waivers, approvals, authorizations, and permissions required for issuing the Sukuk Issue including but not limited to compliance with all, regulations of the SECP;
- (xiii) that the Issuer has paid all costs, charges, fees, and expenses due in terms of this Agreement including but not limited to legal fee, issue agency fee, trustee fee and arrangement fee;
- (xiv) the Issuer has taken all necessary steps and executed / procured the execution of all documentation pertaining to the Sukuk Issue or any other agreement between the parties;
- (xv) the Issuer has obtained a long term rating of "AA-(double A minus) for the Sukuk Issue from PACRA;
- (xvi) that the Issuer has a clear eCIB Report (Electronic Credit Information Bureau report of the SBP), evidenced by a current eCIB Report from SBP and which report is not more than 2 (two) months old;

- (xvii) the Issuer is in compliance with the provisions of the Prudential Regulations of the SBP (to the extent applicable) and all other applicable laws, rules, regulations, and guidelines, including guidelines set out by the Shariah Advisor;
- (xviii) the Investment Agent has received sufficient certified true copies of the following from the Issuer:
 - (a) SECP Certified Memorandum and Articles of Association;
 - (b) SECP Certified Certificate of Incorporation;
 - (c) SECP Certified Form 29 and Form A;
 - (d) SECP certified Certificate of Commencement of Business;
 - (e) Company Secretary certified CNIC copies of all directors;
 - (f) Company Secretary certified list of authorized signatories along with their specimen signatures;
 - (g) Company Secretary certified list of directors along with their specimen signatures;
 - (h) Duly filled, signed, and stamped Borrower Basic Fact Sheet in form acceptable to the Investment Agent;
 - (i) Undertaking for Appropriate Utilization of Funds;
 - (j) Duly filled, signed, and stamped Finance Application Form;
 - (k) Accepted Shariah Structure;
- (xix) the Investment Agent has received the audited Balance Sheet and Profit and Loss Account of the Issuer as at June 30, 2023;
- (xx) that the Issuer has obtained comprehensive Takaful policies against events of force majeure, including but not limited to loss or damage by fire, explosion, lightning, theft, insurrection, riot, strikes, civil commotion, terrorism, earthquake, malicious damage, atmosphere disturbance, damage caused by impact, damage caused by aircraft (in whole or in part) covering all the risks up to the extent of the charge amount in respect of the Security (to the extent applicable) for the full value thereof from an Takaful company acceptable to the Investment Agent and assigned the benefits of all the policies of Takaful in respect of the same to the Investment Agent as co-loss payee and the Issuer shall provide to the Investment Agent all the Takaful policies together with the receipt in respect of the payment of the premium made by the Investment Agent in respect of such policies;
- (xxi) the Issuer has provided the Investment Agent with a latest valuation report of the Hypothecated Assets from a valuator acceptable to the Investment Agent;
- (xxii) a legal opinion has been issued by the Transaction Legal Counsel confirming, *inter alia*, the validity, enforceability, and binding effect of the obligations of the Issuer under the Transaction Documents and the Security Documents;
- (xxiii) the Investment Agent has received for the benefit of the Certificate Holders all costs, fees and charges payable and due by the Issuer in terms of this Agreement and in connection

with the Transaction Documents, including but not limited to any arrangement fee, agency fee, Transaction Legal Counsel's fee and any other professional fee approved by the Shariah Advisor;

- (xxiv) the Issuer has provided to the Investment Agent the Shariah Advisor's certificate for the purposes of the Sukuk Issue;
- (xxv) the Issuer is in compliance with all relevant environmental related laws, regulations, and guidelines wherever applicable to the Sukuk Issue/ Musharaka/ Issuer; and
- (xxvi) certification of completion, compliance and fulfilment of all the legal formalities/ requirements including compliance with all applicable regulations, corporate actions/ consents required for the documentation of the Sukuk Issue by the Issuer.

4.1.2 Additionally, the Issuer shall only be entitled to request the Musharaka Agent's Investment in terms of the Musharaka Agreement if the Investment Agent has received such other ancillary documents as it reasonably requests in respect of the Sukuk Issue.

4.2 Investment Agents Discretion concerning Conditions Precedent

4.2.1 The Investment Agent shall, if so, instructed by all the Certificate Holders, waive, or postpone the time for fulfilment of any Conditions Precedent with respect to the payment of the Issue Price (in full or in part) by all the Certificate Holders (through the Investment Agent) to the Issuer.

4.2.2 Where a postponement is allowed under this sub-clause, the Issuer shall comply with the terms on which the postponement is granted, and the Issuer shall be in breach of the provisions of this Agreement if it fails to satisfy by the postponement date the Conditions Precedent to the payment of Issue Price (in full or in part) and the conditions on which postponement was granted.

4.2.3 The Investment Agent (upon instructions from each Investor / Certificate Holder) shall inform the Issuer and the Certificate Holders in writing that all the conditions precedent as provided in clause 4.1 above being met or waived.

PART 5

REPRESENTATIONS, WARRANTIES AND COVENANTS

5. REPRESENTATIONS AND WARRANTIES

5.1. Representations and Warranties

5.1.1. The Issuer hereby represents and warrants that:

- (i) It is a company incorporated and existing under the laws of Pakistan and is not in liquidation (nor it is threatened with liquidation);
- (ii) it has full legal capacity and power:
 - (a) to own its properties and assets and carry on its business as it is now being conducted;
 - (b) to utilize the Issue Price towards and for carrying on the purpose contemplated under the Transaction Documents; and
 - (c) to enter into, exercise its rights and perform its obligations under this Agreement, the Sukuk Certificates, and the Security Documents;

- (iii) all conditions and things required by applicable law to be fulfilled or done in order to enable it lawfully to enter into, and exercise its rights and perform its obligations under this Agreement and the Sukuk Certificates have been fulfilled or done and this Agreement constitutes its valid and legally binding obligations, enforceable against it in accordance with its terms;
- (iv) it has a valid, legal and subsisting title to the Secured Property and on the date of the execution of this Agreement there are no other encumbrances on the Secured Property except for the charges in favour of the Existing Creditors;
- (v) that no Event of Default & Termination or Potential Event of Default & Termination has occurred as of the date of this Agreement;
- (vi) it is in compliance with all applicable laws;
- (vii) its Balance Sheet and Profit and Loss Account as at June 30, 2023, has been prepared in accordance with the applicable law and generally accepted accounting principles as consistently applied in Pakistan and give a true and fair view of its financial condition as of that date and that there has been no change since that date having a Material Adverse Effect on it;
- (viii) to the knowledge of the Issuer, neither the execution of, nor exercise of its rights or performance of its obligations under this Agreement does or will:
 - (a) contravene any applicable law or any order, judgment or direction of any court or tribunal to which the Issuer or any of its properties and businesses are subject;
 - (b) contravene any contract, undertaking or instrument binding on the Issuer or any of its properties;
 - (c) contravene any provision of the Memorandum and Articles of the Issuer;
 - (d) require the Issuer to make any payment or delivery in respect of any Financial Indebtedness before the scheduled date of that payment or delivery; or
 - (e) cause any limitation on the power of the Issuer to incur Financial Indebtedness to be exceeded;
- (ix) save as otherwise disclosed, no litigation, arbitration or administrative proceedings to which the Issuer is a party are taking place, pending or, to the knowledge of the Issuer, threatened against the Issuer or any of its properties which have or are reasonably likely to have a Material Adverse Effect on it and which in the reasonable opinion of the Issuer, likely to be adversely determined;
- (x) it has disclosed to the Investment Agent in writing all existing liabilities and commitments and all other matters which could have a Material Adverse Effect on it;
- (xi) to the knowledge of the Issuer, no extraordinary circumstances and no change of law has occurred which would make it impossible for it to carry on the Musharaka/ Sukuk Issue and/or its business or fulfil its obligations under this Agreement;
- (xii) it has taken all steps necessary and to the extent applicable to ensure that the Certificate Holders are in compliance with the provisions of the Prudential Regulations and / or all other applicable laws and regulations, as applicable to the Certificate Holders, or has obtained the necessary waivers for the same in connection with the Sukuk Issue;

- (xiii) all information furnished by the Issuer to the Investment Agent is accurate and that it has not omitted or concealed any material facts which would render such information incorrect, misleading, or inaccurate;
- (xiv) all governmental, regulatory, creditors' and corporate consents, approvals, registrations, and authorizations (to the extent required) for the purposes of the Sukuk Issue are in place;
- (xv) it has all licenses, consents, approvals, registrations, and authorizations (to the extent required) necessary for carrying out its business and fulfilling its obligations under the Transaction Documents;
- (xvi) it has a clear eCIB Report, evidenced by a current eCIB Report, which report is not more than 2 (two) months old at the time of the execution of this Agreement;
- (xvii) the Issuer shall provide the inventory and fixed assets report on a monthly basis to the Investment/ Musharaka Agent and, if required by the Shariah Advisor, the Issuer shall arrange a visit to verify and confirm the level of inventory;
- (xviii) this Agreement constitutes its valid and legal binding obligations, enforceable against it in accordance with its terms;
- (xix) it has legal, valid, and subsisting title to the Security and that as at the date hereof there exists no Security Interest over the Security except for the charges in favour of the Existing Creditors;
- (xx) it has obtained all necessary corporate and regulatory approvals for the purposes of the Sukuk Issue; and
- (xxi) its assets and properties are adequately insured against all usual risks.

