SPL/PSX/08/78/2020
August 18, 2020

The General Manager
Pakistan Stock Exchange Limited (PSX)
Stock Exchange Building Stock Exchange Road
Karachi

Dear Sir,

Disclosure of Material Information

The Pakistan Stock Exchange Limited (PSX) is hereby informed that M/s Saif Power Limited ("the Company") has executed a Memorandum of Understanding (MoU) with the Committee for Negotiations (constituted by the Federal Government). As per the Clause 96(1) of the Securities Act 2015 and Clause 5.6.1(a) of PSX Regulation, the Company wishes to submit the following salient features of the MoU:

> The MoU is a commercial in-principle document that is subject to the approval of the Board of Directors of the Company and other Federal authorities and Regulatory authorities.
> Any positive differential between revenues and costs of fuel and O&M (as one line item) will be shared 60%-40% in favor of Power Purchaser. Late Payment Surcharge (LPS) will come down to KIBOR+2.0% for the first sixty (60) days and then shall revert to KIBOR+4.5% as per the PPA. The payment mechanism from the Power Purchaser has to follow the PPA mandated FIFO payment principle for this rate revision to become effective. For foreign equity investment registered with SBP, the Total Return on Equity (total ROE includes ROE+ROEDC) shall be changed to 12% per annum. For local investors, the Total ROE shall be changed to 17% per annum in PKR on NEPRA approved equity at 'Commencement of Commercial Operations Date' but calculated at PKR/USD exchange rate of PKR 148/USD. There will be no future USD indexations. As per MOU, when the Competitive Trading Arrangement is implemented and, becomes completely operational, the Company shall move to Take and Pay as per the terms defined in the Generation License. In order to assess if the Company has made any excess profits, the reconciled numbers between the Committee and the Company shall be submitted to NEPRA, who shall hear and decide this matter in accordance with the 2002 Power Policy, tariff determination and PPA. (As per reconciliation of figures done informally with the Committee for Negotiation, the Company has no excess profit).
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> Payment of the receivables of the IPPs is an essential condition of the MoU. GOP along with Power Purchaser shall arrange for payment of overdue amounts and mechanism of payments. The Power Purchaser shall also ensure adherence to its contractual obligations, and GoP and Power Purchaser shall work towards resolution of the LCIA award for the company.

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The terms of MoU are subject to the approval of National Electric Power Regulatory Authority, Federal Cabinet and Board of Directors of the Company and other necessary corporate approvals and, will be followed by legal documentation to reflect the amendments needed in tariff after which the relevant agreements will be signed. Validity of MOU is six months and shall stand terminated on signing of agreement including agreement on payment of receivables and obtaining legality.

You are requested to disseminate the information to the Members of the Exchange accordingly.

Yours Sincerely,

for SAIF POWER LIMITED,

Waseemullah
Company Secretary

SAIF POWER LIMITED

Copy to:

- Director/HOD-Surveillance, Supervision and Enforcement Department, SECP, Islamabad
  NIC Building, 63 Jinnah Avenue, Blue Area, Islamabad.