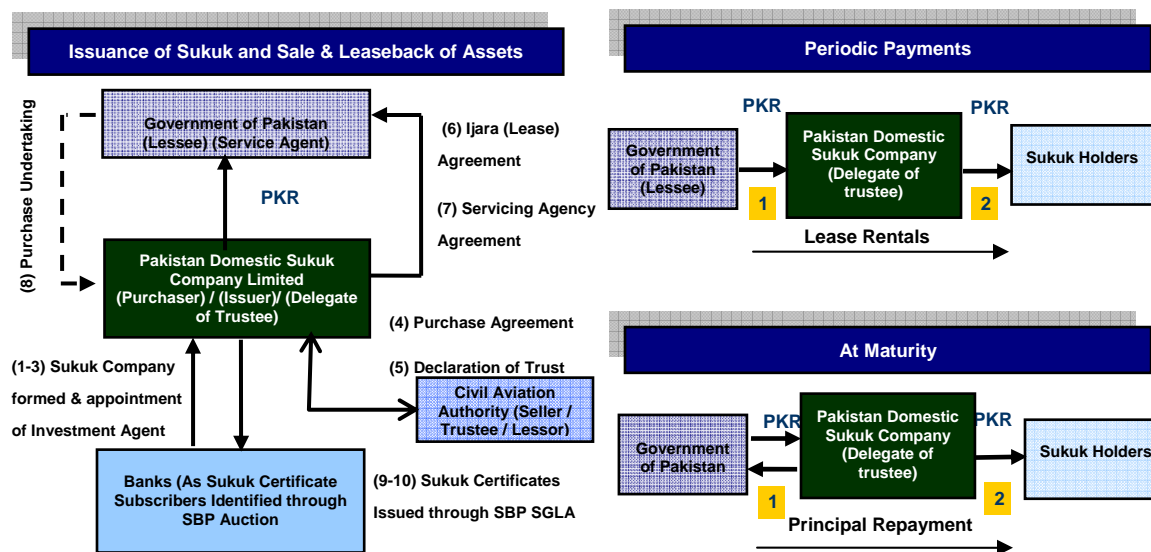


## ANNEXURE – “C” Structure and Documentation Brief

### I. Facility Structure Synopsis – Diagrammatic Illustration



### II. Facility Structure Synopsis – Explanations:

A Special Purpose Company, wholly owned by the Ministry of Finance, Government of Pakistan, has been formed to act for and on behalf of Sukukholders, namely, Pakistan Domestic Sukuk Company Limited (the “SPC”).

State Bank of Pakistan (“SBP”) will conduct an auction by which Sukuk Investors will be identified. Pursuant to the **Certificate Subscription Undertaking**, Sukuk Investors will appoint the SPC as Investment Agent.

The SPC will enter into a **Purchase Agreement** with Civil Aviation Authority (“CAA”) or Government of Pakistan (“GOP”) for purchase of certain pre-identified tangible assets, such as Airport Land for the first Sukuk issue (“Sukuk Assets”) at an agreed price (“Purchase Price”) equivalent to the Sukuk issue (“Sukuk”) amount.

Pursuant to a **Declaration of Trust**, the CAA (as Trustee) will declare its responsibilities towards the Sukukholders.

The CAA (as Lessor) acting through PDSCL will enter into an **Ijara Agreement** with GOP (as Lessee) wherein CAA will lease the Sukuk Assets for a fixed period, being 3 years in case of the first Sukuk issue. Lease Rentals will be paid on a semi-annual basis, i.e. a total of 6 lease rental periods for the first Sukuk issue.

Lease Rental means an amount equal to the product of (i) the Rental Rate for such rental period, (ii) the Margin, (iii) the number of days in such rental period divided by 365, and (iv) the face value of the Sukuk issue, plus the Supplementary Rental for such Rental Period.

Supplementary Rental means expenses incurred by the Service Agent in respect of maintenance, repair and insurance of the Sukuk Assets equal to the amount payable by

the SPC under the Service Agency Agreement (as notified to the CAA through a Delegation by the Service Agent) in respect of the most recently expired lease period

Major Maintenance, Repair and Insurance responsibilities will be undertaken by the CAA (as beneficial owner of Sukuk Assets) but may be delegated to GOP as Service Agent under a **Service Agency Agreement** in consideration for a nominal fee.

At maturity or upon an Event of Default, GOP undertakes to purchase (pursuant to a **Purchase Undertaking**) the Sukuk Assets at the Exercise Price. The Purchase Undertaking (Wa'd) clearly states that the Exercise Price will be an amount equal to the initial cost of the Sukuk Assets plus any accrued amounts under the Ijara Agreement with respect to the Supplementary Rental..

Banks subscribe to their respective share of the Sukuk Issue through the Subsidiary General Ledger Account ("SGLA") mechanism

SPC (as Issuer) will issue Sukuk Certificates, the proceeds of which it will use to purchase of the Sukuk Assets. Each sukuk certificate will represent an undivided interest in the Sukuk Assets.

### III. Key Documentation:

Documents	Signatories	Purpose
<b>Purchase Agreement</b>	<ul style="list-style-type: none"> <li>▪ GOP via CAA as Seller</li> <li>▪ SPC as Purchaser</li> </ul>	GOP sells Asset Pool to SPC
<b>Ijara (Lease) Agreement</b>	<ul style="list-style-type: none"> <li>▪ CAA (Trustee) as Lessor (acting through SPC )</li> <li>▪ GOP as Lessee</li> </ul>	CAA leases Asset Pool to GOP
<b>Service Agency Agreement</b>	<ul style="list-style-type: none"> <li>▪ CAA (Trustee) as Lessor (acting through SPC)</li> <li>▪ GOP as Service Agent</li> </ul>	Service Agent to perform certain functions on behalf of Trustee
<b>Purchase Undertaking</b>	<ul style="list-style-type: none"> <li>▪ GOP</li> </ul>	GOP undertakes to purchase the assets either upon an event of default or maturity
<b>Declaration of Trust</b>	<ul style="list-style-type: none"> <li>▪ CAA as Trustee</li> <li>▪ SPC as Issuer &amp; Delegate</li> <li>▪ SBP BSC as Delegate</li> </ul>	CAA declares trust on the assets, on behalf of the Sukuk holders and appoints SPC SBP as the delegate
<b>Agency Agreement</b>	<ul style="list-style-type: none"> <li>▪ SPC as Issuer</li> <li>▪ SBP BSC</li> </ul>	SPC appoints SBP BSC as the Paying Agent, Registrar & Reference Agent
<b>Certificate Issuance Undertaking</b>	<ul style="list-style-type: none"> <li>▪ GOP, Trustee &amp; SPC</li> </ul>	SPC appointed as Agent to perform certain functions on behalf of Investors
<b>Certificate Subscription Undertaking</b>	<ul style="list-style-type: none"> <li>▪ Investors</li> </ul>	Investors agree to subscribe to the Sukuk certificates
<b>Costs Undertaking</b>	<ul style="list-style-type: none"> <li>▪ GOP</li> </ul>	GOP undertakes to pay fees & expenses, & provide indemnities associated with the Sukuk Issuance