

MEMORANDUM OF UNDERSTANDING

Between

General Electric Company, USA

And

**Board of Investment, the Government of the Islamic Republic of
Pakistan**

THIS MEMORANDUM OF UNDERSTANDING (hereinafter referred to as "MOU") is made at Islamabad on this 22nd February, 2010, by and between

M/S General Electric Company (hereinafter "GE") a company incorporated under the laws of USA with its headquarters in Fairfield, Connecticut, U.S.A (hereinafter referred to as the "First Party")

AND

Board of Investment (hereinafter "BOI") for and on behalf of the Government of Pakistan (hereinafter referred to as the "Second Party")

(hereinafter also referred to, individually as a "Party" and collectively as the "Parties")

Preamble

WHEREAS, the Government of Pakistan is interested in development of its energy resources, and attain needed level of electricity generation to meet projected demand of 54,000MW by the year 2020 through diverse energy sources including renewable such as wind, solar, geothermal, biomass etc, coal, hydro, conventional thermal through gas and stream turbines and by rehabilitation of existing plants along with transfer of technology for manufacture and repair of turbines;

WHEREAS, the Government of Pakistan is interested in having more efficient and environmentally sound rail transport system, addition of locomotives, compatible rail

signaling systems and transfer of technology for local manufacture of the locomotives and signaling systems;

WHEREAS, the Government of Pakistan is interested in developing water purification and reuse, desalination, wastewater treatment and process system programs;

WHEREAS, GE has offered to assist the Government of Pakistan in achieving the foregoing goals through longstanding positive engagement in the energy/power, transportation and water purification;

WHEREAS, GE is willing to identify different sources of funding and also willing to explore investment opportunities in the said sectors;

WHEREAS, the BOI as the investment facilitation and promotion agency of the Government of Pakistan, is prepared to facilitate the Parties through One Window Services to meet the objectives of the MOU;

WHEREAS, the Parties will secure public and private funding to facilitate as appropriate, the ability of GE to participate in the projects in the above sectors,

NOW, THEREFORE, in consideration of the foregoing, the Parties hereby mutually agree as follow:

Article I

Scope of Cooperation

1.1 Within an overarching framework consistent with the laws, rules, regulations and procedures of Pakistan, the MOU will provide the Parties opportunity to work together and cooperate to identify energy/ power, water and transportation projects in Pakistan in which Pakistan may seek GE products and services and the GE may have interest to invest in along with technology transfer.

1.2 The Parties will explore avenues to expand the scope of the MOU not only in the above sectors, but also in support of overall development objectives.

1.3 A separate MOU encompassing other sectors vital to Pakistan's infrastructure and economic development such as health care, air transportation and financial services may be explored to broaden the scope of cooperation.

Article 2

2.1. **The First Party**, in furtherance of this understanding, and acting in accordance with regulatory requirements and subject to the conclusion of legally binding commercial agreements as necessary offers to cooperate in:-

2.1.1. identification of energy/power, transportation and water projects where the GE's engagement could be helpful, with a special focus on, but not limited to, renewable (wind, solar, small hydro, biomass etc), power generation projects, including conventional thermal through gas / steam turbines along with support services for rehabilitation and operations / maintenance of the existing plants;

2.1.2. development of rail transportation system through expert consultations, addition of locomotives and compatible rail signaling systems, and other advancements and solutions that GE can provide in this area;

2.1.3. development of water purification and reuse, desalination, wastewater treatment and process system programs;

2.1.4. providing counsel and advice in energy/ power, water and transportation sectors, where possible, including system planning and management, fuel options for power generation, and regulatory and policy frameworks;

2.1.5. assisting in identifying sources of funding necessary to implement projects in energy/power, transportation and water sectors, by private and public sectors, export credit agencies, multilateral development banks and other international financial

institutions, and provide support in finalization of funding arrangements with various agencies for the above mentioned sectors;

2.1.6. providing capacity building and training in the field of management and induction of new technologies to senior and middle level managers and government officials in the energy/power, transportation and water sectors, where possible and as may be mutually agreed to; and

2.1.7. exploring investment, transfer of technology and localize support of the GE products.