5.2. Indemnity for Breach of Representations and Warranties

- 5.2.1. The Issuer acknowledges that the Investment Agent has entered into this Agreement in reliance on the Representations and Warranties and agrees to hold harmless and indemnify the Investment Agent in the event of any loss, damage, proceedings, claims, penalties, expenses and liabilities whatsoever which may be taken or made against or imposed upon the Investment Agent on account of any of the Representations and Warranties found to be false or misleading in accordance with the terms of this Agreement.

PART 6

COVENANTS

6. COVENANTS

6.1. Positive Covenants

- 6.1.1. The Issuer undertakes and covenants that:

- (i) It shall ensure compliance with all applicable laws, rules and regulations including but not limited to SDS Regulations, Sukuk Regulations and Private Placement Rules in all material aspects, issued by all applicable authorities including but not limited to SBP and SECP;

- (ii) It shall pay the Buy Out Price on the Buy Out Payment Dates and the Provisional Profit Payments for the Profit Period on the relevant dates, and the Redemption Amount(s) on each Redemption Date;
- (iii) it shall at all times maintain a correct register of Certificate Holders showing their names and addresses, the amount of Sukuk Certificates held by each and the date on which such Certificate Holder was registered as the holder and the date on which he ceased to be so registered;
- (iv) it shall provide the Investment Agent with copies of all documents, reports, notices, circulars, and particulars which the Issuer provides to its shareholders, at the same time as they are provided to its shareholders, with sufficient copies to enable the Investment Agent to provide a copy to each Certificate Holder;
- (v) it shall duly perform and observe the obligations in terms of this Agreement;
- (vi) as and when requested by the Investment Agent, it shall provide to the Investment Agent without cost the Register of Certificate Holders and / or extracts therefrom as well as any other document or information pertaining to the Sukuk Certificates and the Certificate Holders. In addition, as and when required the Issuer shall send extracts of the Register of Certificate Holders to the Investment Agent on a monthly basis;
- (vii) provide the Investment Agent, on request, and in any event within 7 (seven) Business Days of request, with any information relating to its financial condition, business, assets and affairs as the Investment Agent may reasonably request;
- (viii) keep proper records and books of account and in the Event of Default & Termination, permit the Investment Agent or its employees, agents, or representatives to examine and take copies of all records and books of account and all other documents relating to its activities;
- (ix) that payment of all amounts by the Issuer to the Certificate Holders in respect of the Sukuk Certificates will be made free and clear of deductions of any nature whatsoever except for deductions, if any required compulsorily to be made by law, for which the Issuer will provide suitable evidence of having deposited the amount deducted with the relevant government authority, department, treasury;
- (x) deliver to the Investment Agent, for the Participants / Certificate Holders, adequate number of copies of:
 - (a) the audited annual accounts and balance sheet of the Issuer at the closing of each preceding financial year within 120 (one hundred twenty) days after the close of such year; and
 - (b) half-yearly reviewed accounts within 90 (ninety) days of the close of the relevant half-year;

These financial statements shall reflect the true and fair view of the financial position of the Issuer and shall be drawn in conformity with generally accepted accounting principles consistently applied;
- (xi) use the Issue Price solely and exclusively for the Purpose as specified in this Agreement and the Transaction Documents and for no other purpose whatsoever;
- (xii) pay or keep paid up all undisputed fees, taxes, dues, rents, rates, and charges of any governmental or municipal authority or other competent authority;

- (xiii) ordinary wear and tear excepted, maintain the buildings, sites, works, constructions, plants, equipment, facilities of the Issuer in a good state of repair and in good working order and condition and take all precautions against such risks including fire, arson, riots, earthquakes, and acts of terrorism;
- (xiv) provide the Investment Agent, on request, and in any event within 5 (five) Business Days of request, with any information relating to its financial condition as the Investment Agent may reasonably request;
- (xv) give the Investment Agent prompt notice of any litigation, arbitration, or administrative proceedings to which it is a party which, if adversely determined, could have either separately or in aggregate a Material Adverse Effect on it;
- (xvi) execute all documents and do all acts and things as are stated in this Agreement;
- (xvii) make prompt payment of all amounts due under the Transaction Documents to the Investment Agent and the Certificate Holders;
- (xviii) enter into supplementary agreement with the Investment Agent (which shall be deemed to be part of this Agreement) if at any time pursuant to the Government/SBP/ Shariah Advisor directives any term or condition of this Agreement required is to be altered or some new conditions are required to be incorporated, provided that entering into such supplementary agreement does not have or potentially have a Material Adverse Effect on it, however the changes suggested by the Shariah Advisor have to be implemented regardless of any Material Adverse Effect;
- (xix) maintain the following financial ratios throughout the tenor of the Sukuk Issue:
 - a. Total Debt to Equity Ratio of not more than 2x;
 - b. Current ratio of at least 1;
 - c. Finance Service Coverage Ratio of at least 1x;
 - d. DEBT to EBIDTA of not more than 4x;
- (xx) keep proper records and books of account;
- (xxi) maintain perfection of the Security throughout the tenor of the Sukuk Issue;
- (xxii) conduct and manage its business and affairs with diligence and efficiency in accordance with sound financial and business practices as are prevailing in the similar industry in Pakistan and with the assistance of qualified personnel;
- (xxiii) maintain its existence and right to carry on business and take all steps necessary to maintain and renew its lease / hire agreements, other contracts, rights, powers, privileges, concessions, licenses and franchises (as applicable) which are necessary or materially useful for the conduct of its business and maintain its books of accounts and other records adequately to reflect truly and fairly its financial position and the results of its respective operations in conformity with generally accepted accounting principles consistently applied;
- (xxiv) it shall maintain stock in trade and operating fixed assets having worth of at least 33% (thirty three percent) of the Issue Agent's investment. The Issuer will be bound to intimate

to the Investment Agent if inventory level at any period of time during the Sukuk Issue reduces below 33% (thirty three percent) value of the Issue Agent's investment;

- (xxv) comply with the conditions in relation to Prudential Regulations as specified in Clause 6.3 below;
- (xxvi) ensure compliance of all applicable laws and regulatory requirements;
- (xxvii) maintain adequate Takaful /insurance in respect of its assets and properties as represented to the Investment Agent;
- (xxviii) shall ensure compliance with all relevant environmental related laws, regulations, and guidelines wherever applicable to the Sukuk Issue/ Musharaka/ Issuer;
- (xxix) immediately inform the Investment Agent if, to the knowledge of the Issuer, there is any event having a Material Adverse Effect on it and to take all steps to rectify such Material Adverse Effect;
- (xxx) intimate the Investment Agent prior to availing any short-term financing including but not limited to a running Musharaka facility;
- (xxxi) as soon as practicable inform the Investment Agent of the occurrence of an Event of Default & Termination;
- (xxxii) shall maintain its long term entity rating of "A+" (A Plus) and short term entity rating of "A-1" (A One); and
- (xxxiii) shall maintain its Sukuk Issue long term rating of "AA-" (double A minus).

6.2. Negative Covenants

6.2.1. The Issuer shall not except with the prior written consent of the Investment Agent and such consent shall not be unreasonably withheld:

- (i) create or permit any Security Interest over the Security, other than the charges of the Existing Creditors (to the extent applicable); or
- (ii) sell, transfer, lease out or otherwise dispose of a substantial part of its undertaking or assets or undertake or permit any merger, consolidation, dismantling or re-organization of the Issuer; or
- (iii) change its Memorandum or Articles in any manner that may have a Material Adverse Effect, or change its fiscal year or change the nature of its business; or
- (iv) take any action which may have a Material Adverse Effect on it; or
- (v) declare any dividend if, to the knowledge of the Issuer, there is, or if the declaration and payment of such dividend will result in, a violation of any of the financial covenants as contained herein and/ or required under the Prudential Regulations issued by SBP; or
- (vi) sell its assets other than in the ordinary course of business and/or for financing under Islamic modes of financing and subject to compliance with the terms and conditions of the Security Documents; or

- (vii) allow any change in the majority control and/ or ownership of the Issuer, at any time during the tenor of the Sukuk Issue; or
- (viii) sell the Security.

