



# Aquagen (Pvt.) Ltd.

APL/042/SL/05-1

Registrar

National Electric Power Regulatory Authority  
NEPRA Tower, G-5/1,  
Islamabad

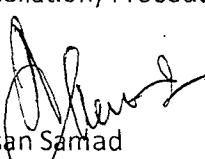
25<sup>th</sup> January 2023

**Subject: Application for Grant of Electric Power Supply License**

I, Ahsan Samad, GM Projects, being the duly authorized representative of Aquagen (Private) Limited by virtue of Power of Attorney No. APL/042/SL/11 dated Dec 2022 hereby apply to the National Electric Power Regulatory Authority for the grant of Electric Power Supply License to Aquagen (Private) Limited pursuant to section 23 E and F of the Regulation of Generation Transmission and Distribution of Electric Power Act 1997.

I hereby certify that the documents-in-support attached with this application are prepared and submitted in conformity with the provisions of the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedures Regulations, 2021, and undertake to abide by the terms and provisions of the above-said regulations. I further undertake and confirm that the information provided in the attached documents-in-support is true and correct to the best of my knowledge and no material omission has been made.

A Pay Order No. 26372550 of Habib Bank Limited dated 17<sup>th</sup> January 2023 in the sum of Pak Rupees Six Hundred and nine Thousand, Eight Hundred and Thirty One (PKR 609,831), being the license application fee calculated in accordance with Schedule II to the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021, is also attached here with.

  
Ahsan Samad  
GM Projects/Authorized Representative

Encl (As stated)

## **PROSPECTUS**

### **Brief introduction**

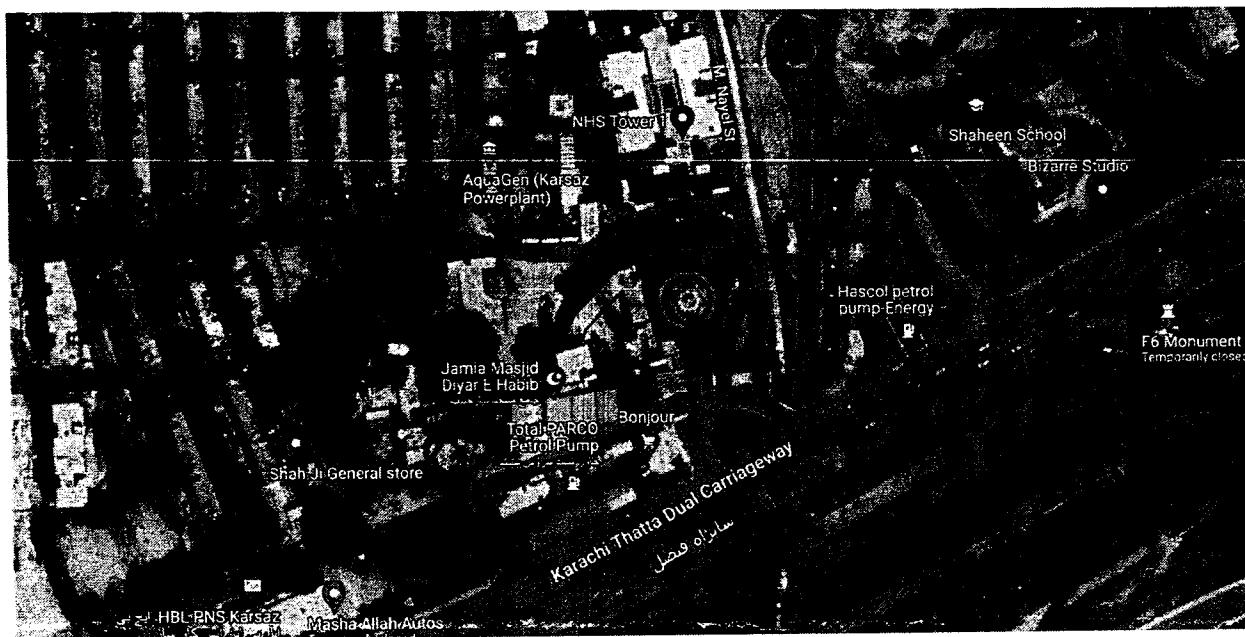
The Company was incorporate with Securities and Exchange Commission of Pakistan on 21<sup>st</sup> August 2010 as a Private Limited Company. The principal activity of the Company is Engineering, Procurement and construction of Power Plants and RO plants.

The company is location at 495, Deh-Landhi, Main National Highway, Karachi. Aquagen team comprises of qualified engineers/professional with years of technical experience in their respective fields.

### **Salient features of the Project**

Aquagen has a Thermal Co-Generation facility of 7.357 MW (Gross ISO). The generation facility has General Electric Jenbacher/JGS 320 GS-N.L, (7 x 1.053 MW) Gas Engines. Aquagen started its operations on 1<sup>st</sup> January 2012. The company obtained its generation license (Generation License No. SGC/79/2012) from NEPRA on 27<sup>th</sup> July 2012 for its natural gas based thermal generation facility.

The Project is located at Hanif SRE, PNS Karsaz, Habib Rehmatullah Road, Karachi. Given below is the google view of the Acquagn Generation Facility



Aquagen supplies power generated for the facility to PNS Karsaz, Hanif SRE, Habib Rehmatullah Road, Karachi.

Aquagen key area of expertise in power sector includes integrated operations and maintenance of Jeh Bacher JGS 320 and MTU 16V4000032 Engines. Aquagen ensure stable power supply in line with constantly changing market and environmental needs

### **Investment (Debt: Equity plan)**

The investment in entire power plant along with the gas connection, gas meter, generator room, cables to and across the base the desalination and reserve osmosis (RO) plant, the wall and water lines across the base have been done by APL itself.

### **Social and Environmental Impact**

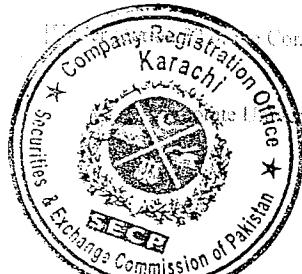
The Sponsors of Project Company always regard corporate social responsibility as an important force in building a harmonious society. They also believe in paying full attention to human factors, exercising environmental protections and conservation, increasing employment, and helping build the community. Every year they support numerous educational, sporting, and charity programs designed to help a wide range of people. Operations of the Plant provides job opportunities especially to the local people. Poverty alleviation, though at minor scale, will be another benefit besides meeting power shortage in Pakistan.

The Project does not have any significant adverse environmental impacts, which could be irreversible or could affect sensitive eco-system, or has an unprecedented impact.

(3)

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

CERTIFICATE OF INCORPORATION



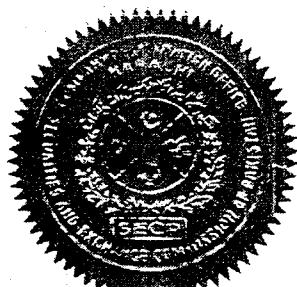
[In accordance with the Companies Ordinance, 1984 (XLVII of 1984)]

Corporate Universal Identification No. 0672747

I hereby certify that AQUAGEN (PVT) LIMITED is this day incorporated under the Companies Ordinance, 1984 (XLVII of 1984) and that the company is limited by shares.

Given under my hand at Karachi this Third day of June, Two Thousand and Ten.

Fee Rs. 27,000/-



  
(Sidney Custodio Pereira)  
Joint Registrar of Companies

**CERTIFIED TO BE TRUE COPY**

ADDL. JOINT REGISTRAR OF COMPANIES  
COMPANY REGISTRATION OFFICE, KARACHI  
This Certified True Copy is not valid for purpose of bank  
account opening. The banks may verify company's record  
through bank portal launched by the SECP.

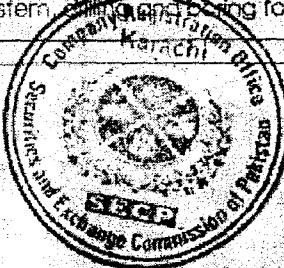
Memorandum of Association

**THE COMPANIES ORDINANCE, 1984**  
(A PRIVATE COMPANY LIMITED BY SHARES)

Memorandum of Association  
of  
**AQUAGEN (PRIVATE) LIMITED**

- I. The name of the Company is AQUAGEN (PRIVATE) LIMITED.  
II. The Registered office of the Company will be situated in the Province of Sindh.  
III. The objects for which the Company is established are:

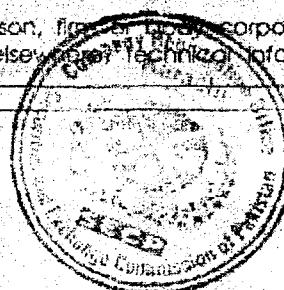
- ✓ To set up and operate Electric Power Generation projects using thermal, hydro, solar or any other source/fuel/system including wind, fossil, gas, diesel for generation, transmission and supply of electric power to domestic, commercial, industrial and /or agricultural organizations and to power distribution companies / authorities both in public and private sector and to any Government department / authority for all other purposes for which Electric Energy can be used and to perform all acts directly or indirectly related or incidental to the business of the Company.
- ✓ To buy electricity generated from any source and sell, transmit or distribute to any other organization or any other agencies.
- ✓ To carry on anywhere in Pakistan the business of power generation and distribution in all its branches and aspects and in particular to construct, lay down, establish, maintain and run all necessary power stations together with ancillary works, cables, wires, lines, accumulators, lamps, and to generate, accumulate, distribute, sell and supply electricity.
- ✓ To carry on business of importing, supplying, trading or manufacturing turbines, solar cells, batteries and allied equipment connected to and/or incidental to generation of power by using fossil, thermal, hydro, solar or any other fuel/system including wind energy generating system and its transmission.
- ✓ To erect, setup, maintain, construct, extend, run, own and manage an industrial/municipal undertaking in the field of processing, purifying, mineralizing water and liquids and for that purpose fit, prepare, process, recycle, treat, preserve, develop, distribute, export, market and sell the same and in connection therewith carry on research and development work, develop techniques of manufacturing or processing, methods of quality control and other technical information relating to the manufacturing, processing, distribution, marketing and sale of the products of the Company.
- ✓ To erect, install, commission, setup, maintain, construct, extend, run, own, manage, take on lease, buy, import, take on rent and operate any plant and machinery and equipment to undertake the business of water treatment, management, desalination, recycling, effluent treatment, solid waste management, sewerage system, mining and quarrying for extraction of



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water and other liquids and in connection therewith carry on research and development work, develop techniques for water management and treatment, processing, methods of quality control or required for development for infrastructure and other technical information relating thereto.

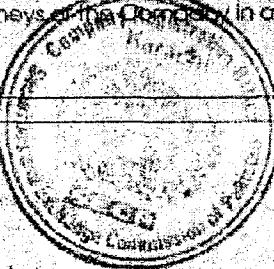
7. To develop, provide systems and facilities for generating power through solar energy, windmills, biogas or any other source whether developed or to be developed in future and in this connection undertake the business of manufacturer, assembler, importer, exporter, stockist, suppliers, sellers, dealers in and agents and distributors of all kinds of solar energy goods, equipment, cells, gadgets, tools, appliances, apparatus, products, instruments and things required for or capable of being used for or in connection with the generation, transformation, radiation, distribution, supply and application for wireless signaling, lighting, heating, X-ray, medical and any other purposes whatsoever and things of all kinds capable of being used in connection with such purposes including cables, wires, stations, exchanges, accumulators, dynamos, switching, regulating, signalling apparatus, gadgets and equipments.
8. To purchase, manufacture, fabricate, design, distribute, buy, sell, import, export or otherwise deal in all articles, parts, spares, machinery, accessories, chemicals, oil sorts of plant and machinery, apparatus, implements, foundry products, engineering stores and works, lubricants, chemicals and all commodities, articles, goods and things required in the mills, plants, factories, for water treatment, processing, and management and other industries.
9. To engage in the business of project management and handling and dealing matters related to fabrication, engineering, erecting and constructing buildings, houses, colonies, flats, shades, factories, roads, highways, bridges, dams, canals, jetties, foundations, excavations, docks, jetties, harbors, shafts, sewers, wharves, amusement parks, holiday resorts, rest houses, motels, clubs and places of interest, and entertainment and any and every other structure and thing that may be made of any material including wood, concrete, steel, bricks, stone, masonry or other materials which is or may hereafter be invented and to do excavation, foundation, piling, drilling, boring and construction work of every type on such structures or undertakings.
10. To provide technical, technological, professional and consultancy services in the fields of water management and treatment, sewerage, alternate energy or related infrastructures, computer related technology, software development, hardware, technical resources, and in other areas of management information and systems in all its dimensions and of all sorts and descriptions.
11. To carry on the trade or business of civil engineers, mechanical engineers, electrical engineers, power generation, sanitary and water engineers, dredging of canals, lakes, rivers, sea, ponds, open sewerage line etc. and plumbers, brass molders, metal workers, iron masters, steel makers, steel converters, colliery proprietors, coke manufacturers, miners, smelters, tin plate manufacturers and iron founders, machinists, smiths and tool makers, and repair, convert, let on hire and deal in machinery, implements, root stock and hardware of all kinds.
12. To acquire from any person, firm, company, corporate or incorporate whether in Pakistan or elsewhere, technical information, know-how



Memorandum of Association

processes, engineering, manufacturing and operating data, plans, layout and blue prints useful for the design, erection and operation of plant required for any of the businesses of the Company and to acquire any grant or lease and other rights and benefits in the foregoing matters and things.

13. To act as dealers, traders, commission agents, brokers, mercantile, consign agents, distributors, stockiest, importers, exporters, shipping, clearing and business forwarding agents, selling agents, indenting agents, advertising agents, representatives of commercial, Industrial, agricultural and manufacturing concerns.
14. To carry on business and obtain licenses for shipping agents, clearing and forwarding agents, purchasing and Indenting agents, selling agents, (except managing agent) on such terms and conditions as the Company may think proper subject to any permission as required under the law.
15. To carry on agency representation business (except managing agency) and to acquire and hold selling agencies and to act as selling agents, commission agents, manufacturers' representatives and distributing agents of and for the distribution of all kinds of merchandise, goods, commodities, products, materials, substances, articles and, things whether finished, semi-finished, raw, under process, refined, treated or otherwise pertaining to trade and commerce and for that purpose to remunerate them and to open and maintain depots and branches.
16. To enter into any arrangement with any government or authorities (federal, provincial, municipal, local or otherwise) or any corporations, companies, undertakings or persons in Pakistan or elsewhere that may seem conducive to the Company's object and to obtain from any such government, authority, corporation, company, undertaking or person any charters, contracts, decrees, rights, privileges, licenses and concessions which the Company may think desirable, and to carry out, exercise and comply with any such charters, contracts, decrees, rights, privileges, licenses and concessions.
17. To get insured against losses, damages, risks, accidents and liabilities of all kinds which may affect the Company whether in respect of its contracts, agreements, consequential loss of profits, advances or securities or in respect of servants or employees of the Company, or in respect of properties belonging to or rented or hired by the Company, either by setting apart funds of the Company or by effecting such insurance, and in latter case, to pay premium thereon.
18. To open accounts with bank or banks or financial institutions and to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, cheques, bills of lading, warrants, debentures and other negotiable or transferable instruments, concerning the business of the Company.
19. To invest the moneys of the Company not immediately required by the Company in and subscribe for, take, acquire, hold shares, stocks, debentures, securities or instruments of redeemable capital of any other company or corporation or body corporate, whatsoever, whether local or overseas, and to invest moneys of the Company in any other manner.



