Term Sheet

1-year Fixed Rate Discounted GOP Hybrid Sukuk issued through PSX

Issue / Security	1-year Discounted GOP Hybrid Sukuk.
Issuer	Pakistan Domestic Sukuk Company Limited (PDSCL) - a wholly owned subsidiary of Ministry of Finance, Government of Pakistan.
Target Size	PKR 50 billion
Issue Date	12th November 2026
Maturity Date	11th November 2027 In case the Maturity Date falls on a public holiday then the maturity of the Sukuk would be on the next working day.
Transaction Shariah Structure and Utilisation of Sukuk Proceeds	Transaction structure is based on Hybrid Sukuk comprising of Ijarah Sale and Lease Back (Ijarah SLB) Transaction and Commodity Murabaha Transaction. 55% of the Sukuk proceeds would be utilized for the Ijarah SLB transaction while 45% of the Sukuk proceeds would be utilized for Commodity Murabaha Transaction. A detailed transaction structure (including Shariah Advisor's approval, asset details, transaction flow, related transaction risks & reward) as approved by the Shariah Advisor is published separately.
Sukuk	A Shariah-compliant certificate/instrument that represents the undivided proportionate share in a pool of assets comprising of Ijarah Asset and Commodity Murabaha receivable.
Face Value	Face Value means the amount to be received by each Security holder at maturity. It would be the sum of Investment Value per Sukuk and Annual Profit amount to be received against each Sukuk.
Bid Amount	A single bid can be placed for Face Value of PKR 5,000 or any multiple of PKR 5,000.
Bid Price	Bid Price shall be the price computed by the bidder for a Security using Face Value of 100 and specified up to four decimal places.
Bid Amount Realized Value	$Bid\ Amount \times \frac{Bid\ Price}{100}$
Cut-off Price	Cut-off Price shall be the Bid Price accepted by the Ministry of Finance. All Bids above the Cut-off Price shall be accepted. In case, the Ministry of Finance does not accept any Bid Price, the auction shall stand rejected.

Weighted Average Price	Weighted Average Price shall be the weighted average of all the Bid Price above the Cut-off Price accepted by the Ministry of Finance
Weighted Average Yield	Weighted Average Yield shall be the yield calculated on the basis of the Weighted Average Price and which shall be used for the determination of the Ijarah Rent.
Investment Value	Investment Value of a successful bid shall be equal to $$Bid\ Amount\ \times \frac{Bid\ Price}{100}$$ Investment Value per Sukuk would represent a` proportionate undivided share of each investor in the Sukuk representing an Asset Pool which shall comprise of Ijarah SLB Transaction and Commodity Murabaha transaction.
Annual Profit	The Annual Profit amount payable on the sukuk would be driven from the Ijarah SLB transaction and Commodity Murabaha transaction such that it is equal to the Sukuk Face Value minus Investment Value. Annual Profit amount would be the sum of Ijarah Rent, Profit from Commodity Murabaha and the difference of Ijarah Asset acquisition and redemption price. Profit from Commodity Murabaha would be a fixed amount and shall remain fixed for the entire tenor of the Sukuk and payable at maturity. Ijarah Rent in respect of an issued security shall also be fixed for the entire tenor and would be calculated on the basis of Weighted Average Yield the Sukuk and would be payable at maturity
Tenor	364 days
Joint Financial Advisors & Shariah Advisor to the Issue	Meezan Bank Limited, Dubai Islamic Bank (Pakistan) Limited, Bank Islami Pakistan Limited, Bank Alfalah Limited.
Issuance Methodology	The Sukuk shall be issued at a discount (Investment Value) from the Face Value. An investor may submit any number of bids to purchase the Sukuk in the manner prescribed by Pakistan Stock Exchange (PSX). Each bid must specify the Bid Amount Face Value and the Bid Price. The auction shall follow a pay as you bid methodology. All bids whose Bid Prices are equal to or higher than the Cut-off Price shall be treated as successful bids however each successful investor would be required to invest in accordance with his individual bid.

Tradability	Tradable on Pakistan Stock Exchange (PSX).
Profit Payment Frequency	On maturity
Sukuk Redemption	Sukuk would be redeemed on the Maturity Date by paying the Face Value (sum of Investment Value and Annual Profit amount). Payment of Face Value upto the commodity murabaha transaction would be construed as final payment of commodity murabaha price while Face value upto the Ijarah transaction would be redeemed upto the proportion Cutoff Investment Value through Asset Purchase Undertaking and the remaining as Ijarah Rental.
Commodity Murabaha Price Payment Obligation, Rental Payment Obligation & Asset Purchase Undertaking	Government of Pakistan.
Eligible Investors	All eligible investors as defined in the Government of Pakistan Sukuk Rules 2008 (as amended in 2023) and as notified by SRO 1585(I)2023 issued by Ministry of Finance dated 17th November 2023 including the following: • Individuals, Institutions, Trusts, funds of all types, bodies corporate including banks, non-banking finance companies, insurance and Takaful companies irrespective of their residential status. • RDA Customers. • Non-resident Pakistani. • Foreign Investors & International Islamic Banks & FIs.
Eligible Participants	All Clearing Members of NCCPL shall be allowed to submit bids as Auction Participants in the auction process.