6.3. Prudential Regulations

- 6.3.1. The Issuer shall ensure compliance with the applicable Prudential Regulations, the Prudential Regulations for NBFCs, the NBFC Rules and the NBFC Regulations, Islamic Banking regulations issued by SBP or other regulations as are notified from time to time by the SBP (which are attributable to the Issuer and intimated by the Investment Agent), as are required to be complied with by the Issuer in terms of this Agreement (notwithstanding that the Prudential Regulations, Prudential Regulations for NBFCs, NBFC Rules and NBFC Regulations are directed to banks and financial institutions) or obtain necessary waivers for fulfilment of the said regulations from SBP or any relevant authority.
- 6.3.2. The Issuer hereby undertakes to indemnify the Investment Agent against all proceedings, claims, penalties, expenses and liabilities whatsoever which may be taken or made against or imposed upon the Investment Agent by the SBP or are otherwise incurred by the Investment Agent by reason of the Issuer's non-compliance with the undertaking set out in this Clause (except to the extent that the same are sustained or incurred as a result of gross negligence, willful misconduct or fraud on the part of the Investment Agent).
- 6.3.3. The obligation of the Issuer under Clause 6.3.1 and the indemnity given by it in terms of Clause 6.3.2 are subject to and conditional on prior written notice by the Investment Agent to the Issuer of the applicability of any new Prudential Regulations, Prudential Regulations for NBFCs, NBFC Rules and NBFC Regulations which may be applied in the future and the steps required to be taken by or on behalf of the Issuer to comply therewith.

6.4. Indemnity for Breach of Covenants

- 6.4.1. The Issuer undertakes and agrees to hold harmless and indemnify the Investment Agent in the event of any actual loss, damage, proceedings, claims, penalties, expenses and liabilities whatsoever which may be taken or made against or imposed upon the Investment Agent on account of any breach of the covenants by the Issuer unless the same are sustained or incurred as a result of gross negligence, willful misconduct or fraud on the part of the Investment Agent.

PART 7

THE AGENCY

7. TERMS OF THE AGENCY

7.1 Agency for the benefit of the Certificate Holders

- 7.1.1 The rights and benefits vested or to be vested in the Investment Agent by the Transaction Documents shall be performed and exercised in accordance with the provisions of this Agreement.
- 7.1.2 A Certificate Holder who ceases to be owed any Payment Obligations shall automatically cease to be a beneficiary under this Agreement.

7.2 Powers of the Investment Agent

- 7.2.1 The Investment Agent shall have all the powers and discretions conferred upon the Investment Agent in terms of the Transaction Documents and in addition thereto it is expressly declared as follows:

- (i) the Investment Agent may in relation to any of the provisions of the Security Documents and other documents related thereto pay for the advice or services of and act on the opinion or advice of or any information obtained (whether by the Investment Agent or any other person duly authorized by the Investment Agent) from any lawyer, accountant, banker, broker, surveyor, valuer or other professional advisor or other expert whose advice, services, opinion or information may to it seem necessary, expedient or desirable and shall not be responsible for any loss occasioned by so acting, save where the same occurs from inter alia negligence, misconduct or default on part of such person (whether natural or legal);
- (ii) the Investment Agent shall be at liberty to place the Transaction Documents and any other instrument, documents or deed delivered to it pursuant to or in connection with the Transaction Documents for the time being in its possession in any safe deposit, safe or receptacle selected by the Investment Agent or with any bank, any company whose business includes undertaking the safe custody of documents or any firm of lawyers and the Investment Agent shall not be responsible for any loss thereby incurred (save that the Investment Agent shall take reasonable steps to pursue any person who may be liable to it in connection with such loss);
- (iii) except for as otherwise expressly provided in this Agreement or in the Security Documents directed to the contrary by the Certificate Holders in accordance with the terms of the Agreement the Investment Agent shall as regards all rights, powers, authorities and discretions vested in it by this Agreement or the Security Documents have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and as to the manner and time of any such exercise thereof and provided it shall have acted lawfully it shall be in no way responsible for any loss, costs, damages, expenses or inconveniences resulting from the exercise or non-exercise thereof except in case of negligence and/or willful misconduct and/or misuse of authority; and/or fraud of the Investment Agent
- (iv) the Investment Agent (or any of its directors or officers) shall not be precluded by reason of its acting as Investment Agent hereunder from underwriting, guaranteeing the subscription of, subscribing for or otherwise acquiring, holding or dealing with any, sukuk certificates, term finance certificates, shares or securities whatsoever of the Issuer or any subsidiary thereof or any other company in which the Issuer may be interested or for entering into any contract of financial or other transaction with or from engaging in any other business with, any other agreement constituting or securing any securities issued by or relating to, the Issuer or any subsidiary thereof or any other company in which the Issuer or any such subsidiary may be interested provided the aforesaid transactions are otherwise permissible under the applicable laws. The Investment Agent shall not be liable to account for any profit made or payment received by it thereby or in connection therewith provided that the Investment Agent shall ensure that, as far as practicable, the personnel assigned to deal with normal administrative matters in relation to such other agency arrangements shall not be assigned to deal with any functions in relation to the agency arrangement of this Agreement and vice versa;
- (v) the Investment Agent may call for and rely as to any matters of fact which might reasonably be expected to be within the knowledge of the Issuer upon a certificate signed by an Authorized Representative of the Issuer, as sufficient evidence thereof and shall not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by the Investment Agent failing to do so;
- (vi) the Investment Agent shall not be liable for acting in relation to the Agreement and/or the Security Documents or any related documents on any notice, request, certificate, direction or other communication or other document purporting to emanate from the Issuer provided that the Investment Agent has exercised reasonable caution as is

commensurate with market practices, notwithstanding that the same shall include some error or omission or not be authentic save for, inter alia, any manifest error, negligence and/or default on part of the Investment Agent;

- (vii) the Investment Agent shall not be responsible for any recitals or statements, warranties or representations of any party (other than the Investment Agent) contained herein or the Security Documents or for the execution, effectiveness, genuineness, validity, admissibility in evidence or enforceability of any such agreement or other document or any obligations or rights created or purported to be created thereby or any security constituted or purported to be constituted by or pursuant to the Security Documents (nor shall it be responsible or liable to any person because of any invalidity of any provision of such documents, whether arising from statute, law or decision of any court) provided the Investment Agent will act with diligence;
- (viii) except as herein otherwise expressly provided, be authorized to assume without inquiry, and it is hereby declared to be the intention that it shall assume without inquiry, in the absence of express written notice to the contrary, that the Issuer is duly performing and observing all the provisions contained in the Transaction Documents and that all covenants, warranties and undertakings contained in the Transaction Documents are being complied with and that no event or circumstances which might constitute an Event of Default & Termination has occurred or exists;
- (ix) the Investment Agent may assume that no event which entitles the Certificate Holders to exercise any of its rights under this Agreement has occurred and that the Issuer is not in breach of any of its obligations under the Security Documents and/ or this Agreement, unless it has received either a written notice to the contrary from the Issuer or a notice or information which the Investment Agent believes to be accurate regarding an occurrence of an Event of Default & Termination; and
- (x) the Investment Agent shall be entitled to invest the Proceeds which in the opinion of the Investment Agent is not required to be paid over or cannot legally be paid over promptly following receipt in the name or under the control of the Investment Agent in any of the Shariah compliant investments for the time being authorized by law for the investment by the Investment Agent of monies or in any other Shariah compliant investments whether similar to the aforesaid or not or by placing the same on deposit in the name or under the control of the Investment Agent with such bank or financial institution as the Investment Agent may think fit for the benefit of the Certificate holders and the Investment Agent may at any time vary or transpose any such investments for or into any others of a like nature and shall not be responsible for any loss due to depreciation in value or otherwise of such investments.

7.3 Duties of the Investment Agent

7.3.1 The Investment Agent shall:

- (i) perform its rights and obligations as are specifically set out in this Agreement;
- (ii) regularly monitor the payment of the Buy Out Price/ Provisional Profit Payments/ Redemption Amounts and ensure that the same is carried out by the Buy Out Payment Dates/ Redemption Dates;
- (iii) monitor delay or defaults in payment of the Buy Out Price/ Provisional Profit Payments/ Redemption Amounts to the Certificate Holders;
- (iv) hold the Security for the benefit of the Investors/ Certificate Holders pursuant to the Security Documents;

- (v) comply with the applicable laws;
- (vi) regularly monitor the compliance of the covenants hereunder by the Issuer;
- (vii) submit any document or information as and when requested by the SECP;
- (viii) inform the Certificate Holders of any actual or potential breach of its or the Issuer's obligations under the Agreement along with remedial steps to be taken with respect to the same (to the extent applicable);
- (ix) monitor the quantum of the Security on a semi-annual basis (including to ascertain whether the same is sufficient to discharge the claims of any Certificate Holders as and when the same become due);
- (x) keep available for inspection by the Certificate Holders at its specified office during normal business hours on any weekday (excluding Saturdays, Sundays, and public holidays) copies of the following documents:
 - (a) the constitutional documents of the Issuer;
 - (b) the most recent audited financial statements of the Issue; and
 - (c) the Transaction Documents.
- (xi) inform the Certificate Holders of any notice in writing received by it or any information received by it which it believes to be accurate of:
 - (a) any general meeting of the Issuer convened for the purpose of considering any resolution of the winding-up of the Issuer;
 - (b) any such resolution being proposed (whether in general meeting or otherwise); or
 - (c) any petition for the winding-up of the Issuer or for the appointment of an administrator of the Issuer or a receiver in respect of the Secured Property of the Issuer and any breach or alleged breach by the Issuer of any its obligations under the Security Documents and/ or this Agreement.