Memorandum of Association

20. To borrow, procure, raise money in local or any foreign currency from banks, financial institutions, non-banking finance companies and/or avail finances under any Islamic financing scheme like mudaraba, marrabaha, musharaka, ijara-wakilah and Sharaze-Hisna and to borrow, procure, or to secure the money in such manner as the Company may deem fit and particularly by mortgage or hypothecation of its property in full or in part or both the present and future assets - by this issue of shares, stocks, bonds, debentures, Participation Term Certificates, Term Finance Certificates, or any other form of redeemable capital or securities charged or based upon the undertaking of the Company, at any part of its property, both present and future and generally to borrow or procure money for the purposes of the business of the Company in such manner as the Company shall deem fit, including by issue of debentures, bonds, securities, Participation Term Certificates, Term Finance Certificates, either permanent or redeemable or repayable or convertible into shares and to secure any securities of the Company by a trust or other assurances.
21. To pay commission, fee for professional services or otherwise remunerate any company or firm or firms or person or persons (whether an officer of the Company or not) for services rendered in placing or assisting to place any of the shares of the Company or any debentures or other securities of the Company, or for negotiating any of the purchase or sale by the Company, or for rendering any service of any kind whatsoever to the Company.
22. To procure the incorporation, registration or other recognition of the Company in any country, state, or place and to establish and regulate and open branches of the Company in any part of the world for the purposes of the Company's business.
23. To pay the costs, charges and expenses preliminary and incidental to the formation, establishment and registration of the Company.
24. To grant pensions, allowances, gratuities and bonuses to directors, officers, ex-officers, employees or ex-employees of the Company or its predecessors in business or the dependants or connections of such persons and establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees and ex-employees and officers and ex-officers (including Directors and Ex-Directors) of the Company, or the dependents or connections of such persons, and to pay gratuities or grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition, or for any public, general or useful object(s).
25. To distribute any part of the undertaking, property and assets of the Company among its creditors and members in specie or in kind at the time of dissolution of the Company but so that no distribution amounting to a reduction of capital may be made without the sanction (if any) for the time being required by law.
26. To create provident fund, gratuity fund, pension fund, reserve fund, sinking fund, insurance fund, or any other special fund conducive to the interest of the Company.
27. To capitalize such portion of the profits accumulated profit or reserves of the Company as are not distributed amongst shareholders of the Company in the form of dividend and/or the Directors of the Company.

Memorandum of Association

- may think fit and to issue bonus shares as fully paid-up in favor of the shareholders of the Company.
28. To remunerate directors, officials, servants of the Company or any other person or firm or company rendering services to this Company, out of, or in proportion to the returns or profits of the Company or otherwise as the Company may think proper, either by cash payment and/or by the allotment to him or them shares or securities of the Company credited as paid up in full or otherwise as may be thought expedient in accordance with the laws to which the Company may be subject.
29. To appoint agents (except managing agent), experts and attorneys to do any and all of the above matters and things on behalf of the Company or any thing or matter for which the Company may act as agent or in any other way whatsoever interested or concerned in any part of the world.
30. To establish and maintain branches in or outside Pakistan, receiving offices, depots, collection, service and distribution centres and to enter into contracts or agency agreements (other than managing agency) with any other person, firm, company, undertaking or organization or the distribution centres for the efficient carrying on of the business of the Company.
31. To pay for any property or rights acquired by the Company either in cash or fully paid-up shares, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine, for its subscription or contribution to any charitable, benevolent or useful objects of a social or public character, the support of which will, in the opinion of the Company, tend to increase its reputation and popularity among its employees, its customers, or the public generally.
32. To aid pecuniary or otherwise any association, body or movement having for its object the solution, settlement or surmounting of industrial or labor problems or troubles, or the promotion of industry or trade or development of savings and investment.
33. To adopt such means (both in and outside Pakistan) of promotion, marketing and making known and advertising the products and services of the Company as may seem expedient subject to the laws to which the Company may be subject.
34. To transfer the registered office of the Company from one place or province to another if deemed beneficial for the Company subject to regulatory approval(s) as may be applicable under the laws of Pakistan.
35. To amalgamate, merge, with, absorb, reconstruct, de-merge, acquire, merge in or take over any other company or the whole or part of any undertaking having objects altogether or in part similar to those of the Company or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company, whether by sale or purchase of the assets, property or undertaking, or divestiture of the whole or part of the undertaking of the Company or by partnership or any arrangement in the nature of partnership or in any other manner or to enter into and carry into effect any arrangement, or for sharing of profits, with any partnership undertaking or person carrying on business within the objects of this Company.

The authorized share Capital of the Company is Rs. 100,000,00/- (Rupees One Hundred Million Only) divided into 10,000,000 Ordinary shares having a par value of Rs. 10/- (Rupees Ten) each.

With power to increase and decrease the share Capital of the Company and to issue shares to any person or persons of ordinary shares that constitute or shall constitute the shares to any person required under the law.

The liability of the members is limited.

Notwithstanding anything stated in any object clause, the Company shall obtain such other powers as may be required under any law for the time being in force, to undertake a business of any kind whatsoever.

Nothing contained herein shall be construed to empower the Company to engage in any such multilevel marketing, pyramid and Ponzi schemes.

shall be constituted to enable it to engage in such business. The Company shall not launch multilevel marketing, pyramid and Ponzi schemes.

or business of any kind whatsoever.

Businesses of any kind, brokerage, finance, leasing, management advisor, insurance company or the businesses of financial institution, managing agency or in any other business and shall nothing in this object clause

thereby contained shall be deemed subsidiary or wholly to the objects of the Company shall have full power to exercise all or any of the powers and to achieve or to provide in any case or mode of the said sub-clauses.

or powers mentioned in any other sub-clause or in the name of the Company from the Company to form any other object or objects than in such sub-clause or otherwise in any other way intended or restricted by reference to or inference thereof, and they shall not exceed what is given in this clause so far as it relates to the objects set forth in this clause or any other object or objects than in such sub-clause or otherwise, be it any way intended or restricted by reference to or inference thereof, and they shall not exceed what is given in this clause so far as it relates to the objects set forth in this clause or any other object or objects than in such sub-clause or otherwise.

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La exercise of all or any of the above powers and to do all such other things as are incident to the objects of the above agreement to the provisions of the law for the time being in force.

To cause carrying on and wind up any business or activity of the Company, and to cause, on behalf of the Company, to make provision for the winding up and procure the dissolution of the Company, according to the provisions of the law for the time being in force.

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To carry on any other business or activity and do any act or thing which in the opinion of the Company is likely to be capable of being conveniently carried on or done in connection with any of the above, or likely directly or indirectly to enhance the value of or render more profitable all or any part of the Company's property or assets or otherwise to advance the interests of the Company or its members.

Memorandum of Association

We, the several persons whose names and addresses are described below, are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite to our respective names:

Name and Surname	Father's/Husband's Name in Full	NIC/Passport No.	Nationality Citizen of Pakistan	Occupation	Residential Address in Full	No. of Shares Taken by Each Subscriber	Signature
S. ZAKI HASAN	S. HADI HASAN	A2301-6903347-9	PAKISTANI	CONTRACTOR	B-41, Galaxy Skyline, Street 33, Phase V, Defence Housing Authority, Karachi	10 (TEN) ordinary share of Rs. 10 each	
RAEES M. IRSHAD	RAEES ABDUL HAMEED	A2301-7307014-7	PAKISTANI	LAND LORO	House # 1, Overseas Society, Ameer Khura Road, Karachi	10 (TEN) ordinary share of Rs. 10 each	
DR. ZAINUB IRSHAD	RAEES M. IRSHAD	A2201-1638625-8	PAKISTANI	HOUSE WIFE	House # 1, Overseas Society, Ameer Khura Road, Karachi	10 (TEN) ordinary share of Rs. 10 each	
MAMEE D-UZ-ZAFAR	MUZAFFAR HUSSAIN	A2101-4587268-3	PAKISTANI	SERVICE	House No.B-47, North Karachi, Sector # 11-B, Karachi	10 (TEN) ordinary share of Rs. 10 each	
TOTAL						40 (forty) ordinary shares of Rs. 10 each	

**CERTIFIED TO BE TRUE COPY**

Witness to above signatures:

ADDL. JOINT REGISTRAR OF COMPANIES  
COMPANY REGISTRATION OFFICE, KARACHI  
This Certified True Copy is not valid for purpose of bank account opening. The banks may verify company's record.

Date: 02.10.06

Full Name & Father's Name in Block Letters: **NADEEM AHMED KHAN** Occupation: **Business Management Consultant** Full Address:

**NADEEM AHMED KHAN**  
S/O **ATHAR MOHAMMED KHAN**

Business Management Consultant

Professional Management Services  
B-130 2nd Floor, Block 6, Gulshan-e-Iqbal, Karachi

Serial No. ....  
Name of the Company .....  
Brief description of the Company .....  
Then date on which the document was issued .....  
Ref. ....

K  
Addl. Joint Registrar of Companies  
Company Registration Office  
Karachi

Agugen (Private) Limited

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**Certified to be true Copy**

Deputy Registrar of Companies

**THE COMPANIES ORDINANCE, 1984**  
(Private Company Limited by Shares)

**ARTICLES OF ASSOCIATION**

**AQUAGEN (PRIVATE) LIMITED**

**I. PRELIMINARY**

- ✓ Except as herein specifically otherwise provided, Table "A" of the First Schedule to the Ordinance shall apply to the Company.

**II. INTERPRETATION**

- ✓ In these presents, unless there be something in the subject or context inconsistent therewith:

'The Company' means 'Aquagen (Private) Limited'.

'The Ordinance' means the Companies Ordinance, 1984 (XLVII of 1984), as amended from time to time.

'The Office' means the registered office for the time being of the Company.

'The Register' means the register of members to be kept pursuant to section 147 of the Ordinance.

'Dividend' includes bonus.

'Month' means calendar month.

'In Writing' and 'Written' include printing, lithography and other modes of representing or reproducing words in a visible form.

'Chief Executive' means the chief executive of the Company as appointed under Articles 91 and 92.

'Special Resolution' have the meanings assigned thereto by the Ordinance.

**III. PRIVATE COMPANY**

- ✓ Aquagen (Private) Limited is established as a Private Company with limited liability in accordance with and subject to the provisions of the Ordinance, and accordingly the following provisions shall have effect, namely:

- (g) the number of shareholders for the time being of the Company (excluding persons who are, for the time being in the employment of the Company) is not to exceed fifty but where two or more persons hold one or more shares in the Company jointly they shall, for the purpose of this clause, be treated as a single member;

Articles of Association

- (b) any invitation to the public to subscribe for any shares or debentures or stock of the Company is hereby prohibited; and
- (c) the rights to transfer the shares of the Company shall be restricted in the manner hereinafter appearing.

IV. BUSINESS

4. The business of the Company may be commenced soon after the incorporation with Companies Registration Office.

V. CAPITAL AND SHARES

5. The Authorized Share Capital of the Company is Rs. 100,000,000/- (Rupees One Hundred Million Only) divided into 10,000,000 (Ten Million) ordinary shares having a par value of Rs.10/- (Rupees ten only) each.

With powers of the Company from time to time to increase or reduce its capital and to consolidate or divide the shares in the capital for the time being into several classes.

6. Each share will have one voting right at general meetings of the Company. Whereas shares will have the right of dividend in the profits of the Company in the proportion of their paid up value.

The shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons, on such terms and conditions and at such time as the Directors think fit, and with full power to give to any person the call of any shares either at par or at a premium during such time and for such consideration as the Directors think fit.

7. As regards allotments made from time to time, the Directors shall duly comply with section 86 of the Ordinance.

8. The joint holders of shares shall be severally as well as jointly liable for the payment of shares.

9. Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any shares as the absolute owner thereof, and accordingly shall not, except as ordered by a Court of competent jurisdiction or as required by statute, be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person.

VI. SHARE CERTIFICATES

10. The share certificates of title to shares shall be issued under the seal of the Company and signed by two directors. Provided that the directors may by resolution determine, either generally or in any particular case, that the signatures of such director(s) may be affixed by some mechanical means and counter signed by a principal officer of the Company authorized by the Chief Executive.

11. Every member shall be entitled to one share certificate for all the shares registered in his name or if the directors so approve to several certificates each for one or more of such shares but in respect of each certificate for less than one hundred shares, the directors shall be entitled to charge a fee as they may determine. Every certificate of shares shall specify the denominating number of the shares in respect of which it is issued and the amount paid up thereon.

13. The Company shall, within ninety (90) days after the allotment and within forty-five (45) days after the application for the registration of the transfer of any share, complete and have ready for delivery the certificates for shares and unless sent by post or delivered to the person entitled thereto, within that period, shall give notice of this fact to the shareholder immediately thereafter.
14. If any certificate be worn out or defaced, then, upon production thereof to the Directors they may order the same to be cancelled, and may issue a new certificate in lieu thereof, and if any certificate be lost or destroyed then, upon proof thereof, to the satisfaction of the Directors and on such indemnity as the Directors deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.
15. For every certificate issued under last preceding Article, there shall be paid to the Company such sum as the Directors may determine, but not exceeding the amount prescribed under section 76 of the Ordinance.
16. The certificates of shares registered in the name of two or more persons shall, unless otherwise directed, be delivered to the persons so registered in the Register.
17. The Directors shall make allotment of shares only to such applicants who have paid full amount of shares as required by section 91 of The Ordinance.

#### VII. TRANSFER AND TRANSMISSION

18. A share may be transferred by a member or other person entitled to transfer to any member selected by the transferor as aforesaid and save as provided by Articles 25 or 27 hereof, no share shall be transferred to a person who is not a member, so long as any member, or any person selected by the Directors as one whom it is desirable in the interest of the Company to admit to membership, is willing to purchase the same at the fair value.
19. The Company shall, within a period of twenty eight days after being served with a transfer notice and a member or person selected as aforesaid, willing to purchase the shares (hereinafter called the purchasing member), give notice thereof to the proposing transferor, who shall be bound upon payment of the fair value to transfer the shares to the purchasing member.
20. In case, any difference arises between the proposing transferor and the purchasing member as to the fair value of a share the difference shall be referred to two arbitrators, one to be appointed by each of the parties in difference, the award of the arbitrators shall be binding on the parties.
21. If in any case the proposing transferor, after having become bound as aforesaid, commits default in transferring the shares, the Company may receive the purchase money, and shall thereupon cause the name of the purchasing member to be entered in the Register as the holder of the share, and shall hold the purchase money in trust for the proposing transferor. The receipt of the Company for the purchase money shall be a good discharge to the purchasing member, and after his name has been entered in the Register in purported exercise of the aforesaid power, the validity of the proceedings shall not be questioned by any person.

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22. If the Company shall not, within the period of twenty-eight days, after being served with the transfer notice, find a member or person selected as aforesaid, willing to purchase the shares, and give notice in the aforesaid manner, the proposing transferor shall at any time within three calendar months thereafter be at liberty, subject to Article 32 hereof, to sell and transfer the shares (or those not placed) to any person and at any price.
23. Any share may be transferred by a member to any child or other issue, father, mother, wife or husband of the member or to trustees of any settlement thereof made by a member, for the benefit of any child or other issue, father, mother, wife or husband of the member and any shares of deceased member may be transferred by his executors, or widower of such deceased member, and shares standing in the names of trustees of the will of any deceased member or of such settlement may be transferred upon any change of trustees, to the trustees for the time being of such will or settlement and the restrictions in the aforesaid Articles shall only be applicable in accordance with the "Islamic Law of Will" and compliance with prescribed Shariah rules on the subject.
24. The Directors may call on the executors or administrators of a deceased member to transfer the shares of the deceased to some person to be selected by such executors or administrators and approved by the Directors, and, if the executors or administrators do not comply forthwith with such call, they shall be deemed to be served by the Company with a transfer notice, but the fair value shall in case of dispute be determined in the manner specified in Article 21.
25. In the event of a member being declared bankrupt by a Court of competent jurisdiction, the majority of the Directors may serve the Company with a requisition to enforce the transfer of the shares of the bankrupt member.
26. The Company shall forthwith give to the official assignee of the estate of the bankrupt notice in writing of the requisition (with a copy of this clause subjoined), and, unless within seven days afterwards, the official assignee shall give to the Company a transfer notice in respect of the said shares in the manner provided in Article 19; he shall be deemed at the expiration of that period to have given to the Company such a transfer notice (the fair value to be mentioned in such transfer notice to be determined in case of dispute in the manner specified in Article 21), and the subsequent proceedings may be taken on that footing.
27. The Directors may decline to register or acknowledge any transfer of shares, and in particular may so decline in respect of shares upon which the Company has a lien. But this Article shall not apply to a transfer made pursuant to Article 27 or Article 23 hereof.
28. The Company shall keep a book to be called the Register of Transfers, and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares transferred.
29. The shares in the Company shall be transferable by an instrument in writing executed both by the transferor and the transferee, in such form as shall from time to time have been prescribed by the Directors, or such other form as the Directors in their discretion deem fit to accept.

