

PSX 7864

August 24, 2020

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Subject: Disclosure of Material Information

Dear Sir,

In accordance with Section 96 of the Securities Act, 2015 and Clause 5.6.1(a) of PSX Regulations, we hereby inform you that The Hub Power Company Limited (Hubco) and the Committee for Negotiations with Independent Power Producers (constituted by the Federal Government), have executed a Memorandum of Understanding (MoU).

Pursuant to terms of the MoU, the Parties have agreed to reduce the existing fixed O&M by 11%, whilst keeping the existing arrangement of US\$ exchange rate and US\$ CPI on the fixed O&M. At the same time, the Parties agreed to discontinue the US\$ Exchange rate and US CPI indexation on the Project Company Equity and fix the same at National Bank of Pakistan's TT/OD selling PKR/USD exchange rate prevailing as on 21 August 2020.

The Parties have agreed that payment of the receivables of Hubco is an integral part of the MoU. The Power Purchaser and the Federal Government will devise a mechanism for repayment of the outstanding receivables to Hubco within an agreed time period, which will be reflected in the final agreement to be signed. The Parties also agreed that payments shall follow the PPA mandated FIFO principles. Further, as and when the Competitive Trading Arrangement is implemented and becomes fully operational, without prejudice to the terms of its generation license, Hubco shall support and participate in same.

The terms of the MoU are subject to approval of the Board of Directors of Hubco and the Federal Cabinet, prior to execution of a final agreement between the parties.

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

Yours sincerely,



Shaharyar Nashat
Company Secretary

Cc: Director/HOD Surveillance, Supervision and Enforcement Department SECP, Islamabad