7.3.2 The Issuer and the Certificate Holders/ Musharaka Agent will, on request from the Investment Agent, promptly give to the Investment Agent a written certificate in such form as the Investment Agent may reasonably require setting out all information available to it to facilitate the performance by the Investment Agent of its rights, powers, authorities, discretions, duties, and obligations under this Agreement and/or the Security Documents.

7.3.3 Notwithstanding any other provision of this Agreement or the Transaction Documents, the Investment Agent shall not be obliged to provide any indemnity to, or in favour of, any Receiver.

7.4 Musharaka Agent to act in accordance with the Instructions of the Certificate Holders/ Musharaka Agent

7.4.1 The Investment Agent shall:

- (i) act as investment agent in accordance with the instructions given to it by the Certificate Holders/ Musharaka Agent; and

- (ii) refrain from exercising any right, power or discretion vested in it as investment agent under this Agreement if so, instructed by the Certificate Holders/ Musharaka Agent.

The instructions of the Certificate Holders for purposes of this Agreement, unless specifically required to be as otherwise, shall be deemed to be given if given in writing by the Majority Certificate Holders or supported by an Extra Ordinary Resolution.

7.4.2 The Investment Agent shall be entitled to refrain from exercising any right, power or discretion vested in it under the Security Documents unless and until instructed by the Certificate Holders/ Musharaka Agent as to whether or not such right, power or discretion is to be exercised and the manner in which such right, power or discretion is to be exercised.

7.4.3 The Investment Agent shall be entitled to refrain from acting in accordance with any instructions or requests of the Certificate Holders/ Musharaka Agent or of any other person until such time as it has received such security and/or indemnity as it may require from the Certificate Holders/ Musharaka Agent (whether by way of payment in advance or otherwise) against all costs, claims, expenses (including legal fees) and liabilities which it will or may properly expend or incur in complying with such instructions or requests.

7.5 Remuneration of Investment Agent

7.5.1 The Issuer shall pay to the Investment Agent in respect of its acting as Investment Agent under this Agreement a fee of PKR 750,000/- (Pak Rupees Seven Hundred Fifty Thousand), payable on the signing of this Agreement and thereafter on each anniversary of such dated until the obligations under the Transaction Documents have been fulfilled.

7.6 Liability of Investment Agent

7.6.1 Nothing in this Agreement shall, in any case in which the Investment Agent has failed to show the degree of care and diligence required of it as the Investment Agent having regard to the provisions of the Security Documents imposing or conferring on the Investment Agent any obligations, powers, authorities or discretions, relieve the Investment Agent from any liability which by virtue of any rules of law would otherwise attach to it in respect of any negligence, default, breach of duty of which it may be guilty in relation to its duties under this Agreement.

7.7 Taxes and Expenses

7.7.1 The Issuer shall pay all the taxes, levies, costs, and expenses of any acts done for the issuance of the Sukuk Certificates, including but not limited to the registration charges and stamp duties incurred in the negotiation, preparation, execution of the Agreement, the Security Documents the Sukuk Certificates, or expenses in releasing the Security. Furthermore, the Issuer shall pay all the expenses and costs of any acts done in relation to the Sukuk Certificates including legal counsel's fees and other fees or charges of any incidental acts done in this regard.

7.8 Structuring of Debt Securities Regulations, 2020

7.8.1 The Issuer and the Investment Agent agree, that to the extent required, applicable and possible, they shall comply with the terms and conditions of the SDS Regulations as if the same directly applied to the Sukuk Issue. The Issuer confirms that it shall accordingly provide the Investment Agent with all necessary information from time to time to ensure that the Investment Agent is able to comply with its obligations under the SDS Regulations to the extent applicable, and Schedule-II of the SDS Regulations shall be deemed to be incorporated in this Agreement by reference.

7.9 Indemnification of the Investment Agent

7.9.1 The Issuer shall indemnify the Investment Agent and keep it indemnified against all liabilities, actions, proceedings, costs, claims, and demands (including as aforesaid) in respect of any matter or thing done or omitted in any way relating to this Agreement except to the extent that they are sustained or incurred as a result of the negligence, willful misconduct, or fraud of the Investment Agent.

7.10 Removal and Retirement of the Investment Agent

7.10.1 The Investment Agent may resign at any time by providing at least 30 (thirty) days prior written notice to the Issuer and the Certificate Holders. In case of resignation of the Investment Agent, the Issuer shall be responsible to procure a replacement Investment Agent for the purposes of this Agreement who shall assume all responsibilities and duties in accordance with Clause 7.10.3 below.

7.10.2 The Issuer may remove the Investment Agent at any time by providing the Investment Agent and the Certificate Holders 90 (ninety) days prior written notice in the following events:

- (i) if the SBP or the SECP requires such removal;
- (ii) if the Issuer is required by any provision of law to appoint an investment agent other than the Investment Agent;
- (iii) if the Investment Agent becomes insolvent or passes a resolution for voluntary winding up or becomes the subject of winding up proceedings before a Court of Competent Jurisdiction;
- (iv) if the Investment Agent has committed a breach of the terms of the Transaction Documents and such breach remains unrectified after 30 (thirty) days of written notice to this effect from the Certificate Holders representing at least 10% (ten percent) of the outstanding face value of the Sukuk Certificates;
- (v) if the Majority Certificate Holders require the Investment Agent to be removed by notice in writing to the Issuer and the Investment Agent or an Extra Ordinary Resolution to this effect is passed by the Certificate Holders.

7.10.3 Notwithstanding anything contained herein it is agreed that any retirement / resignation or removal of the Investment Agent shall not take effect until the Issuer has appointed a replacement Investment Agent from amongst a banking company or financial institution duly qualified to act as such investment agent under law (which appointment shall for all purpose be deemed as an appointment by and / or on behalf of all the Certificate Holders) and such replacement Investment Agent shall have become bound by the provisions of this Agreement whereupon the Investment Agent being removed or retiring as the case may be shall thereby forthwith be discharged from any further obligations under this Agreement (but without prejudice to any accrued liabilities and benefits under this Agreement). Upon the replacement Investment Agent agreeing in writing that it shall assume the duties and obligations assumed by the Investment Agent in this Agreement it shall have all the rights, powers, authorities, discretions, duties, and obligations of the Investment Agent under this Agreement. The retiring Investment Agent shall, at the request of the Issuer, execute all such instruments as are reasonably required to vest the benefit of the Designated Business in the replacement Investment Agent. Notwithstanding the removal or retirement of the Investment Agent, the Issuer shall indemnify and keep the Investment Agent indemnified against any claims, costs, losses, or consequences arising out of any act or thing done by the Investment Agent in good faith in pursuance of this Agreement.

7.11 Obligation to act with due care

7.11.1 Both the Issuer and the Investment Agent agree to act in good faith and with due diligence and with all reasonable care which is in the circumstances required in the performance of its duties and obligation under this Agreement or when exercising any power, authority or discretion which is vested in it under the Agreement.

7.12 Meetings of the Certificate Holders

7.12.1 The manner in which meetings of Certificate Holders will be held and the procedures applicable in respect of such meetings are specified in Schedule 5 of this Agreement.

7.13 Private Placement Rules

7.13.1 The Issuer and the Investment Agent confirm that the Sukuk Issue shall be subject to the terms and conditions contained in the Private Placement Rules. The Issuer confirms that it will ensure compliance with and provide the SECP with all the necessary information from time to time to ensure compliance with its obligations under the Private Placement Rules (till such time the same is applicable) and all applicable provisions of the Private Placement Rules shall be deemed to be incorporated in this Agreement by reference.

7.14 Shariah Governance Regulations

7.14.1 The Issuer and the Investment Agent confirm that the Sukuk Issue shall be subject to the terms and conditions contained in the Shariah Governance Regulations. The Issuer confirms that it will ensure compliance with and provide all the necessary information from time to time to the Investment Agent for the purposes of compliance with the Shariah Governance Regulations and all applicable provisions of the Shariah Governance Regulations shall be deemed to be incorporated in this Agreement by reference.