30. Every instrument of transfer, or where the transfer shall have been made by delivery notice, in writing in such form as shall from time to time have been prescribed by the Directors, signed both by the transferor and the transferee, and specifying the name, address and description of the transferee, the date on which the transfer took place and specifying the numbers of the shares transferred, shall be left at the Office for registration accompanied by the certificate of the shares to be transferred and such evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.
31. All instruments and notices of transfer which shall be registered, shall be retained by the Company, but any instrument or notice of transfer which the Directors may decline to register, shall be returned to the person despatching the same.
32. A fee not exceeding such amount as may be determined by the Directors, may be charged for each share transferred, prior to the registration thereof, if so decided by the Directors.
33. The transfer books and the Register may be closed once or any number of times in a year as the Directors think fit, not exceeding a aggregate 22 days in each year.
34. The executors or administrators of a deceased member (not being one of several joint holders) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognize such executors or administrators, unless such executors or administrators shall have first obtained probate or letters of administration, as the case may be, from a duly constituted Court in Pakistan, provided that, in any case where the Directors, in their absolute discretion, think fit, they may dispense with production of probate or letter of administration, and, under the next following Article, register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased share holder as a share holder. In case of the death of any one or more of the joint registered holders of any shares, the survivor(s) shall be the only person(s) recognized by the Company having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person but in accordance with the "Islamic Law of Will" and compliance with prescribed Shariah rules on the subject.
35. Any person becoming entitled to shares in consequence of the death or bankruptcy of any member, upon producing such evidence that he sustains the character in respect of which he proposes to act under this clause or of his title as the Directors think sufficient may with the approval of the Directors (which they shall not be under any obligation to give) be registered as a member in respect of such shares or may, subject to the regulations as to transfers herein before contained, transfer such shares. This Article is hereinafter referred to as the "transmission clause".
36. The Directors shall have some right to refuse to register a person entitled by transmission to any shares or his nominee as if he was the transferee named in the ordinary transfer presented for registration.

Articles of Association

37. The Company shall incur no liability or responsibility whatever, in consequence of its registering or giving effect to any transfer of shares made or purporting to be made, by an apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of person having or claiming any equitable right, or interest to, or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest, or notice prohibiting registration of such notice, or referred thereto, in any book of the Company, and the Company shall not be bound or required to attend or give effect to any notice, which may be given to it regarding any equitable right, title or interest, or be under any liability whatsoever, for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company. But the Company, shall nevertheless, be at liberty to regard and attend to any such notice, and give effect thereto, if the Directors shall so think fit.

VIII. SUB-DIVISION AND CONSOLIDATION OF SHARES

38. The Company may by a special resolution sub-divide or by ordinary resolution consolidate its shares or any of them.

39. If at any time the capital is divided into different classes of shares all or any of the rights and privileges attached to each class may be modified, commuted, abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreements are (a) ratified in writing by the holders of at least three-fourths in nominal value of the issued shares of the class, or (b) is confirmed by a special resolution passed at a separate general meeting of the holders of shares of that class and all provisions hereinafter contained in a general meeting shall (mutatis mutandis) apply to every such meeting except that the quorum thereof shall be members holding, or representing by proxy, one-fifth of the nominal value of the issued shares of that class. This Article is not to derogate from any power the Company would have had if this Article were omitted.

40. Subject to the provisions of the Ordinance, all new shares shall, before issue, be offered to such persons, as at the date of the offer are entitled to receive notices from the Company of general meetings, in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this regulation. Nothing in these Articles shall preclude the Directors from recognizing a renunciation of the allotment of any share by the allottee in favour of some other person.

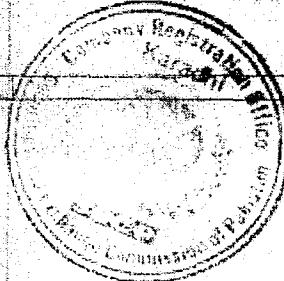
IX. BORROWING POWERS

41. The Directors may from time to time exercise discretion to borrow any sum or sums of money, or secure the payment of the sums so borrowed, for the purposes of the Company, provided that this is not against any previous resolution for the time being in force.

42. The Directors may secure the repayment or payment of any sum or sums of money in such manner and upon such terms and conditions, in all respects as they think fit, and in particular, by the issue of ~~shares~~ certificates, bonds, perpetual or redeemable, or debenture stock, or any mortgage, charge, or other security on the undertaking or the whole or any part of the property of the Company (both present and future).
43. Debenture, debenture-stock, bonds, or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
44. Any debenture, debenture-stock, or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawing, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.
45. The Directors shall cause a proper register to be kept, in accordance with the requirements of the Ordinance of all mortgages and charges specifically affecting the property of the Company, and shall comply with the requirements of the Ordinance in regard to the registration of mortgages and charges therein specified and otherwise.
46. If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute, or cause to be executed, any mortgage, charge, security over or affecting the whole, or any part of the assets of the Company, by way of indemnity to secure the Directors or persons so becoming liable, as aforesaid, from any loss in respect of such liability.

#### X. GENERAL MEETINGS

47. The First Annual General Meeting of the Company shall, as required by the Ordinance, be held within a period of eighteen (18) months from the date of incorporation of the Company and at such place as the Directors may determine.
48. Subsequent Annual General Meetings shall be held once at least in every calendar year at such time, not being more than fifteen (15) months after the holding of last preceding Annual General Meeting, and not more than four months of the close of its accounting year and at such place as the Directors may determine. Such meetings shall be called "ordinary general meetings"; all other meetings of the Company shall be called "extraordinary general meetings".
49. The Directors may, whenever they think fit, convene an Extraordinary General Meeting and shall in the case of such requisition of the holders of not less than one-tenth of the issued capital of the Company, upon which all calls or other sums then due have been paid, forthwith proceed to convene an extraordinary meeting of the Company, and in the case of such requisition, the following provisions shall have effect:
- (a) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Office, and may consist of several documents in like form each signed by one or more requisitionists.



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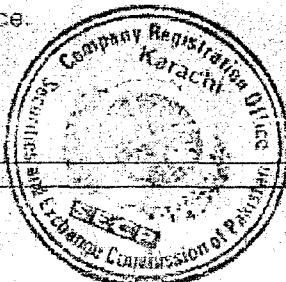
- (b) If the Directors of the Company do not proceed within twenty-one days from the date of the requisition being so deposited to cause a meeting to be called the requisitionists or a majority of them in value may themselves convene the meeting, but any meeting so convened shall not be held after three months from the date of the deposit of such requisition.
- (c) If at such meeting a resolution requiring confirmation at another meeting is passed, the Directors shall forthwith convene a further extraordinary meeting for the purpose of considering the resolution, and if thought fit of confirming it as a special resolution, and if the Directors do not convene the meeting within seven days from the date of passing of the resolution, the requisitionists or a majority of them in value may themselves convene the meeting.
- (d) Any meeting convened under this Article by the requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Directors.
- (e) A requisition by joint-holders of shares must be signed by all such holders.
50. At least twenty-one days' notice to the members specifying the place, day and hour of meeting and in case of special business, the general nature of such business, and the draft Special Resolution shall at the discretion of the Directors be given either by advertisement, or personally by notice sent by post to every shareholder whose registered address is in Pakistan, and with the consent in writing of all the members a meeting may be convened by a shorter notice and in any manner they think fit with the permission of Registrar of Joint Stock Companies.
51. Where it is proposed to pass a resolution, two meetings may be convened by one and the same notice and there would be no objection to such notice that it only convenes the meeting contingently on the resolution being passed by the requisite majority of the first meeting.
52. The accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members, shall not invalidate any resolution passed at any such meeting.

**XI. NOTICE AND PROCEEDINGS OF GENERAL MEETINGS**

53. At least twenty-one days' notice (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and, in case of special business, the general nature of that business, shall be given in the manner provided by the Ordinance for the general meeting, to such persons as are, under the Ordinance or the regulations of the Company, entitled to receive such notices from the Company; but the accidental omission to give notice to, or the non-receipt of notice by, any member shall not invalidate the proceedings at any general meeting.
54. Every Annual General Meeting shall be competent without special notice having been given of the purpose for which it is convened or of the business to be transacted thereat, to receive and consider the Profit and Loss Account, Balance Sheet and Report of the Directors and of the Auditors, to elect Directors in place of those retiring by rotation, and auditors, to declare dividends, to fix the remuneration of the Auditors, and to transact any other business which under those present ought to be transacted at an Annual General Meeting and all other business transacted at an Annual General Meeting and all business transacted at an extraordinary meeting shall be deemed special.

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55. With the exception mentioned in Article 53 as to the business which may be transacted at any Annual General Meeting without notice no meeting, ordinary or extraordinary, shall be competent to enter upon, discuss, or transact any business which has not been mentioned in the notice or notices upon which it was convened.
56. Two members present in person having 25% voting power shall be a quorum for a general meeting. No business shall be transacted at any general meeting unless the quorum is present at the commencement of the meeting.
57. The Chairman of the Board of Directors shall, if willing, preside as Chairman at every general meeting, whether ordinary or extraordinary but, if there be no such Chairman, or if at any meeting he shall not be present within thirty minutes after the time appointed for holding such meeting, or is unwilling to act as such, the members present shall choose another Director present as Chairman, and if no Director be present or if all the Directors present decline to take the chair, then the members present shall choose one of their number being a member entitled to vote, to be the Chairman.
58. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon the requisition of members, shall be dissolved, and in every other case it shall stand adjourned to the same day in the next week, at the same time and place, or such other day, time and place as the Directors may by notice to the shareholders appoint. If at such adjourned meeting a quorum is not present, the member present being not less than two shall be the quorum and may transact the business for which the meeting was called.
59. Every question submitted to the meeting shall be decided by a show of hands, unless a poll is demanded either before or on the declaration of the result of the show of hands.
60. A declaration by the Chairman that a resolution has been carried by a particular majority, and an entry to that effect in the book of proceedings of the Company, shall be evidence of the fact of the number or proportion of the votes recorded in favor of or against such resolution.
61. A poll demanded on the election of the Chairman or on a question of adjournment shall be taken at once.
62. If a poll is demanded it shall be taken in such manner and at such time and place, and either by open voting or by ballot, as the Chairman of the meeting directs, and either at once, or after an interval of adjournment, or otherwise, and result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn. In case of any disputes as to the admission or rejection of a vote, the Chairman shall determine the same and such determination made in good faith shall be final. 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 have and exercise a second or casting vote.
63. The Chairman of a General Meeting may with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.



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64. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question of which a poll has been demanded.
65. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote except for election of directors. On a poll every member present in person or by proxy shall have one vote for every share held by him as laid down in section 160 of the Ordinance. Where a corporation being a member is present by a proxy, such proxy shall be entitled to vote for such corporation in the same manner as any other shareholder both on a show of hand or on a poll. Provided further that the vote of a member in relation to election of Directors shall be determined and exercised as mentioned in Article 90 herein.
66. Any person entitled under the transmission clause to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty eight hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote shall satisfy the Directors of his right to transfer such shares, or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
67. Where there are joint registered holders of any share, any one of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting either personally or by proxy, then one of the said persons so present whose name stands first on the Register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.
68. The instrument appointing a proxy shall be in writing under the hand of the appointer, or his Attorney duly authorized in writing, or, if such appointer is a corporation under its common seal or the hand of its Attorney. A proxy who is appointed for a specified meeting only shall be called a special proxy. Any other proxy shall be called a general proxy. No person shall be appointed a special proxy who is not a member of the Company and qualified to vote save that a corporation being a member of the Company may appoint, as its proxy, any officer of such corporation. The Company may appoint as its proxy one of its officers though not a member of the Company.
69. The instrument appointing a proxy and the Power of Attorney, if any, under which it is signed, or a notarily certified copy thereof, shall be deposited at the office not less than forty eight hours before the time for holding the meeting or the adjourned meeting (as the case may be), at which the person named in such instrument proposes to vote, but no instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
70. A vote given in accordance with the terms of instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy, or transfer of the share in respect of which the vote is given, provided no prior intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.
71. Every instrument of proxy, whether for a specified meeting or otherwise, shall, as nearly as circumstances will admit, be in the form or to the effect following or in the form set out in regulation 39 of Table "A" in the First Schedule to the Ordinance.



**AQUAGEN (PRIVATE) LIMITED**

I, \_\_\_\_\_ of \_\_\_\_\_ being a member of Aquagen (Private) Limited do hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or joining him \_\_\_\_\_ of \_\_\_\_\_ as proxy to vote for me, and on my behalf at the (Annual or Extraordinary, as the case may be) General Meeting of the Company to be held on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ and in any adjournment thereof.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ signed by the said \_\_\_\_\_ in the presence of \_\_\_\_\_.

72. No objection shall be made to validity of any vote except at a meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

73. Any resolution passed by the Directors notice whereof shall be given to the members in the manner in which notices are hereinafter directed to be given, and which shall, within one month after it shall have been so passed, be ratified and confirmed in writing by members entitled at a poll to three-fifths of the votes, shall be valid and effectual as a resolution for a general meeting, but this clause shall not apply to a resolution for winding up of the Company, or to a resolution passed in respect of any matter which by companies' Ordinance or these Articles ought to be dealt with by Special Resolution.

**DIRECTORS**

74. The number of Directors shall not be less than two nor more than six, the following shall be the first directors of the Company:

1. S. Zaki Hasan
2. Raees M. Irshad
3. Dr. Zainub Irshad
4. Hameed -Uz- Zafar

75. The persons hereinabove named shall be the first Directors of the Company, who shall hold office until the first Annual General Meeting.

76. The Directors shall have power at any time and from time to time to fix the number of Directors to comprise the Board of Directors (at least 35 days before the convening of general meeting at which election of Directors is to take place) and to fill a casual vacancy but so that the total number of Directors shall not, at any time exceed the maximum number fixed as above. But any Director appointed in a casual vacancy shall hold office only for the remainder of the term of the Director in whose place he is appointed and shall then be eligible for re-election.

77. A Director who is out of Pakistan or about to go out of Pakistan may, with the approval of the Directors, by notice in writing under his hand appoint any person to be an Alternate Director during his absence of not less than three months from Pakistan, and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director, shall be entitled to notice of meeting of Directors, and to attend and vote thereat accordingly, but he shall ipso facto vacate office as Director, or removes the appointee from office by notice in writing under his hand.

