

SUMMARY OF THE OFFERING

The following overview should be read as an introduction to, and is qualified in its entirety by reference to, the more detailed information appearing elsewhere in this offering circular. This overview may not contain all of the information that prospective investors should consider before deciding to invest in the Certificates. Accordingly, any decision by a prospective investor to invest in the Certificates should be based on a consideration of this offering circular as a whole.

*Words and expressions defined in the “Terms and Conditions of the Certificates” shall have the same meanings in this overview. Reference to a “Condition” is to a numbered condition of the Terms and Conditions of the Certificates (the **Conditions**).*

Parties:

Issuer and Trustee:

The Third Pakistan International Sukuk Company Limited (Corporate Universal Identification No. 0102335) (in its capacity as issuer, the Issuer and in its capacity as trustee, the Trustee), a public limited company incorporated in Pakistan on 15 September 2016 under the Companies Ordinance, 1984 (Ordinance No. XLVII of 1984), having its registered office at Room No. 208, Q-Block, Finance Division, Pakistan Secretariat, Islamabad, Pakistan. The Issuer has been incorporated primarily for the purpose of participating in the transactions contemplated by the Transaction Documents (as defined below) to which it is a party.

Ownership of the Issuer:

The Issuer is wholly owned by the Government.

Seller:

Pakistan International Sukuk Company Limited (Corporate Universal Identification No. 0049004) (the Seller). The Seller is a public limited company incorporated in Pakistan on 3 December 2004 under the Companies Ordinance, 1984 (Ordinance No. XLVII of 1984), having its registered office at Room No. 208, Q-Block, Finance Division, Pakistan Secretariat, Islamabad, Pakistan. Pursuant to the Purchase Agreement, the Seller will sell to the Trustee, and the Trustee will purchase from the Seller, the Assets (as defined in “*Structure Diagram and Cashflows*”) in accordance with the terms of the Purchase Agreement.

Ownership of the Seller:

The Seller is wholly owned by the Government.

Lessor:

The Trustee (in its capacity as lessor, the **Lessor**). Pursuant to the Lease Agreement, the Lessor will lease to the Lessee, and the Lessee will lease from the Lessor, the Lease Assets in accordance with the terms of the Lease Agreement.

Lessee:

The President of the Islamic Republic of Pakistan for and on behalf of the Islamic Republic of Pakistan (in its capacity as lessee, the **Lessee**). Pursuant to the Lease Agreement, the Lessee will lease from the Lessor, and the Lessor will lease to the Lessee, the Lease Assets in accordance with the terms of the Lease Agreement.

Obligor:

The President of the Islamic Republic of Pakistan for and on behalf of the Islamic Republic of Pakistan (in its capacity as obligor, the **Obligor**). In accordance with the terms of the Purchase Undertaking, the Obligor will, on the Scheduled Dissolution Date or following the service of an exercise notice (the **Exercise Notice**) by or on behalf of the Trustee, purchase or procure the purchase of the Lease Assets from the Trustee at the Exercise Price.

Exercise Price means:

- (a) at any time, the aggregate face amount of the Certificates then outstanding; plus
- (b) an amount equal to all accrued but unpaid Periodic Distribution Amounts (if any) relating to the Certificates plus an amount equal to any Servicing Agency Expenses in respect of which a Supplementary Rental payment has not been made in accordance with the Lease Agreement.

Insurance Proceeds means the proceeds of any claim under the Insurances (as defined in the Servicing Agency Agreement).

Rental Payment Date means 13 April and 13 October in each year, commencing on 13 April 2017 and to and including 13 October 2021 or any earlier date on which the Lease Agreement is terminated in accordance with its terms.

Rental Period means the period from, and including, a Rental Payment Date (or with respect to the first Rental Period from and including the Lease Commencement Date (as defined in the Lease Agreement)) to, but excluding, the next succeeding Rental Payment Date.

Servicing Agency Expenses means, in respect of a Rental Period, all payments made by the Servicing Agent in respect of the services provided under the Servicing Agency Agreement in relation to the Lease Assets (other than in respect of the application of any Insurance Proceeds received by the Servicing Agent towards the repair, reinstatement and/or replacement of any Lease Assets, or part thereof).

Supplementary Rental means in respect of a Rental Period, an amount equal to the Servicing Agency Expenses (if any) incurred by the Lessor in relation to the Lease Assets (as defined in the Lease Agreement) in the immediately preceding Rental Period or as notified to the Lessee by the delivery of a Rental Notice in accordance with the Lease Agreement.

