

**CERTIFICATE SUBSCRIPTION UNDERTAKING**  
**in respect of**  
**Rs. [●] Sukuk Certificates due [●]**

**DATED [●]**

**By**

**The Financial Institutions Specified in Schedule 1 hereto**

**in favour of**

**Pakistan Domestic Sukuk Company Limited**

**and**

**National Highway Authority**

**THIS CERTIFICATE SUBSCRIPTION UNDERTAKING** is made on [●] by:

**THE FINANCIAL INSTITUTIONS SPECIFIED IN SCHEDULE 1 HERETO** (the “**Financial Institutions**”, which expression shall mean and include their successors-in-interest, administrators, assigns and nominees).

**IN FAVOUR OF**

**PAKISTAN DOMESTIC SUKUK COMPANY LIMITED**, a public limited liability company incorporated in Pakistan under the Companies Ordinance, 1984 (Ordinance No. XLVII of 1984) and having its registered office at Room 208, Ministry of Finance, Block Q, Pakistan Secretariat, Islamabad, as issuer of the Certificates (as defined below) (in such capacity, the “**Issuer**”, which expression shall mean and include its successors-in-interest, administrators and permitted assigns);

**AND**

**NATIONAL HIGHWAY AUTHORITY**, established through an act of the Parliament of the Islamic Republic of Pakistan (**Pakistan**) and wholly-owned by the Government and having its registered office at \_\_\_\_\_ as trustee for the Certificateholders (in such capacity the “**Trustee**”, which expression shall mean and include its successors-in-interest, administrators and permitted assigns);

**WHEREAS:**

- A. The Issuer shall, subject to the provisions of this Undertaking and as the agent of the Financial Institutions in terms hereof, issue Rs. [●] in aggregate face amount of Certificates due [●] (the “**Certificates**”) to be constituted by the Declaration of Trust (the “**Declaration of Trust**”) made/to be made by, inter alia, the Issuer and NHA dated on or about the date hereof.
- B. The Issuer proposes to use the proceeds from the issue of the Certificates to purchase, as agent of and on behalf of the Financial Institutions / Certificate holders, from NHA pursuant to a purchase agreement (the “**Purchase Agreement**”) dated on or about the date hereof, the Highway Land (as defined in the Purchase Agreement).
- C. Pursuant to an ijara agreement dated on or about the date hereof (the “**Ijara Agreement**”), the Trustee proposes to lease, as trustee of and on behalf of the Certificateholders, the Highway Land to the President of the Islamic Republic of Pakistan, for and on behalf of the Islamic Republic of Pakistan (in such capacity, the “**Lessee**”), in return for which the Lessee will make semi-annual lease payments to the Issuer in accordance with the terms of the Ijara Agreement.
- D. Pursuant to the Declaration of Trust, the Issuer (as agent of and on behalf of the Financial Institutions / Certificateholders) and the Trustee will declare that the Trustee will hold the Trust Assets specified in the Declaration of Trust (the “**Specified Assets**”), including the Highway Land and rights under the Ijara Agreement, upon trust absolutely for the holders of the Certificates (the “**Certificateholders**”) pro rata according to the face amount of Certificates held by each holder in accordance with the Declaration of Trust and the terms and conditions of the Certificates. Each Certificate will represent an undivided ownership in the Specified Assets and will rank *pari passu*, without any preference, with the other Certificates.
- E. The Certificates will be in or substantially in the form set out in the Declaration of Trust, issued subject to and with the benefit of an agency agreement dated on or about the date hereof (the “**Agency Agreement**”) and made/to be made between, inter alia, the Issuer and the agents named therein.

- F. The Financial Institutions have agreed to subscribe or procure subscription of, the Certificates as described herein, subject to the Issuer issuing the Certificates.
- G. The Financial Institutions are executing this Undertaking as part of a transaction which is in compliance with Shariah principles.