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78. Subject to section 187 of the Ordinance, a Director must be a member of the Company.
79. Any Director who is an employee of the Company shall automatically cease to be a Director of the Company upon his ceasing to be in whole time employment of the Company for any reason whatsoever including deputation to any other organization and Regulation 50 of Table A of the First Schedule to the Ordinance shall be read in conjunction with this Article.
80. The continuing Director may act notwithstanding any vacancy in their body, but so that if the number falls below the minimum fixed above, the Directors shall not except in emergencies or for the purposes of filling vacancies act so long as the number is below the minimum.
81. The remuneration of every Director for his services shall be such sum not exceeding such amount as may be determined by the Directors for every meeting of the Board attended by him, as may from time to time be fixed by the Board.
82. If any Director being willing is called upon to perform extra services (which expression shall include work done by a Director as a member of any committee formed by the Directors), or to make any special exertions in going or residing abroad, or otherwise for any of the purposes of the Company, the Directors may remunerate such Director either by a fixed sum or by a percentage of profits, otherwise as may be determined by the Company, the Directors may remunerate such Director either by a fixed sum or both in substitution for the remuneration above provided.
83. The office of a Director shall, ipso facto, be vacated if:
- (a) he is found to be of unsound mind by a Court of competent jurisdiction, or
  - (b) he is adjudged an Insolvent, or
  - (c) he or any firm of which he is a partner or any private company of which he is a director without the sanction of the Company in general meetings accepts or holds any office or profit under the Company other than that of a legal or technical adviser or a banker, or
  - (d) he absents himself from three consecutive meetings of Directors or from all meetings of the Directors for a continuous period of three months whichever is the longer without leave of absence from the Board of Directors, or
  - (e) he or any firm of which he is a partner or any private company of which he is a director accepts a loan or guarantee from the Company in contravention of section 195 of the Ordinance.
84. No Director shall be disqualified from holding any office or place of profit under the Company or under any company in which this Company shall be a share holder, or otherwise interested, or from contracting with the Company, either as vendor, purchaser, or otherwise, nor shall any such contract, or any contract or arrangement entered into, by or on behalf of the Company, in which any Director shall be in any way interested, be avoided nor shall any Director be liable to account to the Company or any profit arising from any such office or place of profit, or realized by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relations thereby established but it is declared that the nature of his interest must be disclosed by him at the meeting of the Directors at which the contract or arrangement is determined, if his interest then exists or in any other case at the first meeting of the Directors after acquisition of his interest.

### XIII. ELECTION OF DIRECTORS

85. At the First Annual General Meeting of the Company, the whole of the Directors shall retire from office.
86. A Director shall hold office for a period of three years, unless he earlier resigns, becomes disqualified from being a Director or otherwise ceases to hold office.
87. A retiring Director shall be eligible for re-election.
88. The Company at the general meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto in the following manner:-
- (a) a member shall have such number of votes as is equal to the product of the number of voting shares held by him and the number of Directors to be elected;
  - (b) a member may give all his votes to a single candidate or divide them between more than one of the candidates in such manner as he may choose;
  - (c) the candidate who gets the highest number of votes shall be declared elected as Director and then the candidate who gets the next highest number of votes shall be so declared and so on until the total number of Directors to be elected has been so elected.

### XIV. CHIEF EXECUTIVE

89. The Directors shall within fifteen days of the incorporation of the Company appoint the first Chief Executive of the Company, to hold office till the holding of the First Annual General Meeting, unless he earlier resigns or otherwise ceases to hold office.
90. Within fourteen days of election of Directors under the preceding Articles or the office of Chief Executive falling vacant, as the case may be, as prescribed by section 199 of the Ordinance, the Directors shall appoint any individual, including an elected Director, to be the Chief Executive of the Company for a period not exceeding three years, on such terms and conditions as the Directors may deem fit. On the expiry of the terms of his office, the Chief Executive shall be eligible for re-appointment.
91. A Chief Executive shall not be subject to retirement by rotation and he shall not be taken into account in determining the rotation, retirement of Directors, but he shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director from any cause, he shall ipso facto and immediately cease to be a Chief Executive.
92. The remuneration of Chief Executive shall from time to time be fixed by the Directors, and may be by way of fixed salary or commission on dividends, profits or turnover of the Company or of any other company in which the Company is interested, or by participation in any such profits, or by any or all of those modes.

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93. The Directors may from time to time entrust to and confer upon a Chief Executive for the time being such of powers as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions, and with such restrictions as they think expedient and may from time to time revoke, withdraw, alter or vary all or any of such powers.

**XV. PROCEEDINGS OF DIRECTORS**

94. Directors may meet together for dispatch of business, adjourn and otherwise regulate their meetings as they think fit, and may determine the quorum necessary for the transaction of business. Until otherwise determined, two Directors shall be the quorum.
95. A Director may, at any time, convene a meeting of the Directors. A Director who is at any time not in Pakistan shall not during such time be entitled to notice of any such meeting.
96. Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes the Chairman shall have a second or casting vote.
97. The Directors may elect a Chairman of their meeting, and determine the period for which he is to hold office, and unless otherwise determined, the Chairman shall be elected annually. If no Chairman is elected or if at any meeting the Chairman is not present at the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of the meeting.
98. A meeting of the Directors for the time being at which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Directors generally.
99. The Directors may delegate any of their powers to committees consisting of such number of members of their body and at such remuneration as they think fit, and may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Directors.
100. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto, and are not superseded by any regulations made by the Directors under the last preceding clause.
101. All acts done by any meeting of the Directors or by a committee of Directors or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they or any of them were disqualified shall be as valid as if every such person had been duly appointed and was qualified to be a Director.
102. A resolution in writing, signed by all the Directors, for the time being present in Pakistan, shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.
103. The Directors shall cause a fair and accurate summary of the minutes of all proceedings of general meetings and meetings of its directors and committees of directors, along with the names of those participating in such meetings, to be entered in properly maintained books.

104. Any such minutes of any meeting of the Directors, or of any committee, of the Company, if purporting to be signed by the Chairman of the next succeeding meeting, shall be acceptable as *prima facie* evidence of the matter stated in such minutes.

#### XVI. POWERS OF DIRECTORS

105. The management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is, by its Memorandum of Association or otherwise, authorized to exercise and do and are not hereby or by statute directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Ordinance and of these Articles and to any regulation not being inconsistent with these Articles from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

#### XVII. SEAL

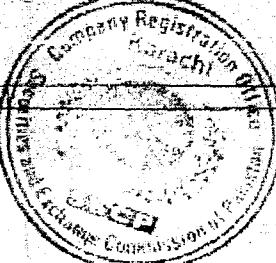
106. The Directors shall provide a Common Seal for the purpose of the Company with the right and authority to replace and substitute the same and shall also provide for the safe custody of the Seal and the Seal shall never be used except by the authority of the Directors, or a committee of the Directors, or of the Chief Executive previously given, and in the presence of two Directors, or of the Managing Director, who shall, subject to the provisions of Article 11 hereof in regard to signature on share certificates sign every instrument to which the Seal is affixed.

#### XVIII. RESERVE FUND

107. The Directors may, before recommending any dividend, set aside out of the profit of the Company, such sums as they think proper as Reserve, to meet contingencies or for equalizing dividends, or for special dividend or for repairing, improving and maintaining any of the property of the Company and for such other purposes as the Directors shall in their absolute discretion think conducive to the interest of the Company, and may invest the several sums so set aside upon such investments (other than shares and securities of the Company) as they may think fit, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company and may divide that reserve into such special reserves as they think fit, and employ the reserve or any part thereof in the business of the Company, without being bound to keep the same separate from the other.

#### XIX. DIVIDENDS

108. Subject as aforesaid and section 248(2) of the Ordinance, the profits of the Company shall be divided among the members in proportion to the capital paid up on the shares held by them respectively.
109. The Company in general meeting may declare a final dividend to be paid to the members according to their rights and interest in the profits and may fix the time for payment, but not exceeding thirty days from the date of declaration.
110. No final dividend shall be declared larger than what is recommended by the Directors, but the Company in general meeting may declare a smaller dividend out of undistributed profits.



Articles of Association

117. No dividend shall be payable except out of the profits of the Company and no dividend shall carry interest as against the Company.
118. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.
119. The Directors may from time to time pay to the members such Interim dividends as in their judgment the position of the Company justifies.
120. Directors may retain any dividend on which the Company has a lien, and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
121. Any general meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular, of paid-up shares, debentures or debenture stock or other securities of the Company or paid up shares, debenture or debenture stock or other securities of any other Company or in any one or more of such ways; and the Directors shall give effect to such resolution and where any difficulty arises in regard to the distribution, they may settle the same as they think expedient, and may fix the value for distribution of such specific assets and paid up thereof, and may determine that cash payments shall be made to any member upon the footing of the value so fixed, in order to adjust the rights of all parties, and may vest any such specific assets in Trustees upon such trusts for the person entitled to the dividend as may seem expedient to the Directors. Where requisites of a proper contract shall be filled in accordance with the provisions of the Ordinance and Directors may appoint any person to sign such contract on behalf of the person entitled to the dividend and such appointment shall be effective.
122. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.
123. The Directors may retain the dividends payable upon shares in respect of which any person is under the Transmission Article entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect thereof or shall duly transfer the same.
124. Any one of several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.
125. Unless otherwise directed, any dividend may be paid by cheque or warrant sent through the registered post to the registered address of the member or person entitled thereto, or in the case of joint-holders to the registered address of that one whose name stands first on the register in respect of the joint-holding, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent, or may be made 'Account Payee' if decided by the Directors.
126. All dividends unclaimed for two years after having been declared may be forfeited by the Directors for the benefit of the Company.

## XX. ACCOUNTS

121. The Directors shall cause true accounts to be kept in such forms as they may decide for sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure take place and of the assets, credits and liabilities of the Company.
122. The books of account shall be kept at the Office of the Company or at such other place or places as the Directors think fit.
123. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of the members not being Directors, and no member (not being a Director) shall have any right of inspecting any account, book or document of the Company except as conferred by law or authorized by the Directors or by the resolution of the Company in general meeting.

## XXI. AUDIT

124. Once at least in every year the accounts and financial statements of the Company shall be examined by one or more auditor or auditors who shall report on the fitness of the Profit and Loss Account and the Balance Sheet.
125. The auditor must be Chartered Accountant, as defined in the Chartered Accountants Ordinance, 1961.
126. Every accounts of the Company when audited and approved by a general meeting, shall be conclusive, except as regards any error discovered therein. Whenever any such error is discovered the accounts shall forthwith be corrected and henceforth shall be conclusive.

## XXII. NOTICES

128. (a) A notice may be given by the Company to any member either personally by sending it by post to him to his registered address or if he has no address in Pakistan to the address, if any, within Pakistan supplied by him to the Company for the giving of notices to him.
- (b) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary post.
129. Each holder of registered share, whose registered place of address is not in Pakistan, may from time to time notify in writing to the Company an address in Pakistan which shall be deemed his registered place of address within the meaning of the last preceding Article.
130. If a member has no registered address in Pakistan and has not supplied to the Company an address within Pakistan for the giving of notices to him, a notice addressed to him and advertised in newspaper circulating in the neighbourhood of the Office shall be deemed to be duly given to him on the day on which the advertisement appears.
131. Any notice required to be given by the Company to the members or any of them and not expressly provided for by these Articles shall be sufficiently given if given by advertisement.

Articles of Association

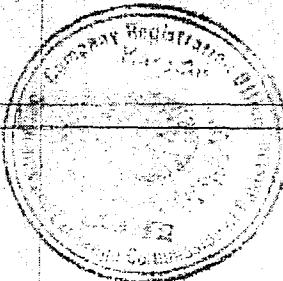
132. Any notice by a Court of Law or otherwise required to be, or which may be given by advertisement, shall be sufficiently advertised in any one newspaper published in Pakistan.
133. A notice may be given by the Company to the joint-holder of a share or by giving the notice to the joint-holder named first in the Register.
134. A notice may be given by the Company to the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in Pakistan supplied for the purpose by the persons claiming to be entitled or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.
135. Notice of every general meeting shall be given in the same manner hereinbefore authorized to:
- (a) every member of the Company (except those members who having no registered address within Pakistan or have not supplied to the Company an address within Pakistan for the giving of notices to them); and
  - (b) every person entitled to a share in consequence of the death or insolvency of a member, who but for his death or insolvency would be entitled to receive notice of the meeting; and
  - (c) the auditors of the Company.
136. Every person who by operation of law transfers or by other means whatsoever, shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the Register shall be duly given to the person from whom he derived his title to such share.
137. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these articles shall notwithstanding such member be then deceased and whether or not the Company have notice of his death, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member, until some other person registered in his stead as the holder or joint-holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or documents on his or her heirs, executors or administrators, and all persons, if any jointly interested within him or her in any such share.
138. The signature to any notice to be given by the Company may be hand written or typewritten or otherwise printed.
139. Where notice of a given number of days, or notice extending over any other period, is required to be given, the day of service shall unless otherwise provided, be counted in such number of days or other period.

XXIII. WINDING UP

143. (a) If the Company shall be wound up whether voluntarily or otherwise the liquidators may with the sanction of a Special Resolution divide amongst the contributors in specie or kind any part of the assets of the Company and may with the like sanction vest any part of the Company in trustees upon such trusts for the benefit of the contributors or any of them as the liquidators shall think fit.
- (b) If thought expedient by the Directors any such division may be made otherwise than in accordance with legal rights of the contributors and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with legal rights of the contributors shall be determined by any contributory who would be prejudiced thereby he shall have a right to dissent and shall have ancillary rights as if such determination were made through a Special Resolution.
- (c) In case any shares to be divided as aforesaid involve liability to calls or otherwise, any person entitled under such division to any of the said shares may, within ten days after the passing of the Special Resolution by notice in writing, direct the liquidators to sell his proportion and pay him the net proceeds and the liquidators shall, if practicable, act accordingly.

XXIV. INDEMNITY

141. Every Director, manager, auditor, secretary, chief accountant and other officer or servant of the Company shall be indemnified by the Company against, and it shall be the duty of Directors to pay, out of funds of the Company all costs, losses and expenses, which any such Director, manager, auditor, secretary, chief accountant and other officer or servant may incur or become liable to by reasons of any contract entered into, or act or thing done by him as such officer or servant or in any way in discharge of his duties including traveling expenses and in particular, and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, manager, officer or servant in defending any proceedings whether civil or criminal in which judgment is given in his favor or he is acquitted, or in connection with any application under section 488 of the Ordinance in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on property of the Company and have priority as between the members over all other claims.
142. No Director, auditor, or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or auditor or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited, or for any loss, occasioned by any error of judgment, omission, defaults, or oversight on his part, or for any other damage or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.



Articles of Association

We, the several persons whose names and addresses are described below, are desirous of being formed into a company in pursuance of these Articles of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite to our respective names.

Name and Surname	Father's/Husband's Name in Full	NIC/Passport No.	Nationality With former Nationality	Occupation	Residential Address in Full	No. of Shares Taken by Each Subscriber	Signature
S. ZAKI HASAN	S. HADI HASAN	42301-6X13357-2	PAKISTANI	CONSULTANT	B-41, Galaxy Skyline, Street 33, Phase V, Defence Housing Authority, Karachi	10 (TEN) ordinary share of Rs. 10 each	
RAEES M. IRSHAD	RAEES ABDUL HAMEED	42201-7207014-7	PAKISTANI	LAND LORD	House # 1 Overseas Society, Ameer Khush Road, Karachi	10 (TEN) ordinary share of Rs. 10 each	
DR. ZAINUB IRSHAD	RAEES M. IRSHAD	42201-1638685-B	PAKISTANI	HOUSE WIFE	House # 1, Overseas Society, Ameer Khush Road, Karachi	10 (TEN) ordinary share of Rs. 10 each	
HAMEED UZ ZAFAR	MUZAFFAR HUSSAIN	42101-4587258-3	PAKISTANI	SERVICE	House No. B-47, North Karachi, Sector E 11, B, Karachi	10 (TEN) ordinary share of Rs. 10 each	
						TOTAL	40 (forty) ordinary shares of Rs. 10 each

**CERTIFIED TO BE TRUE COPY**

Witness to above signatures:

**ADDL. JOINT REGISTRY OF COMPANIES**  
**COMPANY REGISTRATION OFFICE, KARACHI**  
 This Certified True Copy is not valid for purpose of bank account opening. The banks may verify company's records through bank **Statement** or **Bank Address**.