Servicing Agent:

The President of the Islamic Republic of Pakistan for and on behalf of the Islamic Republic of Pakistan (in its capacity as servicing agent, the **Servicing Agent**). Under the Lease Agreement, the Lessor shall be

responsible for obtaining insurance for the Lease Assets, paying all Proprietorship Taxes and Levies (each as defined in the Servicing Agency Agreement) (if any) in respect of the Lease Assets and performing all major maintenance and structural repair on the Lease Assets. In accordance with the terms of the Servicing Agency Agreement, the Lessor will delegate the responsibility to perform, or procure the performance of, all major maintenance and structural repair and the payment of Proprietorship Taxes and Levies (if any) and the responsibility for ensuring that the Lease Assets are insured against a Total Loss Event, to the Servicing Agent.

Joint Lead Managers:

Citigroup Global Markets Limited
Deutsche Bank AG, London Branch
Dubai Islamic Bank PJSC
Noor Bank PJSC
Standard Chartered Bank

Delegate:

The Law Debenture Trust Corporation p.l.c. (the **Delegate**). In accordance with the terms of the Declaration of Trust, the Trustee will unconditionally and irrevocably delegate to the Delegate the present and future powers, authorities and discretions vested in the Trustee by certain provisions of the Declaration of Trust.

Principal Paying Agent:

Citibank N.A., London Branch

Transfer Agent:

Citibank, N.A., London Branch

Registrar:

Citigroup Global Markets Deutschland AG

Summary of the Structure and Transaction Documents:

Summary of the Structure:

An overview of the structure of the transaction and the principal cash flows is set out in the section entitled "*Structure Diagram and Cash Flows*".

Summary of the Transaction Documents:

A description of the principal terms of the significant Transaction Documents is set out in the section entitled "*Summary of the Principal Transaction Documents*".

Summary of the Certificates:

Certificates:

U.S.\$1,000,000,000 trust certificates due 2021.

Status of Certificates:

Each Certificate will evidence an undivided ownership interest in the Trust Assets (as defined below), subject to the terms of the Declaration of Trust and the Conditions, and will be a limited recourse obligation of the Issuer. Each Certificate will rank *pari passu*, without any preference or priority, with the other Certificates issued in accordance with the Conditions.

Status of the Government's

The payment obligations of the Government under the Transaction Documents are direct, unconditional and

Obligations:	(subject to the provisions of Condition 4) unsecured obligations of the Government and (subject as provided above) rank and will rank <i>pari passu</i> , without any preference among themselves, with all other present and future unsecured and unsubordinated External Indebtedness (as defined in Condition 13) of the Government. The due and punctual performance of the obligations of the Government with respect thereto is backed by the full faith and credit of the Government.
Trust Assets:	<p>Pursuant to the Declaration of Trust, the Trustee will declare that it will hold certain assets (the Trust Assets), consisting of:</p> <ul style="list-style-type: none"> (a) all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the Lease Assets; (b) all of the Trustee's rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (other than in relation to any representations given to the Trustee by the Government and/or the Seller pursuant to any of the Transaction Documents); (c) all monies standing to the credit of the Transaction Account from time to time; and (d) all proceeds of the foregoing, <p>on trust absolutely for the Certificateholders as owners and beneficiaries <i>pro rata</i> according to the face amount of Certificates held by each holder of Certificates, in accordance with the Declaration of Trust and the Conditions.</p>
Issue Date:	13 October 2016.
Issue Price:	100 per cent. of the aggregate face amount of the Certificates.
Periodic Distribution Dates:	Each of 13 April and 13 October in each year commencing on 13 April 2017 and, subject to Condition 7 (<i>Periodic Distributions</i>), ending on the Scheduled Dissolution Date.
Periodic Distribution Amounts:	On each Periodic Distribution Date, the Certificateholders will receive a Periodic Distribution Amount determined in accordance with Condition 7 (<i>Periodic Distributions</i>) representing a defined share of the Rental (as defined in the Lease Agreement) paid by the Lessee to the Lessor pursuant to the Lease Agreement in respect of the Lease Assets.
Scheduled Dissolution Date:	13 October 2021.
Scheduled Dissolution of the	Upon receipt by the Trustee of the Exercise Price payable in accordance with the terms of the Purchase

Trust: Undertaking, and unless the Certificates are previously redeemed or purchased and cancelled, the Trustee will apply the Exercise Price to redeem each Certificate at the Dissolution Distribution Amount and the Trust will be dissolved by the Trustee on the Scheduled Dissolution Date.