PART 8

EVENTS OF DEFAULT & TERMINATION AND ENFORCEMENT OF SECURITY

8. EVENT OF DEFAULT & TERMINATION

8.1 Events of Default & Termination

8.1.1. Each of the following events shall constitute an Event of Default & Termination after expiry of the relevant cure period provided in this Clause 8.1.1 (where applicable):

- (i) failure by the Issuer in paying on the due date for payment, the Provisional Profit Payment or the Buy Out Price or the Redemption Amounts;
- (ii) other than those payments specified in sub-clause (i) of Clause 8.1.1 hereinabove, default of the Issuer in paying on the due date for payment, or within any period stipulated herein or within any period stipulated in the demand of the Investment Agent of any sum payable under this Agreement/ Transaction Documents and such default continues for more than 10 (ten) Business Days after such demand of the Investment Agent;
- (iii) the Issuer does not comply with its undertakings or covenants, or any other provision of this Agreement/ Transaction Documents and such non-compliance continues for 7 (seven) Business Days after the receipt by the Issuer of a written notice from the Investment Agent, notifying the Issuer of its non-compliance with the provisions of this Agreement;

- (iv) the Issuer is merged or amalgamated with another company or corporation or is reconstituted and in the reasonable opinion of the Investment Agent any such action has a Material Adverse Effect in the opinion of the Investment Agent;
- (v) any existing license or any regulatory approvals in favour of the Issuer to carry on its business is revoked, terminated, or suspended for any reason whatsoever and such state continues without relief by a court of law, for a period of 7 (seven) days;
- (vi) a representation, warranty or statement made or repeated in or in connection with this Agreement or in any document delivered by or on behalf of the Issuer, is or proves to have been incorrect or misleading in any material respect or any statement, representation or warranty made or repeated by the Issuer in any notice, certificate or statement referred to or delivered under this Agreement, is or proves to have been incorrect or misleading in any respect, provided such defect is not rectified within 7 (seven) Business Days after the written notice is received by the Issuer from the Investment Agent;
- (vii) default by the Issuer in performance of any of its material financial commitments, obligations and/or covenants under any other agreement or arrangement with any bank or financial institution, which default continues for a period of 30 (thirty) days after notice of default by the Investment Agent. The Issuer acknowledges that delinquent payment(s) of any amount that are due by it towards and its failure to comply with its covenants under the agreement to which it is party will have an impact on its ability to perform or comply with the various terms and conditions contemplated in this agreement;
- (viii) liquidation, bankruptcy, cessation of business activities or cessation of the payment of debts of the Issuer, or any other legal or factual situation, including judicial or amicable settlement of debts, which may have a Material Adverse Effect the opinion of the Investment Agent;
- (ix) any transformation / change in the form, nature, or corporate objects of the Issuer without prior written approval of the Investment Agent;
- (x) judicial and enforcement proceedings taken against the Issuer which may, singly or cumulatively, result in a Material Adverse Effect in the opinion of the Investment Agent;
- (xi) governmental measure or decision, whether general moratorium or individual decision or any other event whatsoever which has a Material Adverse Effect in the opinion of the Investment Agent;
- (xii) attachment or assignment or transfer of delivery to or takeover of any properties or assets of the Issuer by any receiver, encumbrancer, assignee, or any other person or body whether appointed by the Issuer or a Court or the government under any law or regulation;
- (xiii) the Security deteriorates in quality or becomes inadequate in the reasonable judgment of the Investment Agent and is not replenished within 15 (fifteen) days of receipt of notice;
- (xiv) any Security Documents executed or furnished by the Issuer for any reason whatsoever ceases to be in full force and effect or is declared to be void or is repudiated or the validity or enforceability of any such Security Documents is legally contested and such default is not rectified (where it is capable of being rectified) within 15 (fifteen) days of receipt of notice received from the Investment Agent;
- (xv) making of any order or passing of a resolution for the winding up of the Issuer;

- (xvi) one or more judgments, decrees or orders for the payment of money rendered against the Issuer which is likely to have a Material Adverse Effect on it in the opinion of the Investment Agent, and such judgments, decrees or order shall continue unsatisfied and in effect for a period of 15 (fifteen) consecutive days without being vacated, discharged, satisfied or stayed;
- (xvii) the taking of any step by the Issuer for the purpose of entering into a compromise or arrangement with any of its members / shareholders, or creditors, generally or any class of them whereby the interests of the Investment Agent / Certificate Holders are affected in any material manner;
- (xviii) the occurrence of any event whatsoever which is likely to have a Material Adverse Effect on the Issuer in the opinion of the Investment Agent;
- (xix) if the Issuer claims that all or any material provision of this Agreement:
 - (a) do not have effect or cease to have effect in accordance with its terms; or
 - (b) are or become void, voidable, illegal or unenforceable;
- (xx) if all or any material part of the properties of the Issuer is compulsorily acquired or expropriated by the federal government or any provincial governments; or
- (xxi) any litigation proceedings being commenced against the Issuer which may have a Material Adverse Effect, which has not been vacated, discharged, satisfied or stayed within a period of 15 (fifteen) days.

8.2. Nature of Events of Default

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

8.3. Declaration of Event of Default & Termination

- 8.3.1. Upon occurrence of an Event of Default & Termination in case the Event of Default & Termination is capable of rectification other than an Event of Default & Termination specified in Clause 8.1.1.(i) above, the Investment Agent shall issue a notice in writing to the Issuer (with a copy to each Certificate Holder) requiring the Issuer to rectify the Event of Default & Termination within 7 (seven) Business Days of the notice. In case the Event of Default & Termination remains un-rectified within the stipulated period, upon lapse of the stipulated period; or in case where the Event of Default & Termination is not capable of being rectified, at any time after the occurrence of an Event of Default & Termination, the Investment Agent shall on the instructions of the Majority Certificate Holders by notice in writing to the Issuer declare the outstanding amounts due and payable under the Transaction Documents, (the "Declaration of Event of Default & Termination").

8.4 Enforcement of Security

- 8.4.1 At any time after a Declaration of Event of Default & Termination, the Investment Agent shall (subject to the Investment Agent being indemnified by the Certificate Holders or at its option paid by them an estimated amount in advance to its satisfaction against all proceedings, claims and demands to which the Investment Agent may be liable and all costs, charges and expenses which may be incurred by the Investment Agent in connection therewith) with written notification to the Issuer take such proceedings/actions against the Issuer for the purpose of the enforcement of the Payment Obligations as it may deem fit as instructed by the Certificate Holders in terms of the Transaction Documents.

- 8.4.2 The Investment Agent shall be entitled to prove in any winding-up of the Issuer in respect of any amounts payable in relation to the Sukuk Certificates or other monies payable under any provision of this Agreement and the Transaction Documents.
- 8.4.3 At any time after a Declaration of Event of Default & Termination the Investment Agent may with the institution of legal proceedings against the Issuer take appropriate action for the appointment of Receiver with respect to administration of the Secured Property. The Investment Agent, in consultation with the Issuer, may from time to time determine the remuneration of the Receiver and may remove the Receiver and appoint another in his place. In the event of a dispute between the Investment Agent and the Issuer regarding the remuneration of the Receiver, the decision of the Investment Agent shall be final.
- 8.4.4 The Receiver shall be the Issuer's agent and the Issuer alone shall be responsible for his acts and omissions and for his remuneration. However, it is clarified that the Receiver shall report to and be accountable to the Investment Agent and shall exercise all powers in consultation and with the consent of the Investment Agent without violating any provision of Law.
- 8.4.5 Without limiting any general powers or the Investment Agent's power of sale, the Receiver shall have power to:
- (i) take possession of, collect, and get in all or any part of the Secured Property and for that purpose to take any proceedings in the Issuer's name or otherwise as it deems fit;
 - (ii) take, continue, or defend any proceedings and make any arrangement or compromise as the Receiver deems fit;
 - (iii) make and effect all repairs, improvements, and insurances;
 - (iv) appoint managers, and agents for any of the above purposes;
 - (v) perform, repudiate, rescind, vary, or enter into any arrangement or compromise any contracts or agreements which it considers expedient;
 - (vi) settle, arrange, compromise, and submit to arbitration any accounts, claims, questions of disputes whatsoever which may arise in connection with the business of the Issuer or the Secured Property or in any way relating to the security constituted by the Security Documents and bring prosecute, defend, enforce, compromise, submit to and discontinue any action, suits or proceedings whatsoever, whether civil or criminal;
 - (vii) exercise or permit the Issuer or any nominee of the Issuer to exercise any powers or rights incidental to the partnership of the Secured Property or any part of them in such manner as it deems fit;
 - (viii) give valid receipts for all monies and execute all discharges, assurances and things which may be proper or desirable for realizing the Secured Property or any part of them; and
 - (ix) execute and do all such other acts, things and deeds as it considers necessary or desirable for realizing or preserving the Secured Property or any part of the same or incidental or conducive to any of the matters, powers or authorities conferred on a Receiver under or by virtue of the Agreement or otherwise or exercise in relation to the Secured Property or any part of them all such powers, authorities and things as the Receiver would be capable of exercising if he were the absolute owner of them.

8.5 Application of Proceeds

8.5.1 Upon enforcement of the Security and after distribution in accordance with law, the Investment Agent shall apply the Proceeds and all monies derived there from:

- (i) firstly, in payment of all costs, charges, expenses and liabilities lawfully incurred and payments lawfully made by the Investment Agent and any Receiver, attorney, agent, delegate, sub-delegate or other person appointed by the Investment Agent in the execution or purported execution of any powers, authorities or discretions vested in it or him pursuant to such Security Documents and this Agreement including (without limitation upon the foregoing) the remuneration of the Investment Agent under this Agreement or such other person;
- (ii) secondly, in or towards payment of the Payment Obligations to the Certificate Holders on a pari passu basis in proportion to the amounts owed to the respective Certificate Holders pursuant to the Sukuk Certificates;
- (iii) thirdly, towards the payment of any charity payable on behalf of the Issuer;
- (iv) lastly, the surplus (if any) after the payment of all Payment Obligations in full shall be paid to or to the order of the Issuer or other person for the time being entitled thereto, subject to such person providing evidence as may be reasonably required by the Investment Agent in support of the claim.

