

TRUST DEED

FOR

FOR AN ISSUE OF SEVEN MILLION FIVE HUNDRED THOUSAND (7,500,000) HIGH YIELD BONDS CONSTITUTED OF TYPE A TIER 2 LISTED RATED UNSECURED SUBORDINATED REDEEMABLE HIGH YIELD BONDS 2025-2030 AND TYPE B TIER 2 LISTED RATED UNSECURED SUBORDINATED REDEEMABLE HIGH YIELD BONDS 2025-2030 EACH OF THE PAR VALUE OF SRI LANKAN RUPEES ONE HUNDRED (LKR100/-) BY LANKA CREDIT AND BUSINESS FINANCE PLC WITH AN OPTION TO ISSUE UPTO A FURTHER SEVEN MILLION FIVE HUNDRED THOUSAND (7,500,000) OF THE SAID HIGH YIELD BONDS AT THE DISCRETION OF THE COMPANY IN THE EVENT OF AN OVERSUBSCRIPTION OF THE INITIAL TRANCHE TO RAISE UPTO A MAXIMUM AMOUNT OF SRI LANKAN RUPEES ONE THOUSAND FIVE HUNDRED MILLION (LKR 1,500,000,000/-)

DATED 14TH AUGUST 2025

Lanka Credit and Business Finance PLC

Director

Secretary

HATTON NATIONAL BANK PLC

Authorized Signatory

Authorized Signatory

TRUST DEED

FOR AN ISSUE OF SEVEN MILLION FIVE HUNDRED THOUSAND (7,500,000) HIGH YIELD BONDS CONSTITUTED OF TYPE A TIER 2 LISTED RATED UNSECURED SUBORDINATED REDEEMABLE HIGH YIELD BONDS 2025-2030 AND TYPE B TIER 2 LISTED RATED UNSECURED SUBORDINATED REDEEMABLE HIGH YIELD BONDS 2025-2030 EACH OF THE PAR VALUE OF SRI LANKAN RUPEES ONE HUNDRED (LKR100/-) BY LANKA CREDIT AND BUSINESS FINANCE PLC WITH AN OPTION TO ISSUE UPTO A FURTHER SEVEN MILLION FIVE HUNDRED THOUSAND (7,500,000) OF THE SAID HIGH YIELD BONDS AT THE DISCRETION OF THE COMPANY IN THE EVENT OF AN OVERSUBSCRIPTION OF THE INITIAL TRANCHE TO RAISE UPTO A MAXIMUM AMOUNT OF SRI LANKAN RUPEES ONE THOUSAND FIVE HUNDRED MILLION (LKR 1,500,000,000/-)

This Trust Deed is made on this Fourteenth (14th) day of August Two Thousand and Twenty Five (2025)

BETWEEN

LANKA CREDIT AND BUSINESS FINANCE PLC, a company duly incorporated in the Democratic Socialist Republic of Sri Lanka bearing registration No. PQ 00251997 and having its registered office at No. 76, S. De S. Jayasinghe Mawatha, Kohuwela (hereinafter called "**the Company**" and which term or expression herein used shall where the context so requires or admits mean and include the said **LANKA CREDIT AND BUSINESS FINANCE PLC**, its successors and assigns) of the **ONE PART**;

AND

HATTON NATIONAL BANK PLC a banking Company duly Incorporated in Sri Lanka under the Companies Ordinance No. 51 of 1938 and re-registered under Companies Act No. 07 of 2007 (bearing registration No. PQ 82) and having its Registered office at No. 479, T.B Jayah Mawatha, Colombo 10 in the Democratic Socialist Republic of Sri Lanka (hereinafter called "**the Trustee**" and which term or expression herein used shall where the context so requires or admits mean and include the said **HATTON NATIONAL BANK PLC** and its successors and assigns) of the **OTHER PART**;

Whereas

- The Company being duly empowered in that behalf by its Articles of Association has resolved by resolutions dated 22nd May 2025 of its Board of Directors to raise a sum not exceeding Sri Lankan Rupees Seven Hundred and Fifty Million (LKR 750,000,000/-) by the issue of Type A Tier 2 Listed Rated Unsecured Subordinated Redeemable High Yield Bonds 2025-2030 and Type B Tier 2 Listed Rated Unsecured Subordinated Redeemable High Yield Bonds 2025-2030 each of the par value of Sri Lankan Rupees One Hundred (LKR 100/-) having a tenure and bearing interest at the rate hereinafter mentioned and to be listed on the Colombo Stock Exchange;
- The said High Yield Bonds shall be constituted in the manner and upon the terms and conditions hereinafter contained;
- The Company has obtained an instrument rating of B+ from Lanka Rating Agency Limited (LRA);
- The Trustee being duly qualified to act as Trustee under the Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021 has agreed to accept the office of Trustee and act under the provisions of this Trust Deed as Trustee for the benefit of and in the interests of the High Yield Bond Holders on the terms hereinafter contained.