**IT IS AGREED** as follows:

## **1. DEFINITIONS AND INTERPRETATION**

- 1.1 Except where the context requires otherwise, the following terms used in this Undertaking have the meanings set out below:

**Certificate Issuance Undertaking** means the certificate issuance undertaking dated on or about the date hereof by the Issuer, NHA and the Islamic Republic, in favour of the Financial Institutions and pursuant to which the Issuer agrees to issue and sell the Certificates upon the terms therein;

**Closing Date** means [●];

**Costs Undertaking** means the costs undertaking dated on or about the date hereof made/to be made by the Islamic Republic pursuant to which it undertakes to pay the fees and expenses, and provide the indemnities, described therein;

**Government** means the government of the Islamic Republic of Pakistan, whether or not acting through the President or any ministry, agency or other authority for and on behalf of the Islamic Republic of Pakistan;

**Islamic Republic** means The President of The Islamic Republic of Pakistan for and on behalf of The Islamic Republic of Pakistan;

**Issuer** means PDSCL;

**PDSCL** means Pakistan Domestic Sukuk Company Limited, a public limited liability company incorporated in the Islamic Republic of Pakistan (**Pakistan**) under the Companies Ordinance, 1984 (Ordinance No. XLVII of 1984) and wholly-owned by the Government;

**Pronouncement** means the pronouncement dated [●] issued by the Shariah Board of the State Bank of Pakistan;

**Purchase Undertaking** means the purchase undertaking dated on or about the date hereof made/to be made by the Islamic Republic in favour of Pakistan Domestic Sukuk Company Limited;

**Rs. and Rupees** means the lawful currency for the time being of the Islamic Republic of Pakistan;

**Rules** means the rules dated on or about the date hereof made/to be made by the Trustee and the Issuer pursuant to Clause 7.3 of the Declaration of Trust;

**Service Agency Agreement** means the service agency agreement dated on or about the date hereof entered into/to be entered into between Pakistan Domestic Sukuk Company Limited and the President of the Islamic Republic of Pakistan for and on behalf of the Islamic Republic of Pakistan;

**Transaction Documents** means the Purchase Agreement, the Ijara Agreement, the Purchase Undertaking, the Declaration of Trust, the Agency Agreement, the Costs Undertaking, the Service Agency Agreement, the Certificate Issuance Undertaking, this Certificate Subscription Undertaking, the Certificates, the Rules and any other agreements and documents delivered or executed in connection therewith.

1.2 Except where otherwise specified, the following rules of interpretation and construction shall apply in construing this Undertaking:

- (a) references to "**this Undertaking**" or any other agreement or document, or any analogous expression, shall be deemed also to refer to such agreement or document as amended, supplemented, varied, replaced or novated (in whole or in part) from time to time and to agreements and documents executed pursuant thereto;
- (b) references to costs or charges or expenses or remuneration shall be deemed to include, in addition, references to any goods and services tax, value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis;
- (c) words denoting one gender only shall include the other gender;
- (d) words denoting persons only shall include firms and corporations and vice versa;
- (e) references to any statutory provision shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under any such re-enactment;
- (f) any Schedule, Annex or Exhibit annexed to this Undertaking forms a part of this Undertaking and shall have the same force and effect as if set out in the body of this Undertaking;
- (g) headings are for ease of reference only;
- (h) save where the context otherwise requires, words importing the singular number include the plural and vice versa;
- (i) save where the context otherwise requires, references in this Undertaking to any signatory or addressee to this Undertaking or any other person shall include references to its successors and permitted transferees and assigns;
- (j) references to a **Schedule, Annex, Exhibit, Clause, sub-clause, paragraph** or **sub-paragraph** shall, unless, otherwise specified, be construed as a reference to a Schedule, Annex, Exhibit, Clause, sub-clause, paragraph or sub-paragraph, as the case may be, of or to this Undertaking;
- (k) references to any date shall be construed as references to such date or any alternative date as may be agreed between the parties to the document in which the date appears;
- (l) references to any action, remedy or method of judicial proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than Pakistan, references to such action, remedy or method of judicial proceeding for the enforcement of the rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of judicial proceeding;
- (m) references to certificates, reports, notices and other documents and communications to be given or delivered pursuant to this Undertaking shall be construed as references to such certificates, reports, notices and other documents and communications in the English language or, where originally in a language other than English, an English translation thereof; and
- (n) references to a date on or about the date hereof mean and includes any day falling on or within two weeks prior to or after the date of this Undertaking.