8.5.2 Payment to the Certificate Holders shall be made by the Investment Agent net of any deductions required under the law by cheque or pay order made payable to the Certificate Holder. If the full amount of the Payment Obligations is not paid, the Sukuk Certificate(s) for which the full amount has not been paid shall be produced to the Investment Agent, who shall endorse the amount paid and the date of payment to the Certificate Holder.

PART 9

9. NOT USED

PART 10

MISCELLANEOUS PROVISIONS

10. MISCELLANEOUS

10.1 Partial Invalidity

10.1.1 If at any time any provision of this Agreement is or becomes illegal, invalid, or unenforceable in any respect then the legality, validity, or enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

10.2 Modification

10.2.1 The Investment Agent may from time to time and at any time, at the request of the Issuer or with the prior written consent of the Issuer, (but without requirement of any consent or sanction of the Certificate Holders), make any modifications to the Agreement if in the reasonable opinion of the Investment Agent such modification is of a formal, minor nature or made to correct a manifest error. Any such modification would be binding on Certificate Holders.

10.3 Number of Originals

10.3.1 This Agreement has been drawn up and executed in 2 (two) original copies of which 1 (one) copy has been retained by each party.

11. NOTICE

11.1 Method of Serving Notice

11.1.1 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 registered mail; or
- (iii) transmitted by electronic mail,

to that party at the following address:

Issuer

Attention: Muhammad Fahad Hafeez
Address: 31-A Shadman 1, Lahore
E-mail: fahadhafeez@mughalsteel.com

Investment Agent

Address: First Floor, Tower A Finance And Trade Center, Main Sharah-E-Faisal, Karachi
Attn: Tariq Hassan
Email: tariq.hasan@pakoman.com

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

11.2 Time of Receipt

11.2.1 A Notice given to a person in accordance with this Clause 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 registered mail on the third day after the letter containing the Notice, duly stamped, is posted; or
- (iii) if transmitted by electronic mail, on the dispatch of the same, if before 3:00 PM (and if not, then on the next Business Day of the addressee), provided that no error has been received by the sender.

12. GOVERNING LAW AND JURISDICTION



12.1 Governing Law

12.1.1 This Agreement shall be governed by and construed in accordance with the laws of the Islamic Republic of Pakistan.

12.2 Jurisdiction


12.2.1 Each of the parties hereto irrevocably agrees for the benefit of the Investment Agent that the appropriate courts in Lahore, Pakistan shall have non-exclusive jurisdiction to hear and determine any suit, action, or proceedings, and to settle any disputes, which may arise out of or in connection with this Agreement and, for such purposes irrevocably submits to the jurisdiction of such courts.

12.2.2 The submission to such jurisdiction shall not and shall not be construed so as to limit the right of the Investment Agent, the Certificate Holders or any of them to take proceedings against the Issuer in any other court of competent jurisdiction nor shall the taking of proceedings in any other jurisdiction, whether concurrently or not preclude any proceedings in the jurisdiction of courts referred to above.



IN WITNESS WHEREOF this Agreement has been executed by the parties hereto and is intended to be and is hereby delivered on the date first above written.

In presence of the following Witnesses:



For and on behalf of
MUGHAL IRON & STEEL INDUSTRIES LIMITED
(As Issuer)

Name: Khurram Jawaid
Designation: CEO & Director
CNIC No.: 35202-9750871-7

1 Signature: _____

Name: Usman Ali

CNIC No.: 35202-4676441-1

2 Signature: _____

Name: Abdul Qadoos

CNIC No.: 36103-5154835-1






For and on behalf of
PAK OMAN INVESTMENT COMPANY LIMITED
(As Investment Agent)

Name: TARIQ HASAN/ZALMAIRAHAN
Designation: VP-IBD / SEVP-CBD
CNIC No.: 42201-0612185-9/13101-3276277-1

In presence of the following Witnesses:

1 Signature: _____

Name: Murtaza Mandakernwala

CNIC No.: 42301-1919270-3

2 Signature: _____

Name: HASSAN IQBAL

CNIC No.: 42101-3080547-1

SCHEDULE 1

FORM OF SUKUK CERTIFICATE

MUGHAL IRON & STEEL INDUSTRIES LIMITED

**CERTIFICATION OF HOLDING OF
SUKUK CERTIFICATES**


Face Value of Sukuk Certificate: PKR 1,000,000/- (Pak Rupees One Million)

ISSUED IN FAVOUR OF: [•]

1. This Sukuk Certificate is one of the sukuk certificates of a privately placed issue of redeemable capital of **MUGHAL IRON & STEEL INDUSTRIES LIMITED** (the “**Issuer**”) pursuant to the provisions of Section 66 of the Companies Act, 2017 in the aggregate amount of up to PKR 2,500,000,000/- (Pak Rupees Two Billion Five Hundred Million) inclusive of a green shoe of up to PKR 1,000,000,000/- (Pak Rupees One Billion) and secured by the Security (as defined in the Agreement), the benefit of which will be held by the Investment Agent for the Certificate Holders, created by virtue of the Security Documents and to be held and governed by the terms of the Transaction Documents.
2. This Sukuk Certificate is issued subject to and with the benefit of the terms and conditions endorsed on the reverse hereof (the “**Terms and Conditions**”) and the Transaction Documents.
3. All capitalized terms used herein shall have the same meaning as provided in the Sukuk Issuance Agreement dated [•] executed between the Issuer and Investment Agent (the “**Agreement**”).
4. This Sukuk Certificate having a value of PKR [•]/- (Pak Rupees [•] only) evidences the investment made by the Certificate Holder.
5. The Issuer shall, on each Redemption Date, pay to the Certificate Holder the Redemption Amount as specified in the Terms and Conditions. Provided, however, that if any Certificate Holder is holding only one Sukuk Certificate, the same shall be purchased as a whole or retained in its entirety at the discretion of the Certificate Holder.
6. Each Certificate has one transfer deed attached to it to denote the ownership of the Certificate. The Certificate will be in a registered form.

Given under the common seal of **MUGHAL IRON & STEEL INDUSTRIES LIMITED** on this [•] day of [•], 2023

(space for charge registration certificate under
Section 104 of the Companies Act, 2017)



For and on behalf of
MUGHAL IRON & STEEL INDUSTRIES LIMITED

Name: _____

Designation: _____

CNIC No.: _____



TERMS AND CONDITIONS
FOR THE SUKUK CERTIFICATES

1. Any capitalized terms used herein which are not otherwise defined shall have the same meaning as provided in the Agreement or other Transaction Documents (if not defined in the Sukuk Issuance Agreement).
2. Each Sukuk Certificate represents the ownership of the Certificate Holders in the Designated Business.
3. Each Sukuk Certificate is one of the Sukuk Certificates issued by the Issuer as part of an issue of redeemable capital in the aggregate amount of up to PKR 2,500,000,000/- (Pak Rupees Two Billion Five Hundred Million) inclusive of a green shoe of up to PKR 1,000,000,000/- (Pak Rupees One Billion). The Sukuk Certificates shall all rank pari passu without any preference or priority inter se. The Certificate Holder shall disburse their respective investment amounts through the Investment Agent in terms of the Sukuk Subscription and Issue Agency Agreement and the Musharaka Agreement.
4. In certain events described in the Agreement, the Security constituted by the Security Documents shall become enforceable in the manner and with the effect provided in the Agreement and the Security Documents, and any Sukuk Certificates purchased by the Issuer in terms of the Transaction Documents shall stand automatically cancelled.
5. The Issuer shall keep at its offices in Lahore a Register of Certificate Holders showing separately in respect of Sukuk Certificates:
 - (i) the name and address of the past and present Certificate Holders;
 - (ii) the amount and serial number of the Sukuk Certificates held by Certificate Holders;
 - (iii) the dates on which the names of the various Certificate Holders have been entered in respect of the Sukuk Certificates in question; and
 - (iv) The dates on which the Certificate Holders ceased to be so registered.

Each Certificate Holder will be obliged to provide its contact details to the Issuer on or prior to the Issue Date and to give notice of any change in the same to the Issuer in writing during the tenor of the Sukuk Issue. Nevertheless, the Issuer shall not be responsible for the foregoing where the Certificate Holders have not intimated the transfer of the Sukuks in writing to the Issuer or the registrar, as applicable.

6. The Issuer shall recognize the Certificate Holder as the absolute owner thereof and shall not be bound to take notice or see to the execution of any other document whether express, implied or constructive to which any Sukuk Certificates may be subject, and the receipt by the Certificate Holder from the Issuer of any monies payable in respect thereof shall be a good discharge to the Issuer notwithstanding any claim it may have received whether express or otherwise of the right, title, interest or claim of any other person to or in such monies.
7. If any Sukuk Certificate is worn out, defaced, lost, or destroyed, the Issuer may issue a new Sukuk Certificate(s) in lieu thereof on payment of such fee (if any) not exceeding PKR 500/- (Pak Rupees Five Hundred), but so that in the case of defacement the defaced Sukuk Certificates shall be surrendered before the new Sukuk Certificate is issued. In the case of loss or the Certificate Holder

availing itself of the provisions of this condition it shall also pay to the Issuer (if demanded) all cost, duties and expenses incidental to the investigation of evidence of loss or destruction and the preparation of the requisite form of indemnity, as aforesaid which will have to be executed.