NOW THIS DEED WITNESSETH AND IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:

1. DEFINITIONS

- (a) In These Presents unless the subject or context otherwise requires the following expressions shall have the respective meanings given below:

1. "CENTRAL DEPOSITORY or CDS" means the Central Depository Systems (Private) Limited.
2. "CSE" means the Colombo Stock Exchange.
3. "CERTIFICATE" means any certificate required to be issued under These Presents and they may be signed on behalf of the Company by (a) any two (02) Directors or (b) a Director and the Company Secretary or (c) any two (02) other Officers specifically authorized by the Board of the Company to issue such a certificate.
4. "DATE OF ALLOTMENT" means the date on which the High Yield Bonds will be allotted to the High Yield Bond Holders which date will be notified to the High Yield Bond Holders.
5. "DATE OF REDEMPTION" means Five (05) years from the Date of Allotment or such earlier date on which the High Yield Bonds may become redeemable in accordance with These Presents or such other date on which the High Yield Bonds may be redeemable in the circumstances set out in Clause 4.2 and Clause 4.3.
6. "ENTITLEMENT DATE" means the Market Day immediately preceding the respective Interest Payment Date or Date of Redemption on which a High Yield Bond Holder would need to be recorded as being a High Yield Bond Holder on the list of High Yield Bond Holders provided by the CDS to the Company in order to qualify for the payment of any interest or any redemption proceeds.
7. "EVENT OF DEFAULT" means any event set out in Clause 10.
8. "EXTRAORDINARY RESOLUTION" means a resolution passed by the holders of not less than three fourth (¾) in value of the High Yield Bond Holders present and voting on such resolution.
9. "HIGH YIELD BONDS" shall mean
 - i) Type A: Tier 2 Listed Rated Unsecured Subordinated Redeemable High Yield Bonds 2025-2030 of the par value of Sri Lanka Rupees One Hundred (LKR100/-) each, bearing interest at a fixed rate of Twelve Decimal Six Nought Per Centum (12.60%) per annum (AER 13.00%) payable semi-annually on each Interest Payment Date from the Date of Allotment of the High Yield Bonds until the date immediately preceding the Date of Redemption;
 - ii) Type B: Tier 2 Listed Rated Unsecured Subordinated Redeemable High Yield Bonds 2025-2030 of the par value of Sri Lanka Rupees One Hundred (LKR100/-) each, bearing interest at a fixed rate of Twelve Decimal Four One

Lanka Credit and Business Finance PLC

2

HATTON NATIONAL BANK PLC

Director

Secretary

Authorized Signatory

Authorized Signatory

per centum (12.41%) per annum (AER 13.00%) payable quarterly on each Interest Payment Date from the Date of Allotment of the High Yield Bonds until the date immediately preceding the Date of Redemption.

10. **"HIGH YIELD BOND HOLDERS"** mean the Holders of the High Yield Bonds in whose CDS account the High Yield Bonds are lodged as at the relevant date.

11. **"INTEREST PAYMENT DATE"** in respect of

i) Type A: means the dates on which the payments of interest in respect of the Type A High Yield Bonds shall fall due which shall be the six (06) months from the Date of Allotment and every six (06) months thereafter of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.

ii) Type B: means the dates on which payments of interest in respect of Type B High Yield Bonds shall fall due, which shall be the date three (03) months from the Date of Allotment and every date three (03) months thereafter of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption;

12. **"INTEREST PERIOD"** in respect of

i) Type A: means the six (06) months period from the Interest Payment Date and ending on the date immediately preceding the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the date immediately preceding the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).

ii) Type B: means the three (3) months period from the Interest Payment Date and ending on the date immediately preceding the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the date immediately preceding the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).

13. **"LISTED"** means tradable on the Colombo Stock Exchange.

14. **"LISTING RULES"** means Listing Rules of the Colombo Stock Exchange and any amendments made thereto from time to time.

15. **"MARKET DAY"** means a day on which trading takes place at the Colombo Stock Exchange.

16. "PROSPECTUS" means a prospectus prepared in accordance with the Companies Act No. 7 of 2007 (as amended) and the Rules of the Colombo Stock Exchange and delivered to the Registrar of Companies in terms thereof and Securities and Exchange Commission of Sri Lanka in terms of the Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021.