## 2. APPOINTMENT AS AGENT AND TRUSTEE

2.1 The Financial Institutions jointly hereby irrevocably appoint the Issuer as their agent and the Agent of the Certificateholders for the purposes set out in this Undertaking (acting in such capacity the Issuer is hereinafter referred to as the “**Agent**”), and hereby authorize and instruct the Agent to:

- (a) take such action on behalf of the Financial Institutions / Certificateholders and to exercise such rights, remedies, powers and discretions as are specifically delegated to the Agent by this Undertaking, together with such powers and discretions as are reasonably incidental thereto;
- (b) to enter into the Transaction Documents to which it is required to be a party, on behalf of the Financial Institutions / Certificateholders and as their agent, and to exercise all rights, remedies, powers and discretions granted therein and be bound by and comply with all obligations stated therein;
- (c) without prejudice to the generality of the foregoing, to enter into the Purchase Agreement with NHA, on behalf of the Financial Institutions / Certificateholders and as their agent, and to purchase the Highway Land from NHA in terms thereof;
- (d) without prejudice to the generality of the foregoing, to enter into the Declaration of Trust, on behalf of the Financial Institutions / Certificateholders and as their agent, and to declare a trust of the Specified Assets in terms thereof (with NHA as Trustee and itself as Delegate of Trustee) for the benefit of the Certificateholders and to issue the Certificates in terms thereof;
- (e) to act as Delegate of the Trustee in terms of the Declaration of Trust and in such capacity to hold the benefits arising from the Specified Assets for and on behalf and in trust for the Certificateholders; and
- (f) to issue notices and make claims and demands on NHA and/or the Lessee and/or any other third party in relation to or pursuant to the Transaction Documents; and
- (g) to do all such acts as may be necessary and/or incidental for safeguarding the interests of the Financial Institutions in relation to the Financial Institutions’ investment in the Certificates.

2.2 The appointment of the Agent, and the exercise of the powers herein conferred on the Agent, shall at all times be subject to the condition that the Agent shall not:

- (a) commit any act which, in the opinion of the Second Delegate (as defined in the Declaration of Trust) may be detrimental to the interests of the Certificateholders;
- (b) incur any indebtedness whatsoever, or give any guarantee in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) other than those in issue as at [●];
- (c) secure any of its present or future indebtedness by any lien, pledge, charge or other security interest upon any of its present or future assets, properties or revenues (other than those arising by operation of law);
- (d) (except as contemplated in the Transaction Documents) amend or agree to any amendment of any Transaction Document to which it is a party or its Memorandum and Articles of Association, or enter into any other agreement, letter or document, without the prior written consent of holders of at least 51 per cent. in face amount of the Certificates then outstanding or as permitted under the Transaction Documents;
- (e) have any subsidiaries or employees;

- (f) redeem any of its shares or pay any dividend or make any other distribution to its shareholders;
- (g) put to its directors or shareholders any resolution for its winding up or for the commencement of any other bankruptcy or insolvency proceeding with respect to it or appoint any liquidator or other similar official in relation to itself;
- (h) waive any of the conditions precedent specified in Clause 3 of the Purchase Agreement without prior written permission of the Financial Institutions; and
- (i) enter into any contract, transaction, or make any amendment to any contract or transaction, or incur any obligation or liability other than the Transaction Documents to which it is a party or as expressly permitted or required thereunder or engage in any business or activity other than:
  - (i) as provided for or permitted in or pursuant to the Transaction Documents;
  - (ii) the ownership, management and disposal of the Trust Assets as provided in the Transaction Documents; and
  - (iii) such other matters which are incidental thereto.