Full Name & Father's Name in Block Letters

NADEEM AHMED KHAN  
S/o ATHAR MOHAMMED KHAN

Business Management Consultants

Professional Management Solutions  
B-130 2nd Floor, Block 6, Gulshan-e-Iqbal, Karachi

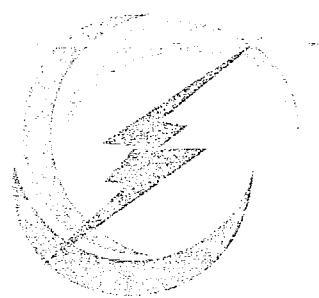
Serial No. ....  
Name of the  
firm/enterprise  
when date of incorporation

Aquogen (Private) Limited

**Certified to be true (Copy)**

Page 20 of 20

*Signature*  
Registrar of Companies



# Aquagen (Pvt) Ltd.

**COMPANY PROFILE**

## COMPANY PROFILE

1. Aquagen Pvt Ltd is a 2<sup>nd</sup> tier electric energy supplier providing power solutions to PNS KARSAZ on BOOT basis. We are a part of well-established textile group whose portfolio also contains power generation and its supply to national grid under license from NEPRA. We have blended our years of experience in erecting and operating power houses and employ trained man power to undertake such operations. The Company is registered with Pakistan Engineering Council and all our projects are compliant to EPA regimes.
2. In addition to above our portfolio also contains comprehensive cost effective and reliable water treatment systems through reverse Osmosis

### Establishment

The company was incorporated in Pakistan on August 21, 2010 as a Private Limited Company and registered with SECP. The principal activity of the Company is ***Engineering, procurement and construction*** of Power plant and RO Plants

### Location

The company located at 495, Deh-Landhi, Main National Highway, Karach

### Strength

APL team comprises of qualified Engineers / professional with years of technical experience in their respective fields. We have a working strength of more than 23 technical staff and 02 Engineers of varying cadres and qualification.

### Power Sector

APL's key area of expertise in power sector includes:

- Integrated Operation and Maintenance of Jen Bacher JGS 320 and MTU 16V4000L32 Engines
- Maximum Saving in Power tariff

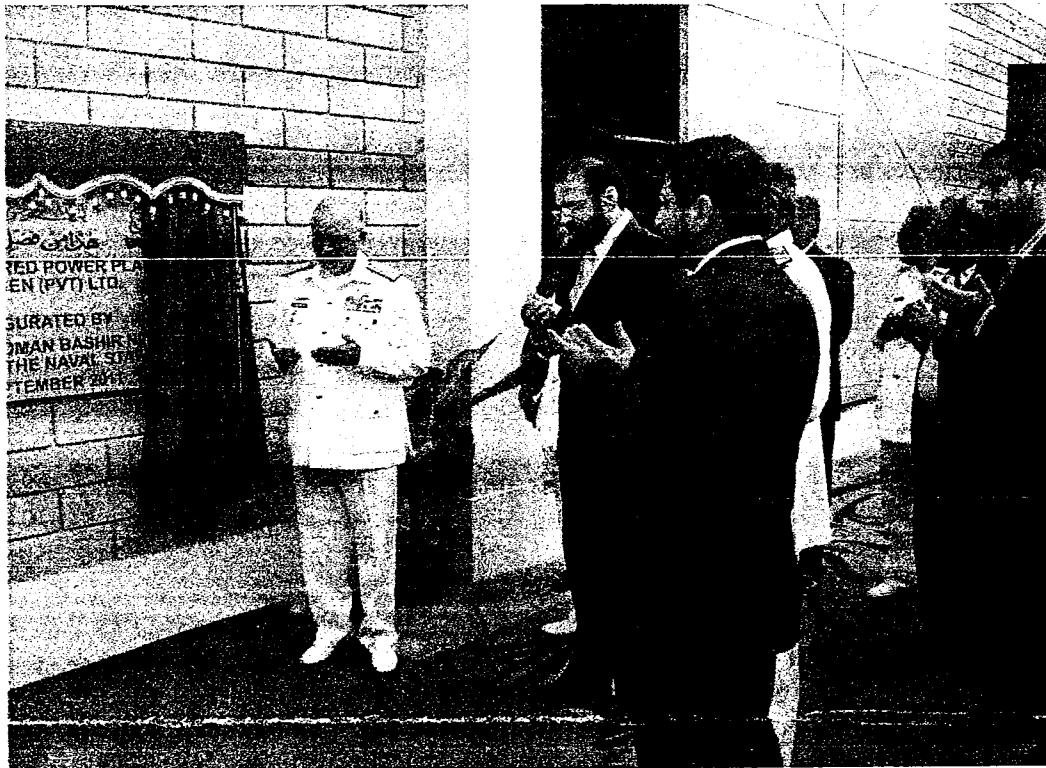
- Ensuring a stable power supply in line with constantly changing market needs and environmental requirements
- Minimizing power and distribution losses.

#### **Engineering estimation & scheduling**

APL provides a wide range of solutions in engineering design and scheduling of distribution systems including substations to ensure the highest degree of reliability & availability of power distribution system.

- Expansion and augmentation of distribution lines (11 KV, 0.4 KV)
- Erection of new grid / substations, expansion and rehabilitation.
- Drawing specification i.a.w industry standards, inspection and verification

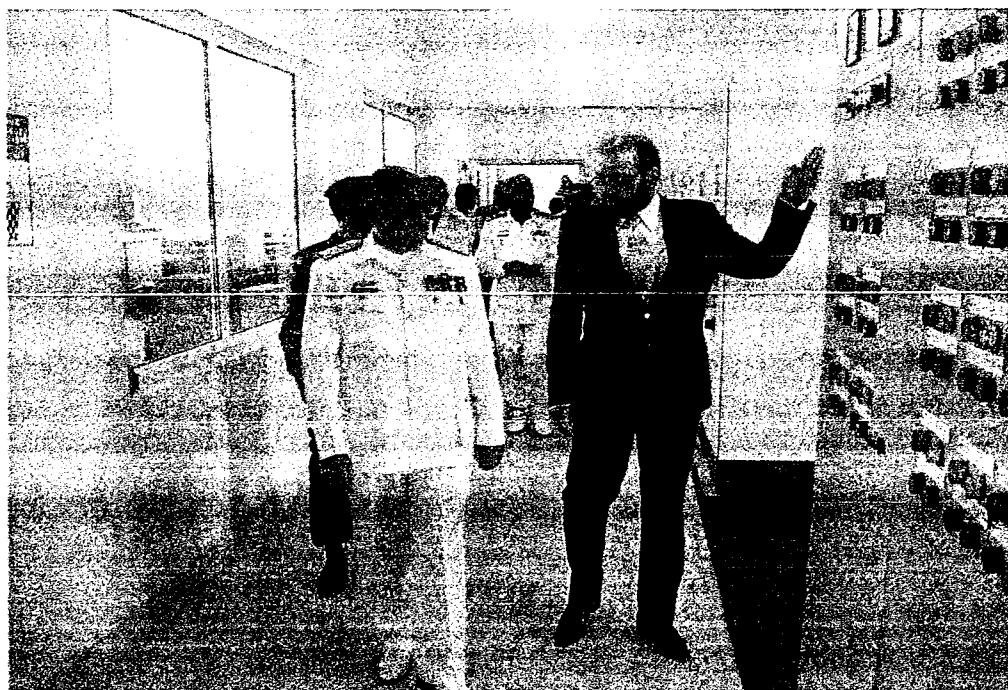
#### **Projects Delivered**



### **8 MW Gas Fired Power House installed in 2011**

Being a strategic base PNS KARSAZ needed uninterrupted and independent / cost effective power source due precarious security situation. The most viable solution was installation of power house of BOOT basis where no PN resources were utilized in operation or maintenance. Aquagen Private Limited (APL) successfully installed 5 MW Power Plant in a record time of 115 days at PNS KARSAZ site. The project was conceived at Naval Headquarters on B.O.O.T basis in 2009 and first ever Public-Private-Partnership in armed forces. The project was commissioned on **28 Sep 2011**.

The company had imported 05 GE Jen bacher (German origin) gas generators 3/20 of 1 MW each from Austria and started power generation in November 2011. Jenbacher gas gensets remain market leaders in the gas engine field. The gensets are highly efficient at the conversion of the energy within gas into useful electrical power. In April 2013, the capacity was later enhanced to 6 MW on direction of PN Authorities. In April 2022, the company installed 2x1.5 MW MTU 16V40000L32 gas generator to enhance current capacity of power house from 6 MW upto 8 MW and is now running at its optimum capacity.



The contract with PNS Karsaz for power supply required to provide 200,000 US gallons per day of potable water to greater Karsaz area free of cost. In this regard, RO plants are installed at HANIF SRE in Karsaz area of capacity 200,000 US gallons.

Our Clients



Pakistan Navy

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**Contact us:**

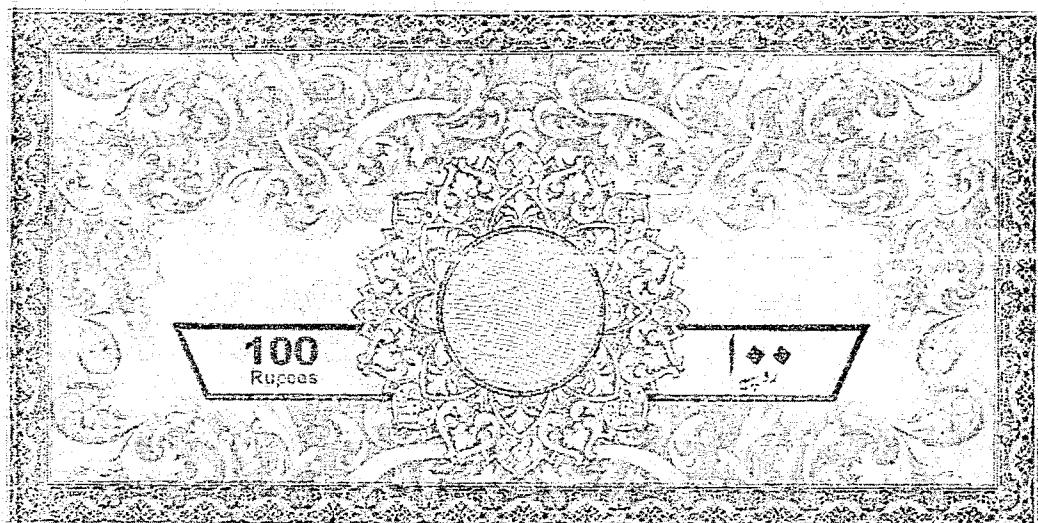
**Telephone:** 92 21 35015592, 35015453, 35014099

**Fax:** 0092-21-35018298

**E-mail:** shoaib@kam-int.com

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### SECTION-I

#### **FORM OF AGREEMENT**

This Agreement is made this day the 1st day of Jan the year of 2023.

Between

AQUAGEN Pvt Ltd, a company incorporated under the Companies' Ordinance 1984, having its Incorporation No. 0072707 and registered office at 495 DEH Landhi Main National Highway Karachi and its assignee or successors hereinafter referred as the party of first part

And

Pakistan Navy, through its Commander Military Engineering Services(N) Maintenance COMKAR (CMES (N) Maintenance COMKAR) having its office at Iqbal Shaheed Road, Karachi which shall deem to include its successors in interest and assignees, hereinafter known as the party of the second part

The parties hereby agree that:

1. APL shall:

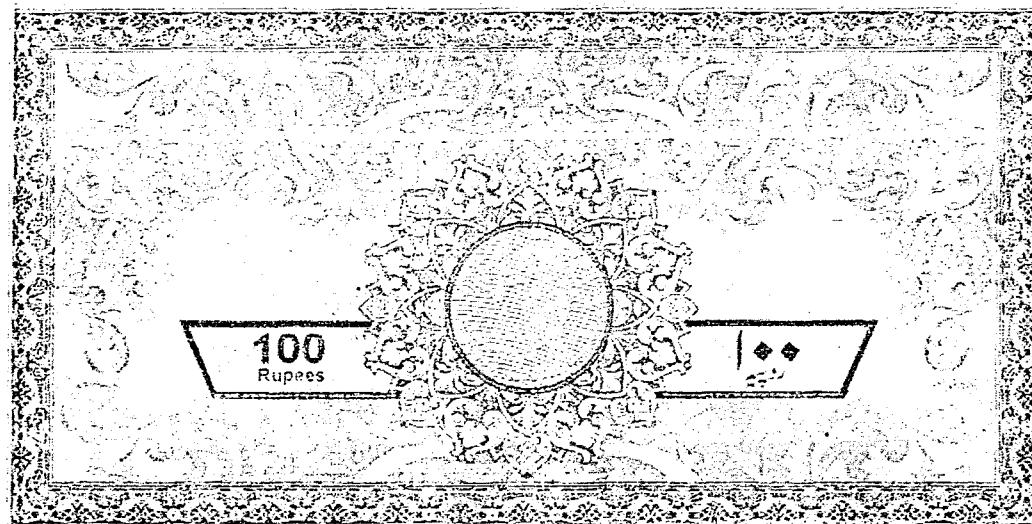
1.1 Install, operate and maintain power plants to provide uninterrupted power supply up to 8 MW through its own GENSETs, purchased at its own cost, using existing gas connection of 1.5 mmCFD of SECOND PARTY to meet electricity requirement of Greater Karsaz Area (GKA)

1.2 Terminate 11 KV in main KARSAZ grid at sub-station HANIF SRE, which is operated by MES KARSAZ. Maintenance of the said substation shall be conducted by FIRST PARTY.

1.3 Gas charges of SSGC shall be borne by FIRST PARTY.

1.4 Produce RO water to meet cooling requirement of Power Plant i.e.5000 Gallons per MW by operating RO Water Plant at optimum efficiency. The surplus water produced from RO Water Plant, as per specification listed at Section VII will be pumped to GKA, free of cost and without incurring any penalty on either party. All repairs/ maintenance cost of RO Water Plant and its associated

*[Signature]*  
[Circular Seal]



SHRIAG ALI STAMPS VENDOR  
PRINTERS & PAPER WORKERS

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machinery including drilling/ maintenance of bore holes to extract ground water will be borne by the firm

**2 CMES (N) Maintenance COMKAR shall**

2.1 Receive electricity generated from the plant installed by FIRST PARTY as described in paragraph 1.1 above.

2.2 Receive RO water from FIRST PARTY as described in Para 1.4 above.

2.3 Provide site(s) on rental lease to FIRST PARTY for setting up the plant (s) for the purposes at Paragraph 1 above.

**3 Contract Effective Date:** The agreement entered between the parties shall be effective w.e.f 01 Jan 2023 upon completion of following acts on the part of respective parties:

3.1 Installation and commissioning followed by provisioning of Electricity to GKA through new GENSETS of 8MW output capacity.

3.2 Security clearance of FIRST PARTY and its employees by the concerned agencies of Pakistan Navy. Obtaining security clearance shall be the responsibility of the FIRST PARTY.

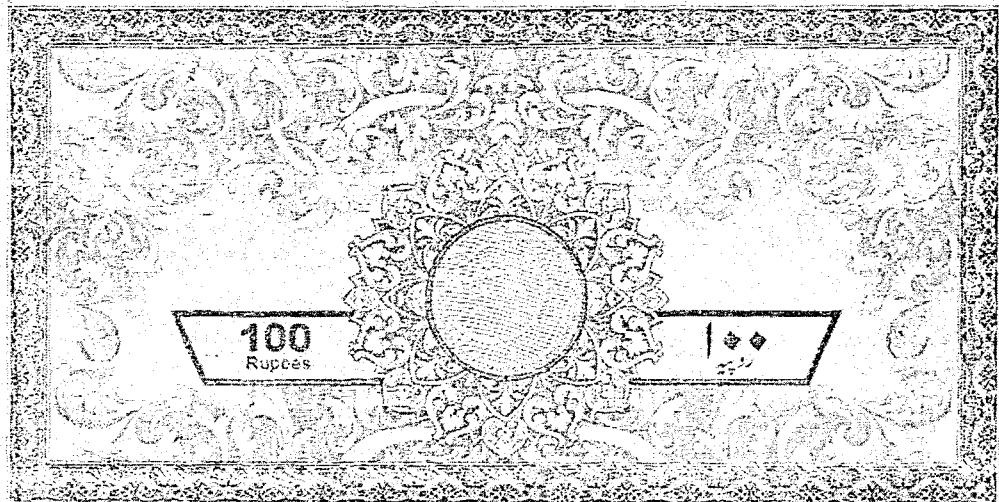
The parties now agree as follows:

1. In this Agreement all words and expressions shall have the same meanings as are assigned to them in Section II - General Conditions.

