

SCHEDULE E

Material Events of Default

1. Breach by USF Service Provider

- (a) Each of the following shall be deemed to be a material breach by the USF Service Provider for which USFCo will be entitled to terminate this Agreement in accordance with Article Fifteen:
- (i) Failure by USF Service Provider to meet the Final Implementation Date identified in paragraph 5 of Schedule D.
 - (ii) The accumulation of liquidated damages under clause 4.01 (a) (iii) equal to ten percent (10%) of the USF Subsidy amount payable for the affected Project Implementation Milestone(s);
 - (iii) Repeated failure to meet the USF Service Availability and Quality Specifications set out in Schedules A and B, the cumulative effect of which significantly affects public use or enjoyment of the USF Services in the USF Areas.
 - (iv) The occurrence of a change in ownership or Control of the USF Network that is contrary to Article Three.
 - (v) Failure by the USF Service Provider to maintain its incorporation in and under the Companies Ordinance or to comply with eligibility requirements for Pakistani companies that are established under applicable Pakistani laws.
 - (vi) Any misconduct of the USF Service Provider, or any other Person on the USF Service Provider's behalf, described in section 52 of the RFA.
 - (vii) Failure of the USF Service Provider to adequately address any matters identified by an applicable regulatory authority falling within the scope of the USF Services, to such regulatory authority's reasonable satisfaction.
 - (viii) The USF Service Provider commits any other material breach of this Agreement which breach is not capable of being cured.

2. Breach by USFCo

- (a) It shall be deemed to be a material breach by USFCo for which the USF Service Provider will be entitled to terminate this Agreement in accordance with Article Fifteen, where:
- (i) The Technical Auditor fails to take any action in response to a Project Implementation Milestone Notice (reference: paragraphs 5 and 6 of Schedule D); or
 - (ii) USFCo fails to pay undisputed payments of the USF Subsidy due to the USF Service Provider exceeding PKR 1,000,000.