2.3 The Financial Institutions jointly hereby irrevocably authorize and instruct the Trustee to:

- (a) to enter into the Transaction Documents to which it is required to be a party, on behalf of the Financial Institutions and as their trustee, and to exercise all rights, remedies, powers and discretions granted therein and be bound by and comply with all obligations stated therein;
- (b) without prejudice to the generality of the foregoing, to enter into the Ijara Agreement with the Lessee, on behalf of the Financial Institutions and as their trustee, and to lease the Highway Land to the Lessee in terms thereof;
- (c) without prejudice to the generality of the foregoing, to enter into the Declaration of Trust, on behalf of the Financial Institutions and as their trustee, and to declare and accept a trust of the Specified Assets in terms thereof for the benefit of the Certificateholders;
- (d) to act as trustee in terms of the Declaration of Trust and hold the benefits arising from the Specified Assets for and on behalf and in trust for the Certificateholders; and
- (e) to issue notices and make claims and demands on the Lessee and/or any other third party in relation to or pursuant to the Transaction Documents; and
- (f) to do all such acts as may be necessary and/or incidental for safeguarding the interests of the Financial Institutions in relation to the Financial Institutions' investment in the Certificates.

### 3. SUBSCRIPTION

- 3.1 Subject to the terms and conditions of this Undertaking, and subject to the Issuer issuing the Certificates, the Financial Institutions severally agree to subscribe and/or procure the subscription of Certificates having the respective face values specified against their respective name in Schedule 2, having in aggregate a face value of Rs. [●], on the Closing Date at an issue price (the “**Issue Price**” or “**Purchase Price**”) equal to 100.00 per cent of the aforesaid face value of Certificates.

### 4. CLOSING

Payment of the Purchase Price shall be made by the Financial Institutions and/or their nominated subscribers, as the case may be, on the Closing Date, by providing immediately available funds as per the instructions of the Issuer. Delivery of the Certificates in book entry form shall be made within 30 days of the Closing Date for the respective accounts of the Financial Institutions and/or the nominated subscribers, as the case may be, through the facilities of the Subsidiary General Ledger Account (“SGLA”) of the SBP Banking Services Corporation. Irrespective of the date of delivery of the Certificates, they will be deemed to have been issued as of the Closing Date.

## **5. SHARIA COMPLIANCE**

The Financial Institutions agree and acknowledge that the Transaction Documents form a Sharia compliant structure and undertake that they shall not call into question the structure of the transaction comprised in the Transaction Documents before any forum or court of law and agree that the Transaction Documents shall be interpreted in accordance with the principles of Sharia. Any and all subsequent subscription of Certificates under this structure shall comply with the principles of Sharia and shall not entail the giving or taking of interest, increased costs or any of the variants or forms of interest. Any dispute pertaining to interpretation of the Transaction Documents in compliance with the foregoing provisions of this Clause 5 shall be referred to the Sharia Board of the State Bank of Pakistan, whose decision on the matter shall be final.

## **6. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS TO BE GIVEN BY NHA**

It is a condition of the obligation of the Financial Institutions hereunder to subscribe and pay for or procure the subscription of and payment for the Certificates that NHA shall have in writing represented and warranted to the Financial Institutions as follows:

- (a) the execution by NHA of the Transaction Documents to which it is a party have been duly authorised by it and upon due execution, issue and delivery the same will constitute its legal, valid and binding obligations enforceable in accordance with their respective terms and conditions;
- (b) NHA and the Issuer have agreed to enter into the Purchase Agreement for the sale to the Issuer by NHA of the Highway Land (comprising an area of approximately [●] kanals together with all construction, superstructure, flyovers and interchanges made thereon (as an undivided share in land), as more particularly described therein, for the purchase price stated therein and in terms thereof;
- (c) there is no constitutional provision, nor any provision of any treaty, convention, statute, law, regulation, decree, court order or similar authority of relevance, in each case binding upon NHA, nor any provision of any contract, agreement or instrument to which NHA is a party, which would be contravened or breached or which would result in the creation of any lien or encumbrance, or under which a default would arise or a moratorium in respect of any obligations of NHA would be effected, in each case as a result of the execution and delivery by NHA of the Transaction Documents to which it is a party or the performance or observance by NHA of the terms of any Transaction Document to which it is a party; and
- (d) there is no litigation, arbitration or administrative proceeding of, or before, any court, arbiter, governmental authority or agency pending or, to the knowledge of NHA threatened against NHA, or the properties and assets of NHA, which if adversely determined would have a material adverse effect on the assets and properties or condition of NHA or which would enjoin or restrain the execution or performance of any of the other Transaction Documents.