2. In accordance with the terms and conditions of Section I - Form of Agreement; Section II -General Conditions; Section III - Schedule of Charges and Methods of Payment; Section IV - FIRST PARTY's Supply and Services; Section V - Supply and Service by PN Representative; Section VI - Standards of Fuel for the plant; Section VII - Additional Notes; Section VIII - Specifications of Electric Power and RO Plant

3. The terms and conditions of the contract shall remain valid for a period of 5 years commencing from 1<sup>st</sup> January 2023.

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RUPEES ONE HUNDRED ONLY

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4. **Arbitration.** In case any dispute arises, two arbitrators (one to be nominated by each party) shall be nominated. The time for appointment of arbitrators will be maximum 2 months and for taking decision through arbitrator will be maximum 4 months. In case no arbitrator is mutually agreed/ nominated by parties then Chief Staff Officer (CSO) to Commander Karachi will be the sole arbitrator, whose decision will be final and binding.

5. The ruling law of the contract and of the relationship of the parties thereto arising out of it shall be Pakistani law and Courts of Karachi shall have the power to adjudicate upon the matter/ dispute arising out under this contract.

6. The contract constitutes the entire agreement between parties hereto and supersedes all negotiations, representations, intents or agreements either written or oral preceding this Agreement. No amendments to the terms of Agreement shall be made effective unless evidenced in writing and signed by the parties with mutual consent.

In Witness whereof, the parties have executed the Agreement in duplicate by putting their respective signatures on this day and date mentioned above.

For and on behalf of  
Aquagen (Private) Limited

CEO / Director



For and on behalf  
Pakistan Navy

MUMTAZ ALI KHAN R

CMES (N) Maintenance COMKAR

3740305450127

Witnesses

1 Cdr (Rcd) KHA40 MAHMUD PN  
Name

62301-E8/2535-3

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2 Lt Cdr ARI RAED  
MAHEED AMAN  
Lt Commander PN  
AOS (Mar) Karsaz Kel  
42201-017523-9  
CNIC

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SECTION - II

GENERAL CONDITION

ARTICLE 1 – DEFINITIONS

In the Contract, as hereinafter defined, the following words and expressions shall have the following meanings except where the context otherwise requires:

PN	means Pakistan Navy
FIRST PARTY	means Aquagen (Private) Limited, a company incorporated under Companies Ordinance, 1984
FIRST PARTY's Representative	means the technical specialist if any from time to time designated by FIRST PARTY to have the duties, rights and obligations outlined in this contract;
SECOND PARTY	means CMES (N) Maintenance COMKAR and his successors or assignees
SECOND PARTY's Representative	means the technical specialist if any from time to time designated as Representative by SECOND PARTY to have the duties, rights and obligations outlined in this contract
CMES(N) Maintenance COMKAR	means Commander Military Engineering Services (N) Maintenance to Commander Karachi, having its office at Iqbal Shaheed Road, Opposite PNS DILWAR Saddar Karachi.
CMES(N) Maintenance COMKA & Representative	means Commander Military Engineering Services (N) Maintenance and / or his successors or assignees, deputy or subordinate officer if any, from time to time designated by CMES(N) Maintenance COMKAR or PN to have the duties, rights and obligations outlined in this contract.
G.E.(N) KARSAZ	Means the Garrison Engineer (Navy) KARSAZ having its office at Greater Karsaz Area and his successors or assignees, if any from time to time designated by Pakistan Navy, to have the duties, rights and obligations outlined in this contract
GKA	means Greater Karsaz Area
Agreement	means Section I - Form of Agreement; Section II - General Conditions; Section III - Schedule of Prices and Methods of Payment; Section IV - FIRST PARTY's Supply and Services; Section V- Supply and Service by PN Representative; Section VI - Standards of Fuel for the Plant and Supply Arrangements; Section VII -Additional Notes; Section VIII - Specifications of Electric Power and RO Plants.
Energy Charge	means the charge for each KW hour of energy received by SECOND PARTY/ GKA and billed by FIRST PARTY in the form of standard billing document
Invoice/ Bill	means the invoice or invoices sent by SECOND PARTY to FIRST PARTY in respect of charges incurred. Whereas bills refer to supplies and services rendered by FIRST PARTY to SECOND PARTY/ GKA.
Plant for supply of electric power	means all plant for provision of electric power including equipment cables, cable drums, trailers, fuel tanks machinery and accessories of whatever nature used by FIRST PARTY to meet its obligations under this Contract including any replacement supplied in accordance with Section VII.
Plant for supply of RO water	means all plant, equipment, cables, cable drums, trailers, fuel tanks machinery and accessories of whatever nature used by FIRST PARTY to meet its obligations under this Contract including any replacement supplied in accordance with Section VII.

<b>FIRST PARTY</b>	means any operating and maintenance manual supplied by FIRST PARTY to SECOND PARTY.
<b>Gallon</b>	means UK gallon
<b>Client</b>	means Pakistan Navy represented by SECOND PARTY, CMES(N) Maintenance and GE(N) KARSAZ.
<b>"The Services"</b>	means the services to be rendered by FIRST PARTY to GKA, as specified in Section IV - FIRST PARTY's Supply and Services.
<b>Sites</b>	means the client sites detailed in Clause 4.5 of Section A to which FIRST PARTY shall have unrestricted access throughout contract terms with prior consent of SECOND PARTY.
<b>Statutory Regulations</b>	means all applicable Statutes, Statutory Instruments, Codes of Practice, Guidance Notes, by-laws and other regulations or any local or public authority or other statutory body and any amendment thereto in force from time to time applicable to Defence Services of Pakistan and / or Pakistan Navy.
<b>Work</b>	means all work or jobs to be carried out in accordance with this agreement.
<b>Parties</b>	means FIRST PARTY, SECOND PARTY and GE(N), KARSAZ together.
<b>Week</b>	means seven consecutive calendar days
<b>Year</b>	means a year according to Georgian calendar
<b>MW</b>	means Mega Watts of Electric Power generated by FIRST PARTY or consumed by SECOND PARTY/ GKA
<b>MWh</b>	means Mega Watts Hour of Electricity generated by FIRST PARTY or consumed by SECOND PARTY/ GKA
<b>Net Electrical Output</b>	means net electrical energy expressed in MWh delivered to the Interconnection Point by FIRST PARTY for sale during testing and Commissioning of the Plant, following the Commercial Operations Date, when dispatched by FIRST PARTY.
<b>Commercial Operation Date</b>	means the Day following the date on which the Plant is commissioned in accordance with provisions of the Contract.
<b>Scheduled Outages</b>	means a planned interruption of the Plant's generating capability that has been scheduled by FIRST PARTY in accordance with provisions of the Contract for inspection, testing, preventive maintenance, corrective maintenance, repairs, replacement or improvement of the Plant.
<b>Maintenance Outages</b>	means from and after the Commercial Operations Date any interruption or reduction of the Plant's generating capability that (a) is not a Scheduled Outage and (b) is for the purpose of performing work on specific components which should not in the reasonable opinion of FIRST PARTY be postponed until the next Scheduled Outage.
<b>Dispatch Levels</b>	means the right of Client to issue instructions or its issuance of instructions in accordance with Prudent Utility Practices and this contract, to schedule and control the generation of the electrical power from the Plant in order to commence, increase, decrease or cease the Net Electrical Output.
<b>KE</b>	K-Electric
<b>NEPRA</b>	National Electric Power Regulatory Authority

## ARTICLE 2 – CMES (N) MAINTENANCE COMKAR REPRESENTATIVE

2.8.1. SECOND PARTY through its authorized nominated representative shall notify FIRST PARTY in writing all information, instructions and decision made under the provisions of the contract.

- 2.2.2 SECOND PARTY's Representative may delegate any of his responsibilities to any nominated deputy. The terms of such delegation shall be the subject of prior written notification to FIRST PARTY.
- 2.2.3 Only SECOND PARTY's Representative is authorized to receive notifications, information and decisions of the FIRST PARTY under the provisions of the Contract and notification to SECOND PARTY's Representative shall be deemed to be notification to SECOND PARTY.
- 2.2.4 While this Contract is in force, SECOND PARTY's Representatives shall be readily available to discharge his responsibilities in accordance with the Contract.

#### ARTICLE 3 – APL'S REPRESENTATIVE

- 2.3.1 FIRST PARTY's nominated/ authorized Representative shall notify SECOND PARTY in writing of all information, instructions and decisions of FIRST PARTY made under the provisions of the Contract. All notifications, information and decisions from FIRST PARTY's Representative shall be as if from FIRST PARTY and shall be binding on FIRST PARTY.
- 2.3.2 FIRST PARTY's Representative will communicate on all matters concerning this Contract through SECOND PARTY's Representative or his deputies.
- 2.3.3 While this Contract is in force FIRST PARTY's Representative or his nominated deputy shall be readily available to discharge his responsibilities in accordance with the Contract.

#### ARTICLE 4 - PROVISION CAPACITY AND ENERGY

- 2.4 FIRST PARTY shall provide the capacity and energy generation specified in Section IV - FIRST PARTY's Supply and Service to SECOND PARTY - for the period of the Contract. The design and drawings of civil works shall be provided by FIRST PARTY to SECOND PARTY. The final design specifications of the Plant (including all Electrical, Mechanical, Electronics, Software, Hardware and associated machinery) and drawings of the Plant and Civil Works shall comply with specification at Section VIII.

#### ARTICLE 5 - RESPONSIBILITIES FOR PLANT SUPPLIED BY FIRST PARTY

- 2.5.1 FIRST PARTY shall maintain adequate fuel supply, spares and consumables (under their scope of supply) to ensure continuous operation of the Plant and continue provision services (water and electricity) to the client as described in Section - I of the contract.
- 2.5.2 FIRST PARTY will ensure availability of pipeline quality Sui/ natural gas fuel that is compatible with the plant's generation requirements for assuring that energy demand of the client is fully met.
- 2.5.3 FIRST PARTY shall be responsible for correct installation of the plant as per agreed specifications laid down in the contract and its commissioning within six months of the date of commencement of this Contract. FIRST PARTY shall also be responsible for correct maintenance and operation of the plant to ensure that Supply and Services as per Section -IV of the contract are fully met.
- 2.5.4 FIRST PARTY shall be responsible for safe-operation and maintenance of the plant as per International industrial safety standards. Any injury to FIRST PARTY employees or PN personnel or loss of life of FIRST PARTY employees

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personnel due to unsafe operation and maintenance of the plant shall be the sole responsibility of FIRST PARTY.

- 2.6.6 Safety and security of the plant and FIRST PARTY's personnel shall be the sole responsibility of FIRST PARTY. SECOND PARTY shall facilitate only external security of the site

#### ARTICLE 6 - DUTIES OF FIRST PARTY AND SECOND PARTY

- 2.6.1 SECOND PARTY, subject to FIRST PARTY complying with all security regulations, shall allow:

2.6.1.1 FIRST PARTY employees (security wise cleared by PN) to work on the Site

2.6.1.2 The Plant to be operated on the Sites as per provision and conditions of this contract

- 2.6.2 SECOND PARTY shall provide relevant documentation for revolving bank guarantees for gas connection as advised by FIRST PARTY. Processing of all these with respective agencies shall be undertaken jointly by FIRST PARTY and KASRAZ. However, all relevant expenses/ charges by Bank for annual renewal/ issuance of RLC facility (including pricing/ commission at the rate of 0.10% per quarter of RLC amount) etc shall be borne by FIRST PARTY

- 2.6.3 A Committee will look after the day to day issues: calculation of the electricity bill of FIRST PARTY and to look after all issues related to FIRST PARTY with regard to Power Plants, RO Plants and allied infrastructure. Composition of the committee is as under:

a.	Senior Member	Nominated by CMES (N) Maintenance COMKAR
b.	Member	Deputy Administrator
c.	Member	GE (Navy) KARSAZ
d.	Member	FIRST PARTY authorized rep(s)

#### ARTICLE 7 - TENURE OF THE AGREEMENT

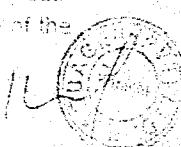
- 2.7 The tenure of this agreement is for a period of three years from January 1, 2023. Contract may be renewed on mutually agreed terms and conditions upon expiry of aforesaid period.

#### ARTICLE 8 - INSURANCE BY FIRST PARTY

- 2.8.1 Without limitation of its obligations and its responsibilities FIRST PARTY shall maintain for the duration of the Contract the following insurances:

2.8.1.1 Property Insurance covering risks of physical losses or damages to Plant;

2.8.1.2 Employer's Liability Insurance/ Workmen's Compensation with unlimited indemnity and / or as may be required by statute or similar regulation covered by the Contract covering personal injury to or death of the employees of FIRST PARTY engaged in the performance of the Contract



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2.8.2. FIRST PARTY shall furnish to SECOND PARTY certificates of insurance giving evidence of the type and scope of insurance and a statement from insurers that no insurance will be cancelled or materially changed for the duration of the contract.

2.8.3. The insurances as above are subject to SECOND PARTY's acknowledgment and confirmation of Section VII, Clause 12.

#### ARTICLE 9 - PATENTS AND PROPRIETARY RIGHTS

2.9.1. FIRST PARTY agrees to indemnify SECOND PARTY and hold it harmless from and against all losses, damages and expenses arising from any claim for infringement of any patent or other proprietary right covering the Plant and methods furnished by FIRST PARTY or which FIRST PARTY is licensed to use.

2.9.2. SECOND PARTY agrees to indemnify FIRST PARTY and hold it harmless from and against all losses, damages and expenses arising from any claim for infringement of any patent or other proprietary rights covering the equipment and methods that SECOND PARTY may furnish under the contract.

#### ARTICLE 10 - INDEPENDENT CONTRACTOR

10. FIRST PARTY shall perform all Services as an independent contractor but will follow the rules and regulations applicable to the contractors working in the area or special instructions promulgated by CMES (N) Maintenance COMKAR for FIRST PARTY.

#### ARTICLE 11 - SECRECY

2.11. Following conditions shall be applicable:

2.11.1. All matters connected to this contract fall within the scope of the Official Secret Act 1923. Information regarding the contracted stores & services must not be disclosed by the FIRST PARTY to any person(s) not authorized or not concerned with this contract. Failure to observe this clause will render the FIRST PARTY to legal/ penal action.

2.11.2. The FIRST PARTY undertake that any information about the sale/purchase of the stores & services under this contract shall not be communicated to any person, other than the manufacturer of the stores or to any press or agency. Any breach on this account will be liable to legal action/ termination of the contract at the risk of FIRST PARTY.

#### ARTICLE 12 - TERMS OF PAYMENT

2.12.1. For the performance and completion of the Services, GE (Navy) KARSAZ shall pay to the FIRST PARTY amounts in accordance with schedule provided in Section III - Schedule of Charges and Methods of Payment.

2.2. Notwithstanding any dispute over billing, GE (N) KARSAZ shall not withhold amount from FIRST PARTY bill against the payment towards SSGC for outstanding gas bill for the instant month. Any late payment surcharge levied by SSGC attributed towards late payment by GE(N) KARSAZ shall be borne by GE(N) KARSAZ.

2.3. FIRST PARTY shall pay A-1 land rent to CO Karsaz as per Govt existing Revenue Board rates (FBR/ DC) applicable for Commercial Built Up property (Category III) i.e. Rs. 28.80/- Square yard promulgated vide Federal Board of Revenue Notification S R O 345(I)/2022 dated 02 Mar 2022. FIRST PARTY shall pay as per revised rate if the Govt notification for A-1 land is revised or issued new.

