
PURCHASE UNDERTAKING

Issued By

MUGHAL IRON & STEEL INDUSTRIES LIMITED

(As MISIL)

In favour of

PAK-OMAN INVESTMENT COMPANY LIMITED

(As the Issue Agent)

At Karachi on February 24th, 2021



MIC

MOHSIN TAYEBALY & CO.

Corporate Legal Consultants | Barristers & Advocates
High Courts & Supreme Court



S382877



MUHAMMAD DANISH STAMP VENDOR

Licence # 28, Shop # 56, Site Market
Habib Bank Chowrang, S.I.T.E., Karachi.

17 DEC 2020

RUPEES ONE HUNDRED ONE

B.No. 41131 DATE
ISSUED BY Muhammad Younis
THROUGH WITH ADDRESS Advocate
PURPOSE
VALUE RS. (ATTACHED)
STAMP VENDOR'S SIGNATURE
This Stamp paper is not valid for Divorce and fees

PURCHASE UNDERTAKING

This **PURCHASE UNDERTAKING** is made at Karachi on February 24th 2021 (hereinafter referred to as the "Undertaking"):

ISSUED BY

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 "**MISIL**", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and assigns);

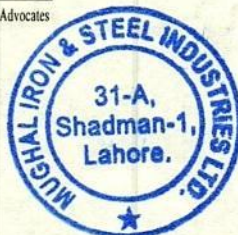
IN FAVOUR OF

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

(The Issue Agent and MISIL shall hereinafter collectively be referred to as the "**Parties**" and individually as the "**Party**").



MTC | **MOHSIN TAYEBALY & CO.**
Corporate Legal Consultants | Barristers & Advocates
High Courts & Supreme Court



WHEREAS:

- a. The Issue Agent (on behalf of the Participants) and MISIL have entered into a Musharaka Agreement dated February 24th, 2021 (the "Musharaka Agreement") and a Payment Agreement dated February 24th, 2021 (the "Payment Agreement").
- b. MISIL has agreed to purchase the Issue Agent's Musharaka Share from time to time and wish to record the terms in respect of the same in terms hereof.

NOW THEREFORE THIS UNDERTAKING WITNESSETH AS FOLLOWS:

1. Capitalized terms used in this Undertaking unless defined hereinbelow shall have the meanings ascribed to them in the Musharaka Agreement and Payment Agreement, in addition:

"Buy Out Payment Date(s)" means the date(s) on which MISIL, shall buy the Units / Issue Agent's Musharaka Share from the Issue Agent, as set out in Appendix A attached hereto, which dates shall commence 12 (twelve) months after the Musharaka Commencement Date;

"Buy Out Price" means the value of the Units / Issue Agent's Musharaka Share being purchased by MISIL in accordance with the Appendix A attached hereto, which price shall be paid by MISIL to the Issue Agent as payment for the acquisition of the Units / Issue Agent's Musharaka Share;

"Buy Out Price (Termination)" means the termination sum calculated in terms of Appendix B attached hereto; and

"Sale Receipt" means the receipt as appearing in Appendix C attached hereto to be issued by the Issue Agent on the Buy Out Payment Date(s).

2. MISIL hereby irrevocably undertakes that it shall buy-out the Issue Agent's Musharaka Share from time to time in accordance with the terms and conditions of this Undertaking.
3. In consideration of the Issue Agent having entered into the Musharaka Agreement and the Payment Agreement, MISIL hereby irrevocably agrees and undertakes that if the Issue Agent (on behalf of the Participants) desires to terminate the Musharaka, the Musharaka Agreement and / or the Payment Agreement upon the occurrence of an Event of Default & Termination (other than in case of termination on account of Total Loss), MISIL shall immediately purchase the remaining Units / Issue Agent's Musharaka Share at the Buy Out Price (Termination) upon receipt of a notice in writing from the Issue Agent. Upon purchase of the Issue Agent's Musharaka Share, the Issue Agent shall issue a Sale Receipt. Failure on MISIL's part to immediately or within the period stipulated by the Issue Agent (on behalf of the Participants) in the notice, whichever is applicable, purchase the Issue Agent's Musharaka Share at the Buy Out Price (Termination) shall entitle the Issue Agent (on behalf of the Participants) at its discretion to recover from MISIL the amount calculated at 15% (fifteen percent) per annum as charity of any amounts demanded hereunder which remains unpaid for 10 (ten) days after demand thereof or the date stipulated in the notice, as applicable. Such amounts shall be paid to charity on MISIL's behalf in accordance with the guidelines of the Shariah Advisor to the Sukuk.
4. MISIL further undertakes that it shall purchase Units / Issue Agent's Musharaka Share from the Issue Agent from time to time on the Buy Out Payment Date(s) appearing in Appendix A attached hereto at the applicable Buy Out Prices and such purchase will be of such percentage of the Units and the Issue Agent's Musharaka Share as specified in Appendix A attached hereto. Upon each purchase/acquisition of the Units / Issue Agent's Musharaka Share, the Issue Agent shall issue a Sale Receipt stating the revised Issue Agent's Musharaka Share and the Managing