Dissolution Distribution Amount: In relation to each Certificate, means the aggregate of:

- (a) the outstanding face amount of such Certificate; and
- (b) all accrued and unpaid Periodic Distribution Amounts in respect of such Certificate.

Early Dissolution of the Trust: The Trust may only be dissolved prior to the Scheduled Dissolution Date upon the occurrence of:

- (a) a Dissolution Event which is continuing; or
- (b) a Total Loss Event.

In the case of paragraph (a), the Certificates will be redeemed in accordance with Condition 9.2 (*Capital Distributions of the Trust — Dissolution Following a Dissolution Event*) and pursuant to the exercise of the Trustee's rights under the Purchase Undertaking. The Exercise Price payable under the Purchase Undertaking will be used to fund the redemption of the Certificates.

In the case of paragraph (b) the Certificates will be redeemed in accordance with Condition 9.3 (*Capital Distributions of the Trust — Dissolution following a Total Loss Event*).

Dissolution Events: The Dissolution Events are described in Condition 13 (*Dissolution Events*). Following the occurrence of a Dissolution Event which is continuing, the Certificates may be redeemed in full at an amount equal to the Dissolution Distribution Amount in the manner described in Condition 13 (*Dissolution Events*).

Total Loss Event: Save where the Lease Assets are replaced as provided in the Servicing Agency Agreement by the 30th day after the occurrence of a Total Loss Event, the occurrence of a Total Loss Event will result in the redemption of the Certificates and the consequent dissolution of the Trust in accordance with Condition 9.3 (*Capital Distributions of the Trust — Dissolution following a Total Loss Event*) on the 31st day after the occurrence of the Total Loss Event following notification thereof by the Delegate in accordance with Condition 16 (*Notices*). The Servicing Agent is responsible for ensuring that the Lease Assets are, so long as the Certificates are outstanding, insured against a Total Loss Event. If a Total Loss Event occurs, the Servicing Agent undertakes to ensure that all Insurance Proceeds in respect thereof (if any) are in an amount equal to the Insurance Coverage Amount

and are paid in U.S. dollars into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event.

If a Total Loss Event occurs and the Lease Assets are not replaced as discussed above, and an amount (if any) less than the Insurance Coverage Amount is credited to the Transaction Account (the difference between the Insurance Coverage Amount and the amount credited to the Transaction Account being the **Total Loss Shortfall Amount**), then the Servicing Agent, unless it proves beyond reasonable doubt that (i) it has not breached, or for any reason failed to comply with, the relevant insurance related provisions of the Servicing Agency Agreement and (ii) that such shortfall is not in any way attributable to its negligence, will irrevocably and unconditionally undertake to pay (in same day, freely transferable, cleared funds) the Total Loss Shortfall Amount directly into the Transaction Account by no later than close of business on the 31st day after the Total Loss Event has occurred, such that the amount standing to the credit of the Transaction Account on the 31st day following the occurrence of a Total Loss Event represents the aggregate of the insurance proceeds payable in respect of such Total Loss Event and the Total Loss Shortfall Amount funded by the Servicing Agent in accordance with the terms of the Servicing Agency Agreement.

Rentals shall cease to accrue under the Lease with effect from the date on which a Total Loss Event (if any) occurs, and no additional rental payment shall be made thereafter. Accordingly no additional rental shall be payable in respect of the period between the date on which the Total Loss Event occurs and the date on which the Total Loss Shortfall Amount (if any) is paid into the Transaction Account.

See Condition 5.1 (*— Summary of the Trust*).

Insurance Coverage Amount means an amount equal to the aggregate of:

- (a) the face amount of all Certificates for the time being outstanding;
- (b) all accrued and unpaid Periodic Distribution Amounts relating to such Certificates;
- (c) an amount equal to the Periodic Distribution Amounts relating to such Certificates which will accrue during the period beginning on the date on which the Total Loss Event occurs and ending on the 31st day following the date on which a Total Loss Event occurs; and
- (d) without duplication and double counting, an amount equal to any Servicing Agency Expenses outstanding under the terms of the Servicing Agency Agreement in relation to the

Lease Assets.