2.4. A-1 Land rent will be increased 10% percent annually.

## ARTICLE 13 - TERMINATION OF CONTRACT

- 2.13.1 FIRST PARTY may terminate this Contract in the following events:
- 2.13.1.1 In the event that SECOND PARTY has failed to:
    - 2.13.1.1.1 Pay bills of FIRST PARTY beyond a period of 90 days.
    - 2.13.1.1.2 Comply with Article 2.20 of the contract.
  - 2.13.1.2 If the Plant or FIRST PARTY personnel at the Sites are exposed to extremely unacceptable external security risks only in such cases FIRST PARTY will inform SECOND PARTY and till such time SECOND PARTY has not shown its inability to willing to overcome, the termination clause shall not be invoked by FIRST PARTY.
  - 2.13.2 FIRST PARTY may terminate the contract with advance notice of 360 days.
  - 2.13.3 FIRST PARTY may remove their GENSETS at conclusion of contract subject to clearance of all outstanding dues.
  - 2.13.4 SECOND PARTY may terminate this Contract in the following events:
    - 2.13.4.1 Immediately in the event that FIRST PARTY shall suffer any distress or execution or make or propose to make any arrangement with its creditors, shall go into liquidation or any similar procedure in any jurisdiction except reconstruction or amalgamation.
    - 2.13.4.2 In the event that FIRST PARTY has failed to comply with Article 2.19 of the Contract.
    - 2.13.4.3 Breach of any material clause of the contract.
    - 2.13.4.4 Not adherence to the timeline given in the contract.
    - 2.13.4.5 As a result of Force Majeure.
    - 2.13.4.6 In the event that FIRST PARTY fail to comply with article 2.12.2 of the contract.
    - 2.13.4.7 In the event that FIRST PARTY fail to comply with article 2.16 of the contract.  - 2.13.5 In case of emergency or operational requirement, SECOND PARTY may terminate the contract without assigning any reason and this decision will be final and not subject to any arbitration and shall not be challenged in any court of law. FIRST PARTY however, will be given under this situation, option to shift the plants to another location within KARSAZ or allow PN to retain the plants against mutually agreed damages/ liabilities to FIRST PARTY.
  - 2.13.6 SECOND PARTY may terminate the contract with advance notice of 90 days.
  - 2.13.7 In case SECOND PARTY wishes to purchase the GENSETS upon completion of the contract the depreciated price of newly installed GENSETS will be ascertained as per prevailing fair market evaluation by independent evaluators mutually agreed by FIRST PARTY and SECOND PARTY. SECOND PARTY retains the right of acceptance/ refusal on the purchase of GENSETS.

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2.13.8 In case SECOND PARTY opt to buy engines; client's assignees will be fully trained by FIRST PARTY staff to operate and maintain the Power and RO plants before transfer of the plants is invoked. The client would provide suitable technical personnel for training by FIRST PARTY staff for duration to be mutually agreed by the last year of the contract. FIRST PARTY will provide all FIRST PARTY manuals and OEM technical manuals/ documentation related to plant for its smooth operation by SECOND PARTY.

2.13.9 The contract shall stand terminated on completion of 03 years from the date of commencement of this Contract in case of its non-renewal. In the event of termination of the contract the GENSETs/ Equipment installed under this contract shall be only removed by FIRST PARTY Whereas, 3.3 KM HT cable laid by firm from FIRST PARTY power house up to Substation MAJEED SRE will become the property of the client.

#### ARTICLE 14 - GENERAL PROVISIONS

2.14.1 Assignment of the Contract: FIRST PARTY shall assign neither the Contract nor any part of it or any benefit or interest in or under it without the written consent of SECOND PARTY to any other party which will only be given in exceptional circumstances and shall notwithstanding the foregoing be in the absolute discretion of SECOND PARTY. SECOND PARTY shall permit such assignees to enter the site only after their security clearance is obtained by FIRST PARTY through the respective agency of Pakistan Navy and is presented to SECOND PARTY.

2.14.2 Waiver: Any failure on the part of either party at any time or from time to time to enforce or to require the strict adherence and performance of any of the terms or conditions of the Contract shall not constitute a waiver of conditions in any way or the rights of that party at any time to avail itself of such remedies as it may have for each and every breach of such terms or conditions.

#### ARTICLE 15 - TAXES AND DUTIES

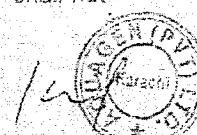
2.15 FIRST PARTY will be responsible for arranging any exemptions from any duty, taxes, surcharge etc. that may be available for import and re-export of the Plant and parts required for maintenance but without involving SECOND PARTY or using SECOND PARTY name and without showing that these items are required for SECOND PARTY.

#### ARTICLE 16 - EXCLUSIVITY

2.16 FIRST PARTY undertakes that during the tenure of this contract it will neither solicit nor execute similar contract with other parties on Clients site(s) either directly or through third Party. In case excess capacity is available with FIRST PARTY and does not affect its commitment to SECOND PARTY then FIRST PARTY may seek written approval from SECOND PARTY to supply the excess capacity of electric power to third party under the condition that services to SECOND PARTY shall not be interrupted under any technical or demand situation.

#### ARTICLE 17 - CONTINUOUS DEFAULT

2.17.1 Subject always to Sub-Clause 2.17.2 below, where FIRST PARTY commits a noncompliance or any of the provisions of this Contract which is capable of remedy and fails to remedy the same within 14 (fourteen) days after receipt of a written notice from SECOND PARTY giving full particulars of the noncompliance and requiring it to be remedied. SECOND PARTY reserves the right to engage other



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person or company to remedy the relevant noncompliance and to require FIRST PARTY to reimburse to SECOND PARTY, or to deduct from payments due to FIRST PARTY, an amount equal to the amount invoiced by such other person comprising SECOND PARTY directly in consideration of the performance of their services in remedying the noncompliance. FIRST PARTY's payment of all amounts pursuant to this clause, shall be in full and final settlement of FIRST PARTY's liability for the noncompliance.

2.17.2 FIRST PARTY's obligation to make any payment to SECOND PARTY under Clause 2.17.1 is Conditional upon:

- 2.17.2.1 The production by SECOND PARTY of invoices detailing all amounts in respect of which reimbursement is sought by SECOND PARTY;
- 2.17.2.2 The relevant noncompliance of this Contract by FIRST PARTY being established;
- 2.17.2.3 SECOND PARTY using all reasonable endeavours to mitigate any loss which it may suffer arising out of FIRST PARTY's noncompliance of this Contract;
- 2.17.2.4 SECOND PARTY notifying FIRST PARTY prior to incurring any costs in reliance upon Clause 2.17.1.

#### ARTICLE 18 - SCOPE OF WORK AND REQUIREMENTS

2.18 Scope of work and requirement will be as per relevant clauses of all sections of this contract.

#### ARTICLE 19 - RESPONSIBILITIES OF FIRST PARTY

- 2.19.1 Ensure all power generation units are 100% operational and electric power provision as per requirement of the client is ensured up to the distribution point at the client's site.
- 2.19.2 To provide uninterrupted electric power up to 8 MW at 11 KV as specified in Section - I and Section - IV of the contract.
- 2.19.3 RO plant is fully operational to meet the production capacity of 250,000 GPD to SECOND PARTY. The quality of water shall meet specifications as per Clause 4.2 of Section IV.
- 2.19.4 To provide RO water as specified in Section - I and Section - IV of the contract.
- 2.19.5 To provide Changeover System to ensure that switching between FIRST PARTY's generated Power and KARACHI ELECTRIC's standby power is safe.
- 2.19.6 To operate the interconnecting client switchgear.
- 2.19.7 To provide appropriate earthing transformers for the equipment for electrical protection.
- 2.19.8 To provide all on-site operation and routine maintenance of following:
  - 2.19.8.1 Machinery/ equipment including supply of lube oil and spare parts / consumables adequately stocked at each site.

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- 2.19.8.2 Maintenance and calibration of switchgears, VCBs, CTS, (RTS) Relays etc. i.a.w clause 1.2
  - 2.19.8.3 Repair/ Maintenance of RO plant and its associated machinery components.
  - 2.19.9 To provide a supervisor on each site for 12 hours a day and trained operators round the clock.
  - 2.19.10 To provide boarding, lodging and transport for FIRST PARTY's personnel working at the sites.
  - 2.19.11 To provide replacement equipment within 14 days in the event of breakdown or malfunction or otherwise being rendered non-operational for maintenance.
  - 2.19.12 To maintain adequate insurance coverage for its equipment and personnel.
  - 2.19.13 Ensure upkeep of the premises in the vicinity of machinery/ equipment.
  - 2.19.14 To adhere to all safety precautions and procedures under client supervision.
  - 2.19.15 To maintain daily log books of generation parameters for each machinery and for the total plant.
  - 2.19.16 To provide electrical energy meters for each unit and/ or group for billing purpose.
  - 2.19.17 To provide water flow meter (GPD) for measurement of water supplied to SECOND PARTY.
  - 2.19.18 To jointly note the reading on electric bulk meter with the client for billing purpose.
  - 2.19.19 Ensure timely renewals of the power generation license from NEPRA as per generation capacity.
  - 2.19.20 To deposit A1 land rent on annual basis to CO KARSAZ as specified in Section II (2.12.3) by 31 Jan every year.

#### ARTICLE 20 - CLIENT RESPONSIBILITIES

- 2.20.1 To assess the MW and MWH requirements at each site and advise Contractor of its requirements from time to time.
- 2.20.2 To allocate necessary land for locating the equipment.
- 2.20.3 To provide unhindered access to site for contractor & personnel, equipment and Supplies. Access to FIRST PARTY'S personnel will be subject to security Clearance.
- 2.20.4 To provide power distribution after transmission by FIRST PARTY to clients transmission/ distribution site.
- 2.20.5 To ensure efficient, well maintained transmission and distribution system after FIRST PARTY termination of 11 KV at Sub-station 1 at HANIF SRE. Undertake repair/ maintenance of transmission/ distribution system and periodic upkeep at own expenses/ cost.
- 2.20.6 To make prompt payments to FIRST PARTY within due time as specified in the payment terms of the contract after jointly ratifying the electricity and water meter readings.

SECTION III

SCHEDULE OF CHARGES AND METHODS OF PAYMENT

- 3.1 FIRST PARTY shall raise bills on monthly basis as per contract and GE (Navy) KARSAZ will clear bills within 30 (thirty) days from the billing date. Late payment surcharge (LPS) i.e. beyond 30 days shall be 0.01% per day of the bill. For payment after 60 days LPS shall be as per NEPRA rules and shall be applicable after 30 days of billing. The LPS will however, not be applicable in case payment is withheld by GE (Navy) KARSAZ due to a dispute on meter reading.
- 3.2 The format for the monthly payment of the bill will meet government rules and regulation and with the mutual consent of both the parties. Agreed format of bill is specified in Section VIII.
- 3.3 The payment will be made by GE (Navy) KARSAZ through cheque payable to FIRST PARTY in lieu of electric unit consumed by Greater KARSAZ Area at its designated bank account number.
- 3.4 The Energy charges will be as per Clause 3.7
- 3.5 The following procedure shall apply:
- 3.5.1 GE (Navy) KARSAZ will pay the cost of electrical energy received, through the generating plant installed and operated by FIRST PARTY. A bulk meter will be installed by FIRST PARTY. The reading will be noted jointly by FIRST PARTY and GE (Navy) KARSAZ staff. Payment will be made on the basis of meter reading.
- 3.5.2 Payment will be released subject to satisfaction of client regarding satisfactory operation/ functioning of meters and their valid calibration from a registered mutually agreed calibration agency.
- 3.6 If FIRST PARTY fails to provide services to the client within 6 (Six) months from the date of commencement of this contract plus 6 (Six) months, the contract will be treated as cancelled and site will be cleared by FIRST PARTY within 30 days. Failure by FIRST PARTY to clear the site within 30 days shall entitle the client to confiscate the entire plant and associated infrastructure.
- 3.7 Tariff Rate.
- 3.7.1 The tariff rate will be calculated per unit (KWH) rate which will be effectively the rate calculation as notified by KE variable charges for (C-2 (a) Bulk Supply) 11 KV only, applicable to SECOND PARTY, reduced by 8% less than KE variable charges (C-2 (a) Bulk Supply).
- 3.7.2 For the entire period of the contract KE will remain standby, however the standby load charges will be paid by FIRST PARTY which will be deducted from the monthly bill of FIRST PARTY.
- 3.8 Surplus RO Water shall be provided free of cost to PN.

**SECTION IV**

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**FIRST PARTY's SUPPLY AND SERVICES**

**Electric Power Generation Capacity:** FIRST PARTY shall provide electric power up to 8 MW as per electrical load demands of GKA.

**4.2 RO Water Quality:** FIRST PARTY shall provide RO water for domestic use as per specifications laid down at 8.3 and 8.4 of Section VIII. Testing parameters will be verified as per test procedures followed by PNS SHIFA/ Agha Khan Hospital/ PCSIR/ BU Lab.

**Supply to Additional Sites:** SECOND PARTY may request FIRST PARTY, to supply electric power and RO water to additional sites. FIRST PARTY may, subject to technical feasibility and availability, supply at such sites on prices and conditions to be agreed between FIRST PARTY and SECOND PARTY.

**Design and Construction of the Plant:** FIRST PARTY will ensure that the plant is designed, developed, financed, constructed, completed, tested, operated and maintained in all respects and in compliance to:

4.4.1 Design and functional specifications mutually agreed by FIRST PARTY and SECOND PARTY.

4.4.2 Sound engineering and construction practices and prudent utility practices shall be followed. Containerized temporary installation of any type shall not be permitted.

4.4.3 Environmental/ noise standards prescribed by relevant Government Authority (NEQs/ SEQs) for residential area.

4.4.4 **Equipment Specifications:** FIRST PARTY shall provide to SECOND PARTY with detailed equipment specifications that are extension of high level specification outlined in Section-VIII of the contract of the installed plant and operation and maintenance manuals and certificates of Original Equipment Manufacturers(OEMs) attesting to the fact that all equipment is new and unused.

4.4.5 **Drawings of the Plant:** FIRST PARTY shall provide to SECOND PARTY, the as built drawings of the plant's

**4.5 Client's Distribution Sites:** The client's distribution sites covered under this section of the contract for connecting electric power and RO water are:

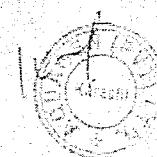
4.5.1 HANIF SRE Sub-station for electricity

4.5.2 HANIF SRE underground water tank for RO water.

**4.6 Services:** Salient services to be provided by FIRST PARTY to SECOND PARTY include:

4.6.1 Installation, commissioning, operation and maintenance of the Power Plant and RO plant as specified in this Contract.

4.6.2 High voltage termination connection at HANIF SRE sub station.



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- 4.6.3 Provision of monthly reports for billing purposes of the operational status of Plant in an agreed standard format covering all parameters such as planned power generation, fuel consumed and total periods out of operation due to faults etc.
- 4.6.4 Arranging joint inspections of the plant status by FIRST PARTY's and SECOND PARTY delegated representatives at monthly interval or to meet any emergency to ensure that international standards of operation, maintenance, safety and security are fully complied with by the FIRST PARTY.
- 4.7 Emergency Dispatch of the Complex: Notwithstanding the provisions of this contract, SECOND PARTY shall not be obligated to receive Net electrical output from plant and may require FIRST PARTY to disconnect or reduce deliveries of Net electrical output:
- 4.7.1 If an Emergency exists.
- 4.7.2 For as long as a disconnection or a reduction in deliveries of Net Electrical output is necessary to enable SECOND PARTY to construct, install, maintain, repair, replace, remove, investigate, inspect or test any part of the Interconnection facilities or Distribution facilities.
- 4.8 Liquidated Damages: Liquidated damages will be applicable as follows:
- 4.8.1 Delay in Commissioning: In the event that the plant, after the commencement date, shall not have been commissioned within six month of commencement date of this contract, then the FIRST PARTY shall pay the differential amount of KE and FIRST PARTY bill to SECOND PARTY, not exceeding (8 MW), in arrears as liquidated damages for delay in the occurrence of the Commercial Operations Date.
- 4.8.2 Scheduled Outages and Maintenance Outages: FIRST PARTY shall demonstrate Net Available Capacity of not less than 8 MW at all times, including the Scheduled outages and Maintenance Outages.
- 4.8.3 Dispatch Levels: From and after the Commercial Operation Date/ commencement date of this contract, in the event that FIRST PARTY does not achieve minimum Base Load dispatch level of 2.5 MW requested by SECOND PARTY pursuant to Section IV (4.1) within the time allowed by the technical limits within a tolerance of plus or minus 5% then FIRST PARTY shall pay to SECOND PARTY, as liquidated damages, an amount equal to Rs. 0.25 per KWH for each KWH less than Base Load dispatch.