Co-owner's Musharaka Share and accordingly Schedule 2 of Musharaka Agreement will be revised.

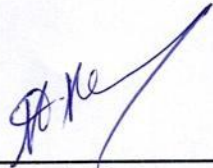
5. MISIL hereby agrees to indemnify the Issue Agent (on behalf of the Participants) against all expense and losses (except opportunity cost of funds) which the Issue Agent shall certify as incurred by the Participants or by the Issue Agent as a consequence of any default in payment by MISIL hereunder or default in MISIL's obligations under this Undertaking.
6. It is clarified that in case of Partial Loss and receipt of Takaful / insurance proceeds, MISIL shall return the Issue Agent's share of Takaful proceeds and consequently, the Shariah Advisor shall determine the revised outstanding Buy Out Price and Appendix A hereto shall be revised accordingly.
7. As security for the performance of its obligations in accordance with this Undertaking and the Transaction Documents, MISIL shall create the Security (as defined in the Musharaka Agreement) in favour of the Issue Agent, for the benefit of the Participants, and execute the Security Documents in form and substance acceptable to the Issue Agent.
8. All payments under this Undertaking shall be paid in full without any deductions or withholdings (whether in respect of set-off, counterclaim, duties, taxes, charges or otherwise). If any such deduction or withholding is required by applicable law to be made by MISIL, except in the case of deduction of income tax under the Income Tax Ordinance, 2001, the amount of the payment due from MISIL shall be increased to an amount which (after making such deduction or withholding) leaves an amount equal to the payment which would have been due if no such deduction or withholding had been required.
9. Upon the occurrence of an Event of Default & Termination, the Issue Agent, without prejudice to any other rights of the Issue Agent and / or the Participants shall be entitled to:
 - (a) sell the Musharaka Assets to any third person at such price as the Issue Agent may deem appropriate;
 - (b) the difference between the selling price as per above Clause 9(a) and the Buy Out Price (Termination) will be recovered by the Issue Agent from MISIL by enforcement of the Issue Agent's rights under the Transaction Documents, including but not restricted to the enforcement of the Security; and
 - (c) in addition to the amounts referred to in Clause 9(b) above, MISIL shall also pay to the Issue Agent, by way of compensation, all such amounts corresponding to the actual losses, costs and charges incurred by the Issue Agent, including the remaining Units / Issue Agent's Musharaka Share, as a consequence of the Event of Default & Termination.
10. This Undertaking shall be governed by the laws of Pakistan and the competent courts at Lahore shall have non-exclusive jurisdiction in respect of any dispute arising hereunder.



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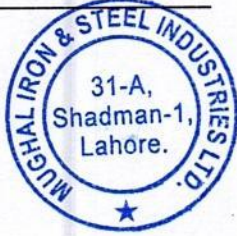
IN WITNESS WHEREOF, MISIL has issued and delivered this Undertaking on the day, month and year first above written.