Total Loss Event means the total loss or destruction of, or damage to the whole of the Lease Assets or any event or occurrence that renders the whole of the Lease Assets permanently unfit for any economic use and (but only after taking into consideration any insurances or other indemnity granted in each case by any third party in respect of the Lease Assets) the repair or remedial work in respect thereof is wholly uneconomical.

Negative Pledge and Cross Default:

So long as any of the Certificate remains outstanding, the Government has undertaken that it will not secure any of its present or future Public External Indebtedness (as defined in Condition 4) without, at the same time or prior thereto, securing the Certificates equally and rateably therewith, except in certain limited circumstances as set out in Condition 4.

Condition 13 provides that Certificateholders who hold not less than 25 per cent. in aggregate face amount of the Certificates then outstanding may, in writing, request the Delegate to declare the Certificates to be immediately due and payable at their face amount if, *inter alia*, the Government is in default in relation to any External Indebtedness or guarantee thereof in excess of U.S.\$25,000,000, the Government declares a moratorium in respect of its External Indebtedness or the Government ceases to be a member of the IMF or ceases to be eligible to use the general resources of the IMF; all as more particularly described in Condition 13.

Asset Substitution:

Pursuant to the Substitution and Transfer Undertaking entered into by the Trustee in favour of the Government, the Government has the right to oblige the Trustee to transfer the Lease Assets specified in a Substitution Notice (as defined in the Substitution and Transfer Undertaking), the identity of which shall be determined by the Government in its sole and absolute discretion (the **Substituted Lease Assets**) against the transfer to the Trustee of the ownership in and to certain new assets (the **New Lease Assets**). The Government will be obliged to certify that the value of the New Lease Assets is not less than the value of Substituted Lease Assets on the relevant Substitution Date (as defined in the Substitution and Transfer Undertaking).

In order to effect the substitution, the Trustee and the Government will enter into a Transfer Agreement (as defined in the Substitution and Transfer Undertaking) to effect the transfer of the Substituted Lease Assets and the New Lease Assets.

Purchase of Certificates held by the Issuer or the Government:

The Issuer or the Government may at any time purchase Certificates in the open market or otherwise.

Transaction Account:

The U.S. dollar account (the **Transaction Account**) maintained in the name of the Trustee with the

Principal Paying Agent.

Limited Recourse and Non-Petition:

Each Certificate will evidence an undivided ownership interest in the Trust Assets. No amount whatsoever shall be due and payable in respect of the Certificates except to the extent that funds for that purpose are available from the Trust Assets.

The Delegate and the Certificateholders shall only be entitled to deal with the Lease Assets as expressly permitted by the Transaction Documents and the sole right of the Delegate and the Certificateholders against the Trustee or the Government shall be to enforce their respective obligations under the Transaction Documents.

Certificateholders will not be able to institute against, or join with any other person in instituting against, The Third Pakistan International Sukuk Company Limited any bankruptcy, reorganisation, arrangement or liquidation proceedings or other proceedings under any bankruptcy or similar law.

Role of Delegate:

Pursuant to the Declaration of Trust, the Trustee will delegate to the Delegate all of the present and future powers, authorities and discretions vested in the Trustee by certain provisions of the Declaration of Trust. In particular, the Delegate shall be entitled to:

- (a) deliver an Exercise Notice to the Government in accordance with the Purchase Undertaking; and
- (b) following a Dissolution Event, take any enforcement action against the Government in the Trustee's name.

Face Amounts of Certificates:

The Certificates will be issued in minimum face amounts of U.S.\$200,000 and in integral multiples of U.S.\$1,000 in excess thereof.

Form and Delivery of the Certificates:

The Certificates are (1) Regulation S Certificates and (2) Rule 144A Certificates.

Regulation S Certificates will be represented on issue by beneficial interests in one or more Regulation S Global Certificates, in fully registered form which will be deposited with the common depository for, and registered in the name of a nominee of Euroclear and Clearstream, Luxembourg. Beneficial interests in the Regulation S Global Certificates will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg. Rule 144A Certificates will be represented on issue by beneficial interests in one or more Rule 144A Global Certificates in fully registered form which will be deposited with the custodian for, and registered in the name of Cede & Co. as nominee for DTC. Beneficial interests in the Rule 144A Global Certificates will be shown on, and transfers thereof will only be effected through, records maintained by DTC and its direct or indirect participants. See "*Global Certificates*" and

“*Clearance and Settlement*”.