**SECTION V**

**SUPPLY AND SERVICE BY PN REPRESENTATIVE**

- 5.1 **SECOND PARTY** will make available and provide secure suitable sites for the plant and shall be responsible only for the external security.
- 5.2 Areas and location of the sites are as follows:
- 5.2.1 1818 Square Yards near Pir Bukhari Mosque in HANIF SRE for electric power plant and RO plant.
- 5.2.2 Suitable site for drilling bores to extract ground water for RO Plant. Cost of pumping equipment and pipelines from bore hole site to RO plant shall be borne by **FIRST PARTY**.
- 5.3.1 **FIRST PARTY** shall not be permitted to use any land other than authorized in clause 5.1 above. Any attempt on **FIRST PARTY**'s part to encroach into any other part of client's land will entitle the client to invoke the termination clause 2.13.4.

**SECTION VI**

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**STANDARDS OF FUEL FOR THE PLANT AND SUPPLY ARRANGEMENTS**

All types of fuel/ lubricants/ Greases for operating the plants as per plant requirement are to be arranged by FIRST PARTY for the duration of operation of the plants by FIRST PARTY.

**SECTION VII**  
**ADDITIONAL NOTES**

- 7.1 **Pre-shipment Inspection:** FIRST PARTY shall be responsible for arranging visit of respective country for 3 x members of the SECOND PARTY from where Plant is being purchased on conclusion of contract as per PPRA Rules
- 7.2 **Loading and Unloading:** FIRST PARTY shall be responsible for providing and arranging loading and unloading facilities for the Plant at site.
- 7.3 **Installation of Plants:** After the arrival of Plants at Sites, the Plants shall be installed, under the supervision of the FIRST PARTY engineers and FIRST PARTY will notify SECOND PARTY within two (2) working days of delivery on Site or completion of construction on Site of the Plants.
- 7.4 **Care of the Plants:** FIRST PARTY is responsible for security and safe keeping of plants. SECOND PARTY however, shall help only in the external security of Plant during the period of this Contract.
- 7.5 **Ownership of Plants by FIRST PARTY:** SECOND PARTY shall have no rights, title or interests in the Plants which will be installed under this contract. SECOND PARTY shall not remove or deface any plates or markings on the Plants. SECOND PARTY shall keep the Plants free and clear of any and all levies, liens, security interests, and encumbrances of any kind.
- 7.6 **Ownership of Plants by the Client:** Ownership of the plant machinery installed under this contract shall remain with the FIRST PARTY during and expiry of contract. FIRST PARTY shall offer and SECOND PARTY has the right of first refusal to buy engines/ GENSETS at prevailing fair market values to be ascertained by independent evaluators.
- 7.7 **Breakdown:** SECOND PARTY shall not attempt to effect repairs itself, except with the express authority of FIRST PARTY for the period ownership is with FIRST PARTY.
- 7.8 **Consequential Loss:** FIRST PARTY shall not in any event be liable to the client for indirect economic or consequential loss whether or not arising from breach of contract, or any other fault on the part of FIRST PARTY, its principal, servants, or agents and whether or not in the contemplation of FIRST PARTY and / or the client at or prior to the commencement of the Contract.
- 7.8.1 Aside from the circumstances described in Clause 7.3 above, the client shall not in any event be liable to FIRST PARTY for indirect, economic or consequential losses whether or not arising from breach of contract, negligence or any other fault on the part of the client, its principal, servants, or agents and whether or not in the contemplation of the client and/or FIRST PARTY at or prior to the commencement of the Contract.
- 7.9 **Liability:** FIRST PARTY shall accept liability for damage, loss to the plants or for injury to personnel due to or arising from:
- 7.9.1 Prior to delivery of the Plants to the Site of the client where the Plants are in transit by transport arranged or owned by FIRST PARTY
- 7.9.2 During erection of the Plants on sites
- 7.9.3 During dismantling of the Plants on sites

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- 7.9.4 After removal of the Plants from the sites where the Plants are in transit by transport arranged or owned by FIRST PARTY.
- 7.9.5 FIRST PARTY shall also accept liability for any damage to material or injury to personnel of the client and pay all charges as demanded by the client.
- 7.10 Operation of the Plants: FIRST PARTY's engineer(s) shall supervise the work of its operator(s)/ labourer(s) for the installation, operation and maintenance of the Plants.
- 7.11 Insurance and Accidents: FIRST PARTY shall be responsible at its own expense for insuring the Plants and itself as set out in Article 8 of Section II - General Conditions.
- 7.12 Changes of Sites: The plant shall be operated from the existing site. In case plant is required to be shifted, then expenditure on shifting, installation, calibration, civil works, manpower, transportation etc will be borne by the client if the shifting is done at the request of the client.
- 7.13 Compliance with Law: FIRST and SECOND PARTY shall jointly be responsible for complying with all relevant laws, bye-laws and regulations applicable and incidental to the installation, use and operation of the Plants, which without prejudice to the foregoing generality shall include the current IEEE/ IEC Regulations for electric power generation and distribution.
- 7.14 Force Majeure: Following Force Majeure conditions shall be applicable:
- 7.14.1 The Parties will not be held responsible for any non-fulfilment or delay in carrying out the contractual obligations due to event of Force Majeure such as Acts of God (earthquake, flood, fire, typhoon, hurricane, mass epidemic diseases), War (military actions, subversive activities or sabotages), Riots, Civil Commotion, Strike, Lockouts, Prohibitive measures of Governments (prohibition of trade relations with certain countries as a result of United Nations sanctions imposition) directly affecting the Parties and any events or circumstances on which the Parties has no control like  
 (a) Disruption of gas supply to the region (site) for duration of more than seven days.  
 (b) Drying up of underground water resource in the allocated zone (site).
- 7.14.2 In order to be deemed Force-Majeure, the said events should be of extraordinary, unpredictable and unavoidable nature, and occur after this Contract comes into force and beyond control of the Parties.
- 7.14.3 Should the Force-Majeure circumstances occur, the suffering Party must notify in writing the other Party of such situation within 30 (thirty) days from occurrence thereof. The said notice should contain information about the nature of the circumstance and if possible contain an evaluation or estimate of their probable impact upon performance of obligations under the Contract, as well as the time required for such performance.
- 7.14.4 Upon termination of the above-mentioned circumstances, the suffered Party should promptly give a relevant written notice to the other Party. The said notice should specify the time, within which performance of obligations under the Contract is being suggested.
- 7.14.5 Within reasonable time, the Party exposed to Force-Majeure should transfer to the other Party a Certificate issued by the Legal Authorities, as an evidence of occurrence of the Force-Majeure situation.



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7.14.6 Should the Force-Majeure situation occur, the timing of performance by the Parties of their respective obligations under the Contract shall be extended adequately by adding on the duration of such circumstances and consequences thereof.

7.14.7 Should the Force-Majeure circumstances continue for more than consecutive 60 (sixty) days, the Parties shall negotiate and coordinate appropriate measures needed to be taken in order to perform their respective obligations under the Contract. If duration of such circumstances exceeds 6 (six) months and the Parties fail to agree on further coordinated measures needed to perform their respective obligations, the SECOND PARTY shall have the right to terminate the Contract, whether partially or wholly, free of any subsequent claims, by sending a written termination notice to the FIRST PARTY.

7.15 Payment Terms: The Payment terms will be as per Section III Clause 1 of this Contract.

7.16 Default: Default condition would apply as per Section-II article 17.

7.17 Miscellaneous: Following miscellaneous conditions shall also be applicable.

7.17.1 If any provision of the Contract is rendered void by legislation, (provided the legislation is applicable to the client) the remaining provisions shall not thereby be altered and shall remain in full force and effect.

7.17.2 The client has all rights to terminate the contract, if repair work on the plants is not completed within 06 months to make it fully operational for providing electric power and RO water to the client.

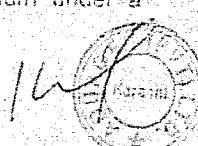
7.17.3 It will be binding upon FIRST PARTY to ensure that Pakistan Navy (the client) as an institution is not defined or referred to in any contractual obligation of FIRST PARTY except for Gas or as approved by the client.

7.17.4 If FIRST PARTY is black listed by any Defence Force and or provincial Govt. or Govt of Pakistan in any other contract then this contract will stand terminated and in that case FIRST PARTY will be allowed to remove the plants at its own cost and risk.

7.18 Amendments:

7.18.1 Any amendments to the agreement pertaining to the terms and condition of the contract shall be made only in writing signed by the duly authorized competent representatives of the parties after their mutual agreement.

7.18.2 Where any amendment is required, the initiating party shall propose the required amendment to the other party in writing. Only mutually agreed amendment shall be incorporated in the contract as addendum under a mutually signed protocol.



### SECTION VIII SPECIFICATIONS

Specifications of the Electric Power Plant to be installed by FIRST PARTY are as follows:

S.No.	Parameter	Specifications
a.	Engine Model No	MTU 16V4000GS
b.	Max Capacity	1560 KW
c.	Fuel Requirement	3.0-11 KWh/m <sup>3</sup>
	Emission level (exhaust)	< 500mg/ m <sup>3</sup>
d.	Voltage	11 KV
e.	Frequency	50 HZ
f.	Plant Output	8 MW, 10 MVA
g.	Power Factor	0.8 Lagging
h.	Excitation	Static
i.	Start	Static
j.	Cooling system together	Air/Water
k.	Cooling Water Requirement	5000 Gallons per MW
m.	Changeover System	Bus Bar System with data loggers and protections devices
n.	Fault Current Protection	Changeover System for switching between the FIRST PARTY and KARACHI ELECTRIC standby Services as per IEEE or IEC Switching standards
p.	Earthing System	Fault Current Protection provided as per IEEE or IEC standards of higher power generation and distribution system.
q.	Prime Mover	Natural Gas
r.	Dimensions of Gen Set Pad	Length 5500 mm, Width 2000 mm
s.	Total Dimensions of the entire Plant	1818 SqYd

Specifications of SECOND PARTY RO Plant installed at the site and to be operated and maintained by FIRST PARTY are as follows:

S.No.	Parameter	Specifications
a.	Type	Reverse Osmosis
b.	Input	Ground/ Brackish Water
c.	Output	250,000 GPD as per specifications at clauses 8.3 and 8.4 of this Contract.
d.	Pre Filters	Carbon and Cartridge Types or equivalent
e.	Membranes Type	Brackish or Ground Water application
f.	Membranes TDS rejection specifications in	Brackish (10,000 PPM)
g.	Membranes Connection Type	Dual Pass
h.	Ultraviolet Filter Specifications	Installed
i.	Inlet pumps/ Type	GRUNDFOS CRN 45-3
k.	Inlet pumps discharge pressure	80 psi
l.	Outlet pumps / Type	Installed
m.	Outlet pumps	Installed

n.	Electric Requirements	Power 30 KW
c.	Control Panel	Installed

Water Chemical Analysis. Water chemical analysis test report is required from Pakistan Standard & Quality Control Authority (PSQCA) and following limits of chemical should not exceed in RO fresh water:

S.No.	CHEMICAL	MAXIMUM LIMITS
a.	pH	6.5 to 8.5
b.	Conductivity	2000 $\mu\text{S}/\text{cm}$
c.	Sodium	20 mg/L
d.	Potassium	20 mg/L
e.	Calcium	200 mg/L
f.	Magnesium	150 mg/L
g.	Total hardness	80 to 100 mg/L
h.	Iron	0.3 mg/L
i.	Total Alkalinity	500 mg/L
j.	Carbonate	350 mg/L
k.	Bicarbonate	100 mg/L
l.	Chloride	250 mg/L
m.	Fluoride	1 mg/L
n.	Nitrite	1 mg/L
o.	TDS	500 mg/L

Water Microbiological Analysis. Water microbiological test report is required from SHIFA/ Agha Khan University Hospital/ POSIR/ BU Laff. Limits of microorganism should not exceed from following standards in RO fresh water:

S.No.	ORGANISM	RECOMMENDED VALUE
a.	Total colony count	Less than 500 cfu/ml
b.	Total Coliform	0/100 mls
c.	Fecal E.coli	0/100 mls
d.	Fecal Streptococci	0/100 mls
	Enterococci	

Consumer class/category, sub-category on the basis of  
sanctioned load and voltage level

Aquagen (Private) Limited is supplying electricity to PNS Karsaz under a Power Purchase  
Agreement attached herewith

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## Tariff categories of consumer classes to be served

Aquagen (Private) Limited is supplying electricity to PNS Karsaz as per agreed tariff under a Power Purchase Agreement attached herewith

## Demand and consumption pattern on different time periods

Aquagen (Private) Limited is supplying electricity to PNS Karsaz under a Power Purchase Agreement attached. Since Aquagen is supplying electricity only to PNS Karsaz, therefore its Demand and consumption pattern is as per requirement of PNS Karsaz.

Procurement Plan for meeting expected loads (including own generation and/or long-term and short-term PPAs, as the case may be)

Aquagen (Private) Limited is supplying electricity to PNS Karsaz under a Power Purchase Agreement attached herewith

12-month projections on expected load, number of consumers and expected sale of units for each consumer category

Aquagen (Private) Limited is supplying entire electricity generation from its Plant to PNS Karsaz under a Power Purchase Agreement attached herewith

5-year Investment Plan indicating schemes/models/framework for undertaking supply of electric power (including frameworks for providing non-discriminatory services and acquisition/sale of assets in relevant service territories)

The plant is already operational and is supplying electricity only to PNS Karsaz under a Power Purchase Agreement attached herewith. There is no 5 year investment plan.

## Training and development procedures and manuals

The operational staff of the plant is properly trained that help in maximizing the efficiency of the power plant. Training is not one time, one class, one subject matter, but rather a continuous path of learning for plant personnel to gain the knowledge needed to achieve success in running an efficient, well-operated and well-maintained plant. This is due to well-trained operational staff that not a single disruptive event occurred during the operations of the plant.

The operational staff follow proper Standard Operational Procedures (SOPs) for the successful uninterrupted operations of the Plant.

The availability and reliability of power generating equipment is central to our plant's efficient operation. To ensure optimum operation and maintenance, we have a dedicated team of trained staff. The focus of our training programmes includes in-depth plant knowledge, applications knowledge sharing and safety training. Our training includes both theoretical and practical sessions at the engine site to make sure your staff are well prepared to meet the challenges of everyday operation.

# Information Relating

- **Proposed service territory**

Aquagen (Private) Limited is supplying entire electricity generation from its Plant to PNS Karsaz under a Power Purchase Agreement attached herewith

- **Billing and Collection Procedures**

Aquagen (Private) Limited is supplying entire electricity generation from its Plant to PNS Karsaz under a Power Purchase Agreement attached herewith. All billings and collections were being done in accordance with the Power Purchase Agreement

- **Ability to access consumer metering systems and other services/equipment**

Aquagen (Private) Limited is supplying entire electricity generation from its Plant to PNS Karsaz under a Power Purchase Agreement attached herewith. All - Ability to access consumer metering systems and other services/equipment were being done in accordance with the Power Purchase Agreement

- **Emergency provisions and protocols**

Aquagen has been implementing proper emergency provisions and protocols. The Plant and all systems forming part of it, shall be constructed and operated with safety as a prime consideration. The health and safety of all personnel, whether constructors, operators, maintenance workers or others, shall be of foremost consideration during the operations to ensure that the safety of all is guaranteed during operations.

- **Basis of common services for commercial and residential consumers and their allocation thereof**

Aquagen (Private) Limited is supplying entire electricity generation from its Plant to PNS Karsaz under a Power Purchase Agreement attached herewith