8. A Certificate Holder may apply in writing to the Issuer to consolidate or sub-divide the Sukuk Certificates held by such Certificate Holder. The Issuer may in its discretion consolidate the Sukuk Certificates in multiples of PKR 100,000/- (Pak Rupees One Hundred Thousand) each or such other amount as may be mutually agreed to between the Certificate Holder and Issuer.
9. Any notice may be given by the Issuer by sending the same by registered post or courier service in an envelope addressed to the Certificate Holder at the address appearing in the Register of the Certificate Holders.
10. Any notice given by registered post or email shall be deemed to have been served at the time when it would have been received by the Certificate Holder in the ordinary course of post, and in proving such service it shall be sufficient to prove that the envelope containing the notice was properly addressed, registered and put into post and if transmitted by email then at the time of dispatched (provided the sender has not received an error). In the case of joint Certificate Holders, a notice given to the Certificate Holder whose name stands first in the Register of Certificate Holder in respect of such Sukuk Certificates shall be deemed as proper notice to all joint Certificate Holders.
11. The Sukuk Certificates shall be governed by and subject to the terms and conditions of the Agreement and other Transaction Documents, which are available for inspection during business hours at the registered offices of the Issuer and the Investment Agent and shall be deemed to have been read and understood by the Certificate Holder.
12. Every Certificate Holder shall be entitled to transfer the Sukuk Certificates held by it which has been duly stamped. Each Certificate Holder who acquires the Sukuk Certificates shall by virtue of the transfer itself, be deemed to have acknowledged and agreed to the appointment of the Investment Agent, as its agent, for the purposes contemplated under this Agreement.
13. Every instrument of transfer must be duly stamped with applicable stamp duty and signed both by the transferor and by the transferee, and the Issuer and the Investment Agent may for all purposes treat the transferor as the owner of the Sukuk Certificates to be transferred until the name of the transferee is entered in the Register of Certificate Holders.
14. Every instrument of transfer must be accompanied by the Sukuk Certificate with respect to the Sukuk Certificate(s) to be transferred and such other evidence as the Issuer may reasonably require proving the title of the transferor or his right to transfer the Sukuk Certificates.
15. All instruments of transfer on the basis of which transfer of Sukuk Certificates is registered will be retained by the Issuer.
16. No transfer will be registered during the 7 (seven) days immediately preceding the Redemption Date of a Sukuk Certificates.
17. The executors or other personal representatives of a deceased Certificate Holder (not being one or several joint holders) and, in the case of the death of one or more of several joint holders, the survivor or survivors of such joint holders shall be the only persons recognized by the Issuer as having any title to such Sukuk Certificate(s).
18. Any person becoming entitled to any Sukuk Certificates in consequence of the death or bankruptcy of any Certificate Holder shall be required to establish his claim to the Sukuk Certificates in accordance with law to the satisfaction of the Issuer whereupon the Sukuk Certificates shall be transferred/transmitted and registered in his name.

19.1 Subject to the terms of this Agreement, the Issuer shall pay on each Provisional Profit Payment Date to the Certificate Holders, *pro rata*, the following Provisional Profit Payments:

The Provisional Profit Payment shall be the aggregate of the amount calculated in accordance with the formula given below for each day falling within the relevant Profit Period:

$P \times R \times (D/365)$ or 366 days in case of leap year

Where:

P: is the outstanding balance of the Musharaka Agent's Investment utilized for Musharaka during the relevant Profit Period;

R: Base Rate + Margin

D: Number of days

The Profit-Sharing Mechanism between the Issuer and the Investment Agent (on behalf of the Investors) shall be as follows:

Tier 1 Profit:

Operating Profit up till the Tier 1 Profit Ceiling Amount shall be shared by the Managing Partner with the Issue Agent (on behalf of the Investors) on a pro rata basis based on the actual Musharaka Contribution by the Issue Agent (on behalf of the Investors) in the Musharaka Capital till such date. "**Tier 1 Profit Ceiling Amount**" for the purposes hereof, calculated keeping in mind the following:

Musharaka Capital * Desired Profit Rate* (Base Rate + Margin) * (Number of Days of Musharaka / 365/366)

Where:

Base Rate: The Base Rate (3 Month KIBOR) will be set 1 (One) Business Day prior to the Musharaka Commencement Date by way of issuance of a notice in the format attached herewith as Schedule 1-A. The Base Rate will be subject to revision by way of issuance of notice in the format attached herewith as Schedule 1-B, 1 (one) Business Day prior to the beginning of the subsequent quarterly period. It being clarified that in case of any decrease in the Base Rate, the Base Rate will remain unchanged. The "KIBOR" rates used for reference will be taken from Reuters page "KIBR", as published at 11.30 a.m. Pakistan Standard Time by the Financial Markets Association (FMA). The daily average of the 3 (three) months Offer Rate will be used. In the event that this rate is not published on Reuters on the Base Rate Setting Date or if less than 8 (eight) banks provide their rates for the KIBOR fixing, the FMA or other relevant market body will be contacted for the relevant fixing rate.

KIBOR: The daily average of Karachi Interbank Offered Rate (Ask Side) for the relevant period as published on Reuters page KIBR or as published by the Financial Markets Association of Pakistan in case the Reuters page is unavailable;

Margin: 145 bps

Payment Period: Quarterly in arrears



Tier 2 Profit:

Musharaka Profit in excess of Tier 1 Profit Ceiling Amount shall be shared between the Issuer and Investment in the following ratio:

- (i) Investment Agent: 0.15%
- (ii) Issuer: 99.85%

At the time of distribution of profit under Tier 2, the ratio of the Tier 2 Profit between the Investment Agent and Issuer may be revised subject to mutual written consent of the Issuer and the Investment Agent.

- 19.2 The Issuer irrevocably undertakes to redeem the Sukuk Certificates from the Certificate Holders from time to time by making payment of the Redemption Amounts on the Redemption Dates set out below through purchase of the Musharaka Agent's Investment. Such redemption will be pro-rata from the Certificate Holders based on the total number of Sukuk Certificates held by such Certificate Holders.

Redemption Date	Redemption Amount
22-Mar-2025	PKR 2,500,000,000/-

20. The Redemption Amounts as well as the Buy Out Price and Provisional Profit Payments in respect of the Sukuk Certificates shall be paid through the Investment Agent by electronic transfer or a crossed cheque warrant or pay-order sent through registered post or courier service to the registered address of the Certificate Holder or, in the case of joint Certificate Holders, to the address of one of the joint Certificate Holders, who is first named in the Register of Certificate Holders or by direct bank transfer to the account of any Certificate Holder who has requested for such mode of payment by request in writing to the Issuer. Every such cheque, pay-order or warrant shall be made payable to the order of the person to whom it is sent, and such payment shall be in full and final settlement of the redeemable amount due to the Certificate Holder. If such payment is not received by the Certificate Holder within 7 (seven) days of the relevant payment date, the Certificate Holder is required to inform the Issuer in writing and produce the original Sukuk Certificate /evidence of ownership in order to claim such payment. In the event of occurrence of an Event of Default, or otherwise a default in respect of the payment of any amounts due under the Transaction Documents. In case of non-payment of the Redemption Amount on the Redemption Date by the Issuer, or the occurrence of an Event of Default, the Issuer shall be liable to pay as charity, an amount calculated at the rate of 25% (twenty five percent) per annum to the Certificate Holder.

21. The Sukuk Certificates inducted in the CDS will be transferred as per the procedure for transfer provided in terms of the Central Depositories Act, 1997 and the regulations and rules promulgated under the Central Depositories Act, 1997. Each Certificate Holder who acquires the Sukuk Certificates through a transfer through the CDC, shall by virtue of the transfer itself, be deemed to have acknowledged and agreed to the appointment of the Investment Agent, as its agent, for the purposes contemplated under this Agreement.

22. Call Option

- 22.1 The Issuer may at any time upon expiry of 6 (six) months from the Musharaka Commencement Date, purchase all or any of the Sukuk Certificates from the Certificate Holders at their applicable Buy Out Price (Early Purchase) ("Call Option") to be calculated in terms of the Sale Undertaking and the Terms and Conditions.

- 22.2 The Issuer shall serve upon the Certificate Holders a prior written notice of at least 30 (thirty) days

to exercise the Call Option, which notice once issued shall be irrevocable and such purchase of Sukuk Certificates shall be in multiples of PKR 100,000,000/- (Pak Rupees One Hundred Million) or all the Sukuk Certificates. Such purchase shall be on a Provisional Profit Payment Date ("Call Option Date").