Non-Competitive Bid (NCB)	The investors may place NCBs on the auction date in the manner prescribed by PSX. NCB shall only specify the Bid Amount Face Value. A single investor shall not bid for an aggregate face value exceeding 0.25% of the Auction Target or PKR 500 million, whichever is lower. In case the aggregate Face Value of all NCBs is greater than the Sukuk issuance amount, the securities shall be issued on prorata basis to the relevant investors. All NCBs shall be treated as successful provided that the Ministry of Finance announces a cut-off price. No NCBs shall be treated as successful in case the auction is rejected. The calculation methodology of Investment Value and Profit for NCBs shall be on the basis of Weighted Average Price and Weighted Average Yield.
Investment Agent	Pakistan Domestic Sukuk Company Limited. (By entering into the auction process, all investors to the issue shall agree to authorize Investment Agent to perform all actions required on their behalf as per the Transaction Structure & related documentation)
Transaction Agent	Purchase of Commodity: Meezan Bank Limited. The Transaction agent would be responsible to act on behalf of the Investors and perform all actions necessary (as per the approved Shariah Structure) to execute the Commodity Murabaha transaction with Ministry of Finance. Sale of Commodity: NCCPL The Transaction agent would be responsible to act on behalf of the MoF and perform all actions necessary (as per the approved Shariah Structure) to execute the Commodity Murabaha transaction on the approved platform for monetization of the commodity (i.e. sell the commodity on spot to obtain cash).
Legal Advisor	Ahmed & Qazi Advocates & Legal Consultants
Paying Agent	National Clearing Company of Pakistan Limited (NCCPL).
Registrar	Central Depository Company (CDC) Share Registrar Services Limited (wholly owned subsidiary of CDC).

Custodian & Transfer Agent	The Sukuk shall be inducted in Central Depository System (CDS) of CDC in book entry form and units (in term of volume) and will be reflected in the CDS account of the sukuk holders. Transfer of Securities shall be made in accordance with the Central Depositories Act, 1997 and CDC Regulations made under the Act.
Listing	Sukuk shall be listed on PSX.
Reopening of Sukuk	The Sukuk can be reopened in the future subject to the terms and conditions of the approved Transaction Structure.
SLR Eligibility	The Sukuk shall be an 100% SLR eligible instrument for all eligible investors, on the basis of Government of Pakistan Sukuk Rules 2008 (as amended in 2023), published in Government of Pakistan S.R.O 1585(I)2023 dated 17th November 2023, issued by Ministry of Finance.
Other Terms & Conditions	● No bid shall be considered if received after the deadline for bid submission. ● PSX shall notify the successful bidder ● Shariah structure and legal documentation shall be approved by Shariah Advisor of the Issue. ● Ministry of Finance, Government of Pakistan reserves the right to reject the bids without assigning any reason.
Disclaimer & Investor Advice	● Investors are advised to read the Term Sheet, Transaction Structure and related documentation to understand the risk and reward of the transaction and should not construe this Term Sheet, Transaction Structure and related documentation as financial, legal or tax advice and should conduct their own investigation and analysis of the transaction described herein before deciding to invest in the Sukuk. ● Investment in Sukuk is subject to market risk, liquidity risk, asset risk, foreign exchange risk and prevailing market conditions. ● The transaction is governed by the Transaction Structure and related legal documents, approved by the Shariah Advisor to the Issue.
Governing Rules	Government of Pakistan Sukuk Rules, 2008 (as amended in 2023) and as notified by SRO 1585(I)2023 issued by Ministry of Finance dated 17th November 2023.
Governing Law	The Sukuk shall be subject to the laws of Islamic Republic of Pakistan.

Shariah Compliance	The overall issue has been structured and shall be executed in accordance to the guidelines provided by the Shariah Advisor to the Issue and all parties involved in the transaction shall commit to ensure compliance with these guidelines at all times.
Indemnification	The Issuer hereby indemnifies and agrees to hold harmless the Joint Financial Advisors and Shariah Advisor to the Issue and each of their affiliates and each of its respective officers, directors, employees, agents, advisors and representatives (each an "Indemnified Party") from and against any and all claims, damages, losses, liabilities, costs and expenses (hereinafter collectively referred as "Claim"), joint or several, that may be incurred by or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to the Issue except to the extent such Claim has resulted from such Indemnified Party's gross negligence or willful misconduct.
Arbitration	Any conflict shall be resolved with the mutual consent of respective parties involved. In absence of mutual consent, the matter shall be resolved through Pakistani courts.