## **7. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS TO BE GIVEN BY NHA, THE ISSUER AND THE ISLAMIC REPUBLIC**

- 7.1 It is a condition of the obligation of the Financial Institutions hereunder to subscribe and pay for or procure the subscription of and payment for the Certificates, that each of NHA,

the Issuer and the Islamic Republic shall have confirmed in writing to the Financial Institutions as follows:

- (a) they have authorised the Financial Institutions to offer Certificates to third parties for subscription at the Issue Price;
- (b) they have authorised the Financial Institutions to distribute copies of the Pronouncement in connection with the offering of the Certificates; and
- (c) they have approved the arrangements made on their behalf (if any) by the Financial Institutions for announcements in respect of the Certificates.

7.2 As a condition of the obligation of the Financial Institutions to subscribe and pay for or procure the subscription of and payment for the Certificates, the Issuer, NHA and the Islamic Republic shall, jointly and severally, represent, warrant and covenant to the Financial Institutions as follows:

- (a) the Issuer:
  - (i) is duly incorporated as a public limited liability company under the Companies Ordinance, 1984 (Ordinance No. XLVII of 1984) of Pakistan;
  - (ii) is validly existing in Pakistan and is able lawfully, and has full power and authority, to execute, issue and perform its obligations under the Certificates and to execute and perform its obligations under the Transaction Documents to which it is a party;
  - (iii) has full power and authority to conduct the business to be conducted by it;
  - (iv) is able to pay its debts as they fall due;
  - (v) is not, and will not be following the execution of the Transaction Documents, insolvent;
  - (vi) is not involved in any bankruptcy or insolvency proceedings; and
  - (vii) is lawfully qualified to do business in those jurisdictions in which business is conducted by it;
- (b) the issuance and sale of the Certificates has been duly authorised by the Issuer and, when duly executed, authenticated, issued and delivered as provided in the Declaration of Trust and the Agency Agreement and paid for in accordance with the terms of this Undertaking, the Certificates will be duly and validly issued, and will be entitled to the benefits set forth in the Declaration of Trust and the terms and conditions of the Certificates;
- (c) each Certificate will, upon issue, evidence an undivided ownership interest in the Specified Assets in the proportion which the face amount of such Certificate bears to the aggregate outstanding Certificates and will rank pari passu, without any preference, with the other Certificates;
- (d) the execution and delivery by the Issuer of the Transaction Documents to which it is a party will have been duly authorised by the Issuer and upon due execution and delivery the same will constitute its legal, valid and binding obligations enforceable in accordance with their respective terms;
- (e) the execution and delivery by the Issuer, the Islamic Republic and NHA of the Transaction Documents to which each of them is a party and the performance by each of them of the terms of the Transaction Documents to which they are a party will not infringe any applicable law or regulation of Pakistan or, so far as the Issuer or NHA or the Islamic Republic are aware, any other applicable law or regulation, is not contrary to the provisions of the Issuer's constitutional documents and will not result in any breach of the terms of, or constitute a default



or effect a moratorium in respect of any obligations of the Issuer or NHA or the Islamic Republic under any instrument, agreement or order to which the Issuer or NHA or the Islamic Republic, as the case may be, is a party or by which any of them or their property is bound, except where such breach or default would not be material in the context of the issue of the Certificates;