Article 3

3.1 The Second Party, in furtherance of this understanding, will;

3.1.1. meet regularly with the GE, within the context of the organizational structures outlined in this MOU, to discuss policy and project development in energy/power, transportation and water sectors;

3.1.2. provide support to the establishment and operation of the GE facilities in Pakistan, in transparent manner consistent with the laws, rules regulations and procedures of Pakistan as exist across the board for other investors including the identification and implementation of incentives;

3.1.3. provide assistance in understanding and complying with relevant Pakistani regulations and policies in energy/ power, transportation and water sectors;

3.1.4. facilitate the issuance of work permits and visas for the GE employecs and contractors as needed to support the objectives of this MOU;

3.1.5. welcome the offer of the GE and is willing to facilitate the objectives emerging from this MOU

Article 4
Organization Structures

4.1. The Parties agree to establish a "Supervisory Committee" (the Committee) to assist and monitor the effective implementation of the MOU:-

4.2. The Committee will:

4.2.1. discuss potential areas of cooperation under the MOU, and address financial, commercial, technical and regulatory issues that can or may affect the implementation of the projects, and supervise progress of the projects where necessary;

4.2.2. be chaired jointly by the President / CEO of the GE International for the First Party and the Minister of State / Chairman Board of Investment for the Second Party. The Secretaries of the Ministries of Water & Power, Railways, Industries & Production and other senior officials of the concerned organizations like PPIB, IPDF, PEPCO, AEDB, WAPDA, BOI will also be included in the Committee;

4.2.3. convene its meetings at least once a year at a mutually agreed date and place. Each Party has the option to convene one additional meeting per year at a mutually convenient dates and place;

4.2.4. prepare reports of progress achieved under the MOU in writing which will be available to the Minister of State / Chairman, BOI Pakistan and the President / CEO of the GE International within 15 days following each meeting;

4.2.5. constitute a Sub Committees and Advisory Committees as deemed appropriate, comprising of relevant government officials and business executives from GE;

4.2.6. constitute Subcommittee on Finance, if so required. The Subcommittee on Finance will be responsible for fostering cooperation between Pakistan and the GE to secure private sector and third country financing for agreed projects;

4.2.7. work to create a favorable investment climate in Pakistan for better facilitation of the projects.

Article 5

General

5.1. the general purpose of the MOU is to express the sincerity and desire of the Parties to have more cooperation for mutual advantage. However, the Parties agree that nothing in this MOU will give rise to any legally binding or enforceable rights or obligations or agreement on the part of either Party.

5.2. The Parties may, with mutual consent, initiate other activities deemed appropriate and necessary for increasing investment and cooperation such as public-private partnership. The specific agreements may be concluded with relevant agencies to pursue specific projects under the MOU.

5.3. The MOU may be amended or modified at any time through mutual written consent of the Parties.

5.4. The Parties shall attend the meetings of the Supervisory Committee and Sub Committees at their own expense.

Article 6

6.1. The MOU shall enter into force on the date of signature by the Parties and shall remain valid unless terminated.

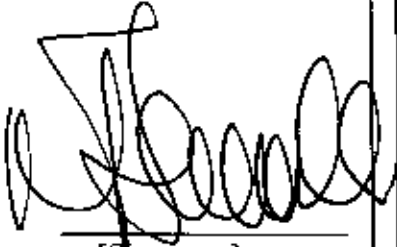
6.2. Either Party may terminate the MOU by giving a notice of sixty (60) days to the other Party of its intention to terminate the MOU.

IN WITNESS WHEREOF, THE PARTIES HERETO AGREE BY SIGNATURES:

FIRST PARTY

Mr. Ferdinand Falco Beccali
[Name]

President / CEO
[Title]


[Signature]

For the General Electric Company USA

Signed at Islamabad this 22 day of February, 2010

SECOND PARTY

Mr. Saleem H. Mandviwalla
[Name]

MOS / Chairman
[Title]


[Signature]

For the Board of Investment

Signed at Islamabad this 22 day of February, 2010