For and on behalf of
MUGHAL IRON & STEEL INDUSTRIES LIMITED
(as MISIL)

Name: Muhammad Mubeen Tariq Mughal
Designation: Director
CNIC No.: 35201-0221455-5

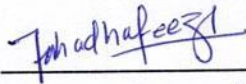

Acknowledged by:




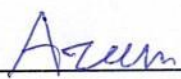
For and on behalf of
PAK-OMAN INVESTMENT COMPANY LIMITED
(As the Issue Agent)

Name: Hasan Bayaz
Designation: Head CAS
CNIC No.: 42101-15829099

In presence of the following Witnesses:

- 1 Signature: 
Name: Muhammad Fahad Ufteezy
CNIC No.: 35202-8284943-9
- 2 Signature: 
Name: Kashif Nadeem
CNIC No.: 14203-4078075-7

In presence of the following Witnesses:

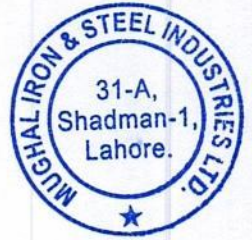
- 1 Signature: 
Name: TARIQ HASAN
CNIC No.: 42201-0612185-9
- 2 Signature: 
Name: M Azeem Dada
CNIC No.: 42301-4204707-5

APPENDIX A

SCHEDULE OF BUY OUT PRICES

Buy Out Payment Dates	(%) of Issue Agent Share	Buy Out Price (PKR)	Percentage of Units for Buy Out	Units
31-Mar-22	6.25%	187,500,000	6.25%	187.5
30-Jun-22	6.25%	187,500,000	6.25%	187.5
30-Sep-22	6.25%	187,500,000	6.25%	187.5
31-Dec-22	6.25%	187,500,000	6.25%	187.5
31-Mar-23	6.25%	187,500,000	6.25%	187.5
30-Jun-23	6.25%	187,500,000	6.25%	187.5
30-Sep-23	6.25%	187,500,000	6.25%	187.5
31-Dec-23	6.25%	187,500,000	6.25%	187.5
31-Mar-24	6.25%	187,500,000	6.25%	187.5
30-Jun-24	6.25%	187,500,000	6.25%	187.5
30-Sep-24	6.25%	187,500,000	6.25%	187.5
31-Dec-24	6.25%	187,500,000	6.25%	187.5
31-Mar-25	6.25%	187,500,000	6.25%	187.5
30-Jun-25	6.25%	187,500,000	6.25%	187.5
30-Sep-25	6.25%	187,500,000	6.25%	187.5
31-Dec-25	6.25%	187,500,000	6.25%	187.5

[Handwritten Signature]

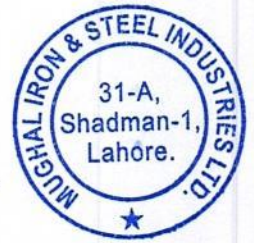


APPENDIX B

Buy Out Price (Termination) means the termination sum calculated as follows:

The sum of:

- (i) the aggregate Buy Out Price less the total amounts of Buy Out Price paid by MISIL until the date of exercise of rights of the Issue Agent under this Undertaking;
- (ii) or any other amount as agreed on the date of execution of Purchase transaction under the Purchase Undertaking.



APPENDIX C

SALE RECEIPT

Date: [•]

To: **Mughal Iron & Steel Industries Limited**
[insert address]

Subject: Sale Receipt

Dear Sir,

We confirm that we have sold [•]% representing [•] Units owned by the Issue Agent in the Musharaka Assets by receiving a sum of PKR [•]/- (Pak Rupees [•]) from Mughal Iron & Steel Industries Limited, as consideration for sale of the undivided ownership in the Musharaka Assets. The extent of the Issue Agent's Musharaka Share and your share after this sale is stated in Schedule below.

Schedule

Issue Agent and Managing Co-owner Musharaka Share in the Musharaka Assets

Issue Agent's Musharaka Share (aggregate taking into consideration previous receipts):
PKR [•] [•]% Units : [•]

Managing Co-Owner's Musharaka Share: PKR [•] [•]% Units: [•]

Capitalized terms used herein shall have the meanings ascribed to them in the Musharaka Agreement dated [•], 2021.

Yours faithfully,

For and on behalf of
Pak-Oman Investment Company Limited

Agreed, acknowledged and accepted:

For and on behalf of
Mughal Iron & Steel Industries Limited



[Handwritten signature]