- (f) the Issuer is not involved in any litigation or arbitration proceedings relating to claims or amounts which are material in the context of the issue of the Certificates nor, so far as the Issuer is aware, is any such litigation or arbitration is pending or threatened;
- (g) all consents, approvals, authorisations, orders and clearances of any court, government department or other regulatory body required for the execution and delivery by the Issuer or NHA or the Islamic Republic of the Transaction Documents to which it is a party and the performance by the Issuer and NHA and the Islamic Republic of the terms of the Transaction Documents to which each of them is a party have been obtained and are unconditional and in full force and effect;
- (h) no event has occurred which would constitute (after the issue of the Certificates) a dissolution or termination event or a potential dissolution or termination event, howsoever described, under any of the Transaction Documents;
- (i) the entire ordinary issued share capital of the Issuer is legally or beneficially owned by the Islamic Republic;
- (j) other than registration of each of the Declaration of Trust and the Ijara Agreement under the Registration Act, 1908 of Pakistan, it is not necessary in order to ensure the legality, validity, enforceability or admissibility in evidence of the Transaction Documents that any of the Transaction Documents or any other documents or instruments be registered, recorded or filed with any court or other authority in Pakistan or be notarised or that any documentary, stamp or similar tax, imposition or charge be paid on or in respect of the Transaction Documents except for the amount of stamp duty already affixed on the Transaction Documents;
- (k) that, subject as described in the conditions of the Certificates, all payments by the Issuer in respect of the Certificates and by the Issuer and the Islamic Republic in respect of the Transaction Documents may be made free and clear of, and without withholding or deduction for, any taxes imposed or levied by Pakistan;
- (l) the Issuer has not engaged in any business or activity, or incurred any indebtedness, since its incorporation, other than as contemplated by or to give effect to the intentions expressed in the Transaction Documents;
- (m) that under the laws of Pakistan and subject as provided below:
  - (i) the issue by the Issuer of the Certificates and the execution, delivery and performance by each of the Issuer, NHA and the Islamic Republic of the Transaction Documents to which it is a party and the Certificates constitute private and commercial acts (rather than public or governmental acts) of the Issuer, NHA and the Islamic Republic; and
  - (ii) (save as described in the Transaction Documents), none of the Issuer, NHA or the Islamic Republic nor any of their respective properties has any immunity from jurisdiction of a court of competent jurisdiction or from set-off.
- (n) since the date of its incorporation, there has been no adverse change, or any development reasonably likely to involve an adverse change in the condition (financial or otherwise) of, or the general affairs of, the Issuer, which is material in the context of the issue of the Certificates;

- (o) the Issuer has not taken any corporate action nor will any other steps have been taken or legal proceedings started or threatened against it for its winding-up or for the appointment of a receiver, receiver and manager, liquidator or similar officer of its or any or all of its assets, and it has not proposed or entered into any arrangement or composition with its creditors or any class thereof;
- (p) there are no liabilities (including contingent liabilities) which are outstanding on the part of the Issuer; and
- (q) the Issuer has not issued and will not issue, without the prior consent of the Financial Institutions, any press or other public announcement referring to the proposed issue of Certificates.

7.3 Each of the Issuer, NHA and the Islamic Republic shall undertake with each Financial Institution that:

- (a) it will on the date hereof execute each of the Transaction Documents to which it is a party;
- (b) the Issuer (failing whom, the Islamic Republic) shall bear and pay:
  - (i) any registration fee, stamp duty, transfer duty, capital value tax or other duties or taxes payable on or in connection with the issue and delivery of the Certificates and the execution and delivery of the Transaction Documents; and
  - (ii) any tax payable (if any) (but excluding any form of income or corporation tax) in connection with the commissions, fees or other amounts payable or allowed under this Undertaking and otherwise in connection with the Transaction Documents;
- (c) the Specified Assets will not be commingled with those of any other person, except to the extent permitted by the Transaction Documents.

