

Term Sheet

10-year Variable Rate of Return (VRR) GOP Hybrid Sukuk issued through PSX

Issue / Security	10-year VRR GOP Hybrid Sukuk.
Issuer	Pakistan Domestic Sukuk Company Limited (PDSCL) - a wholly owned subsidiary of Ministry of Finance, Government of Pakistan.
Target Size	PKR 100 Billion
Issue Date	16 th April, 2026
Reopen Date	9 th July, 2026
Maturity Date	16 th April, 2036 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 of each Sukuk would be PKR 5,000 which would represent the proportionate ownership share in the pool of assets.
Bid Amount Face Value	A single bid can be placed for Face Value of PKR 5,000 or any multiple of PKR 5,000.
Bid Price	means the price per Rs. 100 at which an investor bids in the auction and does not include Price Premium.
Bid Price Realized Value	$Bid\ Amount\ Face\ Value \times \frac{Bid\ Price}{100}$

Cut-off Price	Cut-off Price shall be the Bid Price accepted by the Ministry of Finance. In case, the Ministry of Finance does not accept any Bid Price, the auction shall stand rejected. This Cut-off Price will be used to calculate the Investment Value for each Sukuk
Price Premium	Price Premium is the per Sukuk Purchase Price premium to be paid by each investor over and above the Cut-off Price. This Price Premium is against the right of receiving higher first rental in comparison to the old investors. This would be paid upfront at the time of Sukuk issuance. The Price Premium would be PKR 134.8430/- per PKR 5000 Face Value.
Purchase Price	Purchase Value per Sukuk of a successful bid shall be equal to $5,000 \times \frac{\text{Cutoff Price}}{100} + (\text{Price Premium})$ Purchase Value per Sukuk shall be proportionate share purchased by the investor in the underlying assets represented by the sukuk.
Benchmark Rate	Weighted average yield of 6-month T-Bill as decided in last auction Or 6 month tenor rate as given on the Reuters PKRV page (121-180 days) in terms of SBP-FSCD Circular No. 13 dated September 6, 2008. The applicable Benchmark rate for the first period is 11.3685%. For the Subsequent periods the applicable rate can be accessed at following link at the start of each period. For Weighted Average Rates https://www.sbp.org.pk/DFMD/pma.asp For PKRV Rates https://www.mufap.com.pk/industry.php
Bid Spread	Spread for 10-year listed VRR GOP Ijarah Sukuk would be +35bps.

Profit	The Profit payable on the sukuk would be driven from the Ijarah SLB transaction and Commodity Murabaha Transaction such that it is equal to the applicable Benchmark Rate plus Cut-off Spread. Profit from Commodity Murabaha would be a fixed amount e.g.PKR 1,000,000/- and shall remain fixed for the entire tenor of the Sukuk and payable in installments on each profit payment date. Ijarah Rental per Sukuk for the first period ending on October 16th, 2026 is fixed and would be calculated as follows: <i>Face Value x (Benchmark Rate at the start of the Period +/- Spread) x Number of Remaining days in a period divided by 365 + Price Premium -([fixed amount] / # of Rental Periods)</i> Ijarah Rental for each Sukuk for each subsequent six month period shall be calculated as follows: <i>(Face Value x (Benchmark Rate at the start of the Period + Cut-off spread) x Number of days in a period divided by 365)- ([fixed amount] / # of Rental Periods)</i>
Tenor	10 Years
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 10 year VRR Sukuk issue dated April 16th, 2026 be reopened. The Investors would be invited to bid for purchase of an additional share in the underlying sukuk assets at either premium or at discount to the Face Value of the Sukuk. Subsequent to the auction the additional share in the ijarah asset would be leased out to GoP under similar terms and conditions. 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 and the Bid Price. The auction shall follow a single price methodology. All bids whose Bid Spread are equal to or lesser than the Cut-off Spread shall be treated as successful bids. All the successful bidders shall be allocated the cut-off Price. All successful bidders would also be required to pay upfront the Price Premium.
Tradability	Tradable on Pakistan Stock Exchange (PSX).

Profit Payment and Revision Frequency	Profit against Sukuk would be paid on semi-annual basis. In case of Variable Rate Sukuk the Benchmark Rate would be determined at the start of each Rental Period.
Rental Periods	Each 6-month period falling with in the Tenor, starting from the Issue Date and ending 1 day before the Maturity Date
Sukuk Redemption	Sukuk would be redeemed on the Maturity Date by paying the applicable Face Value. 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 through Asset Purchase Undertaking.
Commodity Murabaha Price Payment Obligation, Rental Payment Obligation & Asset Purchase Undertaking	Government of Pakistan.
Ijarah Asset Details & Valuation	Ijarah Asset means the asset share to be purchased by the Sukuk holders as defined in the Transaction Structure
Commingling of Assets	One day prior to the first Ijarah Rental payment date an asset commingling declaration would be executed whereby ijarah assets under initial issuance (dated April 16 th , 2026) and ijarah assets under reopening would be comingled in accordance with the Transaction Structure.
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 SBP. 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 the same as of the competitive bids.
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 17 th 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 17 th 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.