Definitive Certificates evidencing holdings of Certificates will be issued in exchange for interests in the Regulation S Global Certificates or the Rule 144A Global Certificates, as applicable (together, the **Global Certificates**) only in certain limited circumstances.

Clearance and Settlement:

Certificateholders must hold their interest in the relevant Global Certificates in book-entry form through DTC or Euroclear and/or Clearstream, Luxembourg. Beneficial interests in the Rule 144A Global Certificates will be shown on, and transfers thereof will only be effected through, records maintained by DTC and its direct or indirect participants, including Euroclear and Clearstream, Luxembourg. Beneficial interests in the Regulation S Global Certificates will be shown on and transfer thereof will be effected only through records maintained by Euroclear and Clearstream, Luxembourg. Transfers of interests in the Global Certificates between Euroclear, Clearstream, Luxembourg and DTC will be in accordance with the usual rules and operating procedures of the relevant clearing system. See “*Clearance and Settlement*”.

Withholding Tax:

All payments by the Government under the Transaction Documents to which it is a party are to be made without withholding or deduction for, or on account of, any Taxes imposed in Pakistan (or any political sub-division or authority thereof or therein having power to tax). In the event that any such deduction is made, the Government will be required to pay to the Trustee additional amounts so that the Trustee will receive the full amount which otherwise would have been due and payable under the Transaction Documents.

All payments by the Issuer in respect of the Certificates shall be made without withholding or deduction for, or on account of, Taxes unless the withholding or deduction of the Taxes is required by law. The Government has agreed in the Transaction Documents that, if the Issuer is required to make any payment under the Certificates after deduction or withholding for: (a) Taxes; or (b) as otherwise required by applicable law, the Government will, subject to the exceptions set out in Condition 10 (*Taxation*), pay to the Issuer additional amounts so that the net amount received by the Certificateholders will equal the full amount which would have been receivable by the Certificateholders had no such deduction or withholding been made.

Use of Proceeds:

The net proceeds of the issue of the Certificates will be paid by the Issuer (in its capacity as Purchaser) on the Issue Date to or to the order of the Seller as the purchase price for the Assets pursuant to the Purchase Agreement to be used for the Government’s general budgetary purposes.

Listing and Trading:	Application has been made to admit the Certificates to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Luxembourg Stock Exchange's Euro MTF market (the Euro MTF Market). The Euro MTF Market is not a regulated market pursuant to the provisions of Directive 2004/39/EC. This offering circular constitutes a prospectus for the purposes of the Luxembourg law dated 10 July 2005 on prospectuses for securities, as amended.
Certificateholder Meetings:	Provisions for convening meetings of Certificateholders to consider matters relating to their interests as such are set out in Condition 17 (<i>Meetings of Certificateholders, Modification, Waiver, Authorisation and Determination</i>) and 18 (<i>Aggregation Agent; Aggregation Procedures</i>).
Tax Considerations:	See the section entitled " <i>Taxation</i> " for a description of certain tax considerations applicable to the Certificates.
Governing Law:	<p>The Purchase Agreement and the Lease Agreement will be governed by, and construed in accordance with the laws of Pakistan.</p> <p>The Purchase Undertaking, the Declaration of Trust, the Agency Agreement, the Servicing Agency Agreement, the Substitution and Transfer Undertaking and the Certificates (including any non-contractual obligations arising out of or in connection with the same), will be governed by, and construed in accordance with, English law.</p>
Transaction Documents:	The Declaration of Trust, the Agency Agreement, the Purchase Agreement, the Lease Agreement, the Servicing Agency Agreement, the Purchase Undertaking, the Substitution and Transfer Undertaking and any other agreements, deeds, undertakings or documents designated as such by the parties to the Transaction Documents and which can be entered into by the parties from time to time (together, the Transaction Documents).
Rating:	<p>On issuance, the Certificates are expected to be assigned a rating of 'B3' by Moody's Singapore Pte Ltd (Moody's) and a rating of 'B' by Fitch (Hong Kong) Limited (Fitch).</p> <p><i>A rating is not a recommendation to buy, sell or hold the Certificates (or beneficial interests therein). Ratings do not address the likelihood or timing of payment and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.</i></p>
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Certificates in the United States, the United Kingdom, Pakistan, Hong Kong, Singapore, the United Arab Emirates (excluding the Dubai International Financial Centre), Dubai International Financial Centre, the Kingdom of Saudi Arabia and Malaysia.