## **8. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS TO BE GIVEN BY THE ISLAMIC REPUBLIC**

It is a condition of the obligation of the Financial Institutions hereunder to subscribe and pay for or procure the subscription of and payment for the Certificates that the Islamic Republic shall have in writing represented and warranted to the Financial Institutions as follows:

- (a) the execution by Islamic Republic of the Transaction Documents to which it is a party have been duly authorised by it and upon due execution, issue and delivery the same will constitute its legal, valid and binding obligations enforceable in accordance with their respective terms and conditions;
- (b) the payment obligations of the Islamic Republic under the Transaction Documents to which it is a party are and will be direct, unconditional, unsubordinated, unsecured and general obligations of the Islamic Republic and will be backed by the full faith and credit of Pakistan;
- (c) there is no constitutional provision, nor any provision of any treaty, convention, statute, law, regulation, decree, court order or similar authority of relevance to the Government, in each case binding upon the Government, nor any provision of any contract, agreement or instrument to which the Government is a party, which would be contravened or breached or which would result in the creation of any lien or encumbrance, or under which a default would arise or a moratorium in respect of any obligations of the Government would be effected, in each case as a result of the execution and delivery by the Government of the Transaction Documents to which it is a party or the performance or observance by the Government of the terms of any Transaction Document to which it is a party;

- (d) there is no litigation, arbitration or administrative proceeding of, or before, any court, arbiter, governmental authority or agency pending or, to the knowledge of the Government, threatened against the Government, or the properties and assets of the Government, which if adversely determined would have a material adverse effect on the assets and properties or condition of the Government or which would enjoin or restrain the execution or performance of the Certificate Issuance Undertaking or any of the other Transaction Documents; and
- (e) there has been no material adverse change or development involving a prospective material adverse change in the condition (political, economic or otherwise) or general affairs of Pakistan.

## **9. TERMINATION**

Notwithstanding anything contained in this Undertaking, the Financial Institutions may by written notice to the Issuer terminate this Undertaking at any time before the time on the Closing Date when payment would otherwise be due under this Undertaking to the Issuer in respect of the Certificates if, in the opinion of the Financial Institutions, there shall have been such a change, whether or not foreseeable at the date of this Undertaking, in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in their view be likely to prejudice materially the success of the offering and distribution of the Certificates or dealings in the Certificates in the secondary market. Upon such notice being given, the signatories to this Undertaking shall be released and discharged from their obligations under this Undertaking.

## **10. NOTICES**

- 10.1 Any notice required to be given under this Undertaking to the Financial Institutions shall be delivered in person, sent by pre-paid registered post or by facsimile addressed to address specified against their respective name in Schedule 1, or such other address of which notice in writing has been given to the Financial Institutions under the provisions of this Clause.
- 10.2 Any such notice or notification shall be in English and shall take effect, in the case of a letter, at the time of delivery and, in the case of fax, at the time of despatch (provided that a confirmation of transmission is received by the sending party).

## **11. COUNTERPARTS**

This Undertaking may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same undertaking and any Financial Institution may execute this Undertaking by executing a counterpart.

## **12. GOVERNING LAW, JURISDICTION AND WAIVER**

- 12.1 This Undertaking is governed by, and shall be construed in accordance with, the laws of Pakistan.
- 12.2 The courts in Islamabad shall settle any disputes which may arise out of or in connection with this Undertaking and that accordingly any proceedings arising out of or in connection with this Undertaking may be brought in such courts and, for such purposes, irrevocably submits to the jurisdiction of such courts.

**IN WITNESS WHEREOF**, the Financial Institutions have caused this Certificate Subscription Undertaking to be signed by their representative thereunto duly authorised as of the day and year first above written.

**SIGNATORIES**  
**(Certificate Subscription Undertaking)**

**FINANCIAL INSTITUTIONS**

**SCHEDULE 1**

**DESCRIPTION OF FINANCIAL INSTITUTIONS**

SCHEDULE 2

SUBSCRIPTION OBLIGATIONS

Sr. No.	Name of Financial Institutions	Face Value of Certificates (Rs.)(millions)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		