- 22.3 Upon exercise of Call Option, the Issuer will pay to the Certificate Holders, the Buy Out Price (Early Purchase) as per the Sale Undertaking. In case of exercise of Call Option in respect of certain Sukuk Certificates (not 100%), Provisional Profit Payments will be revised by the Investment Agent (based on the outstanding Sukuk Certificates) in terms of this Agreement, and any amounts received under the Call Option shall be applied in inverse order to which they were due and notified to the Issuer and the Certificate Holders, which in the absence of manifest error will be binding on all the parties.



SCHEDULE 2

REDEMPTION/ BUY OUT PRICE SCHEDULE

Redemption/ Buy Out Payment Date	Redemption Amount/ Buy Out Price
15 months from the Issue Date	PKR 2,500,000,000/-



SCHEDULE 3

PROVISIONAL PROFIT PAYMENT

Profit Payment Date	Provisional Profit Payment (PKR)
22-Mar-24	196,023,972.60/-
22-Jun-24	198,178,082.19/-
22-Sep-24	198,178,082.19/-
22-Dec-24	196,023,972.60/-
22-Mar-25	193,869,863.01/-
Total	982,273,972.60/-

It is clarified that the Provisional Profit Payments shall be subject to the profit and loss sharing arrangement as stated in Clause 19.1 of the Terms and Conditions.



SCHEDULE 4

PROVISIONS FOR MEETINGS OF CERTIFICATE HOLDERS

1. The Investment Agent and the Issuer may respectively, and the Investment Agent shall at the request in writing of not less than one-tenth of the Certificate Holders and upon receiving such indemnity as the Investment Agent may require against the cost of convening and holding the meeting, convene a meeting of the Certificate Holders. Such meeting shall be held at such place and at such time as the Investment Agent shall determine or approve.
2. At least 21 (twenty-one) days' notice (exclusive in each case of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the Certificate Holders in the manner provided herein. The notice shall specify the place, day and hour of meeting and the general nature of the business to be transacted and it shall also specify in the notice the terms of any resolution to be proposed. A copy of the notice shall be sent by post to the Investment Agent unless the meeting shall be convened by the Issuer. In the event of the Investment Agent convening a meeting, the Investment Agent may cause the notice to be given to the Certificate Holders by publication thereof in one national daily in the English Language and one national daily in the Urdu Language. Notice of any meeting convened by the Issuer may be published in the aforesaid manner. In case the notice published as aforesaid is not brought to the attention of any Certificate Holder the same shall not invalidate the proceedings at any meeting.
3. The Investment Agent shall be indemnified and reimbursed by the Issuer with respect to the reasonable costs and expenses (duly supported by bills/ receipts) incurred in convening the meeting of the Certificate Holders.
4. At any meeting at which Certificate Holders holding or representing in the aggregate one third of the total outstanding face value of Sukuk Certificates shall form a quorum for the transaction of any business. No business other than the choosing of a Chairman shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.
5. If within 30 (thirty) minutes from the time appointed for the meeting, a quorum is not present, the meeting if convened on the requisition of Certificate Holders shall be dissolved. In any other case, it shall stand adjourned to such day and time being not less than 14 (fourteen) days and not more than 42 (forty-two) days thereafter and to such place as may be appointed by the Chairman and at such adjourned meetings a quorum as specified in paragraph 4 (four) above shall be a quorum for the transaction of business. At least 7 (seven) days' notice as aforesaid of any adjourned meeting of Certificate Holders at which an Extraordinary Resolution is to be submitted shall be given in the same manner as for an original meeting.
6. A person nominated in writing by the Investment Agent shall preside as Chairman at every meeting. If no such person is nominated or if at any meeting no person nominated shall be present within 5 (five) minutes after the time appointed for holding the meeting, the Certificate Holders present shall choose one of their members to be Chairman. The Investment Agent and the Investment Agent's legal advisors and any director or officer of the Investment Agent and any director and the secretary and legal advisors of the Issuer and any other person authorized in that behalf by the Investment Agent may attend and be heard at any meeting.
7. With the consent of any meeting at which a quorum is present, the Chairman may and shall if so, directed by the meeting adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting except business which might lawfully have been transacted from which the adjournment took place.
8. At any meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or on the declaration of the result of the show of hands) a poll is demanded by the

Chairman or by one or more Certificate Holders present in person or by proxy or presenting at least one twentieth of the total outstanding face value of Sukuk Certificates. Unless a poll is so demanded, a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

9. If a poll is duly demanded, it shall be taken in such manner as the Chairman may direct and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
10. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to the vote or (if any) to which he may be entitled as a Certificate Holder.
11. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the chairman directs.
12. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. The demand for a poll may be withdrawn.
13. At any meeting (i) on a show of hands every person who is present in person shall have one vote and (ii) on a poll every person who is so present or is a proxy shall have votes equal to the outstanding face value of the Sukuk Certificates held by such person or represented through proxy on the date of the meeting. Without prejudice to the obligations of proxies any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.
14. In the case of joint Certificate Holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Certificate Holders of the particular Sukuk Certificates. For this purpose, seniority shall be determined by the order in which the names stand in the Register of Certificate Holders in respect of the joint holding.
15. On a poll, vote may be given either personally or by proxy.
16. The instrument appointing a proxy shall be in the usual common form or such other form as the Investment Agent may approve and shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or, if the appointer is a corporation either under its common seal or under the hand of an officer or attorney duly authorized and that instrument shall be deemed to confer authority to demand or join in demanding a poll.
17. A person appointed to act as a proxy need not be a Certificate Holder.
18. Each instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of such power or authority) shall be deposited at the office of the company's secretary of the Issuer not less than 48 (forty eight) hours before the time appointed for holding the meeting or adjourned meeting or for the taking of the poll at which the person named in the instrument proposes to vote. In default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiry of 6 (six) months from the date of its execution.
19. A vote given in accordance with an instrument of proxy shall be valid notwithstanding the

previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, so long as no intimation in writing of such death, insanity or revocation shall have been received by the Issuer or the Investment Agent before the commencement of the meeting or the taking of the poll at which the proxy is used.

20. A meeting of the Certificate Holders shall except for the powers to change the tenor, pricing, payment terms and security structure, in addition to all other powers, have the following powers exercisable by Extraordinary Resolution only:
- (i) power to sanction any scheme for the reconstruction of the Issuer or for the amalgamation of the Issuer with any other company;
 - (ii) power to sanction the release of the Issuer from the payment of all or any part of any amounts owing upon the total value of the Sukuk Certificates and other monies payable pursuant to the Agreement;
 - (iii) power to sanction any modification, abrogation or compromise of or arrangement in respect of the rights of the Certificate Holders against the Issuer whether such rights shall arise under this Agreement or the Sukuk Certificates or otherwise;
 - (iv) power to assent to any modification or abrogation of the covenants or provisions contained in the Transaction Documents proposed or agreed to by the Issuer and to authorize the Investment Agent to concur in and execute any supplemental deed embodying any such modifications; and
 - (v) power to agree to the release of any Investment Agent from any liability in respect of anything done or omitted to be done by such Investment Agent before the giving of such release.
21. Unless all of the Certificate Holders consent in writing, the Investment Agent shall have no authority on behalf of the Certificate Holders to agree to any amendment to or waiver of any provision relating to any of the Transaction Documents which would:
- (i) extend the due date or reduce the amount of any payment, compensation, or other amount payable under any of the Transaction Documents;
 - (ii) change the currency in which any amount is payable under any of the Transaction Documents;
 - (iii) change any Certificate Holder's Contribution;
 - (iv) change the definition of Majority Certificate Holders;
 - (v) amend, waive/defer or postpone any Conditions Precedent;
 - (vi) amend, waive/defer compliance with any representations, warranties, or covenants; or
 - (vii) change/amend or release any Security and/or guarantees or other assurances constituted by any of the Transaction Documents.
22. An Extraordinary Resolution passed at a meeting of the Certificate Holders duly convened and held in accordance with the Agreement shall be binding on all the Certificate Holders, whether or not present at the meeting. Each of the Certificate Holders and the Investment Agent (subject to the provisions for its indemnity contained in the Agreement) shall be bound to give effect to it accordingly.

23. The expression "**Extraordinary Resolution**" means a resolution passed by Certificate Holders representing more than sixty-seven (67%) of the total outstanding face value of the Sukuk Certificates at a meeting of Certificate Holders duly convened and held in accordance with these provisions.
24. A resolution in writing signed by or on behalf of Certificate Holders representing more than sixty seven percent (67%) of the aggregate outstanding amount of Sukuk Certificates ("**Extraordinary Resolution by way of Circulation**") shall for all purposes of this Agreement be as valid and effective as an Extraordinary Resolution passed at a meeting of the Certificate Holders duly convened and held. The Extraordinary Resolution by way of Circulation may be contained in one document or in several documents in or substantially in like form each signed by or on behalf of one or more of the relevant Certificate Holders.
25. Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for the purpose by the Issuer. Any such minutes if purporting to be signed by the chairman of the meeting shall be conclusive evidence of the matters stated in them and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made and designed shall be deemed to have been duly held and convened and all resolutions passed at such meetings to have been duly passed.