17. "QUALIFIED INVESTORS" shall mean:

- a) A commercial bank licensed by the Central Bank of Sri Lanka in terms of the Banking Act No. 30 of 1988 (as amended).
- b) A specialized bank licensed by the Central Bank of Sri Lanka in terms of the Banking Act No. 30 of 1988 (as amended).
- c) A mutual fund, pension fund, Employee Provident Fund or any other similar pooled fund.
- d) A venture capital fund/company and private equity company.
- e) A finance company licensed by the Central Bank of Sri Lanka in terms of the Finance Business Act, No 42 of 2011 (as amended).
- f) A company licensed by the Central Bank of Sri Lanka to carry on finance leasing business under the Finance Leasing Act No. 56 of 2000 (as amended).
- g) A company licensed by the Insurance Board of Sri Lanka to carry on insurance business in terms of the Regulation of the Insurance Industry Act No. 43 of 2000 (as amended).
- h) A corporate (listed or unlisted) which does not fall under the above categories and is incorporated under the Companies Act No. 7 of 2007.
- i) An investment trust or investment company.
- j) A non-resident institutional investor.
- k) An individual with an initial investment of LKR 5,000,000/-.

18. "RATE OF INTEREST" means with respect to:

Type A: A fixed rate of Twelve Decimal Six Nought Per Centum (12.60%) per annum (AER 13.00%);

Type B: A fixed rate of Twelve Decimal Four One per centum (12.41%) per annum (AER 13.00%);

19. "RESOLUTION" means a Resolution passed by the High Yield Bond Holders in terms of Clause 20 unless otherwise provided for.

20. "REGISTERED ADDRESS" when used in relation to a High Yield Bond Holder means the address provided by the High Yield Bond Holder to the CDS.

21. "REGISTRARS" means the Registrars to the High Yield Bond Issue or such other person or persons to be appointed as the Registrars for the purpose of These Presents by the Company.

Lanka Credit and Business Finance PLC

E. D. An
Director

Abel
Secretary

HATTON NATIONAL BANK PLC

DT
Authorized signatory

van der
Authorized signatory

22. "SEC" means the Securities and Exchange Commission of Sri Lanka established under the Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021.
23. "SRI LANKAN RUPEES" and the sign "LKR" mean the lawful currency of the Republic of Sri Lanka.
24. "SUBORDINATED" means the claims of the High Yield Bond Holders shall in the event of winding up of the Company rank after all the claims of secured and other unsecured creditors of the Company and any preferential claims under any Statutes governing the Company but *pari passu* to the claims of subordinated creditors of the Company and shall rank in priority to and over the claims and rights of the ordinary and preference shareholder's of the Company.
25. "THESE PRESENTS" means this Trust Deed as from time to time modified in accordance with the provisions herein contained and/or according to law and shall include any Supplementary Trust Deed executed in accordance with the provisions hereof.
26. "TRUST DEED" means These Presents as from time to time modified in accordance with the provisions herein contained and/or according to law and shall include any Supplementary Trust Deed executed in accordance with the provisions hereof.
27. "TRUSTEE" means HATTON NATIONAL BANK PLC a banking Company duly incorporated in Sri Lanka under the Companies Ordinance No. 51 of 1938 and re-registered under Companies Act No. 07 of 2007 (bearing registration No. PQ 82) and having its Registered office at No. 479, T.B Jayah Mawatha, Colombo 10 in the Democratic Socialist Republic of Sri Lanka or its successors and assigns.
28. "WORKING DAY" means any day (other than a Saturday or Sunday or any statutory holiday) on which licensed commercial banks are open for business in Sri Lanka.
- (b) Words denoting or importing the singular number shall include the plural number and vice versa and words denoting or importing the masculine gender only shall include the feminine gender and shall include corporate and unincorporated bodies of persons.
- (c) In These Presents references to:
- (i) any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made there under or under such modifications or re-enactment.
 - (ii) principal and/or interest in respect of the High Yield Bonds or to any monies payable by the Company under These Presents or under the High Yield Bonds shall be deemed also to include references to any additional amounts which may be payable under These Presents.
 - (iii) costs, charges or expenses shall include (but not be limited to) Value Added Tax, Turnover Tax or similar tax charged or chargeable in respect thereof.
 - (iv) a month shall be a reference to the time from any day of one calendar month to the corresponding day of the next calendar month.

(d) References in this Trust Deed to clauses, sub-clauses, paragraphs and sub-paragraphs shall be construed as references to the clauses, sub clauses, paragraphs and sub-paragraphs of this Trust Deed respectively.

(e) The headings are inserted herein only for conveniences and shall not affect the construction of These Presents.

2. APPOINTMENT OF THE TRUSTEE

The Trustee is hereby appointed as Trustee for the purposes of the High Yield Bonds and for the benefit of and in the interests of the High Yield Bond Holders as provided herein and the Trustee accordingly accepts the appointment upon the terms and conditions contained herein and agree to act under the provisions of this Trust Deed as the Trustee.

3. AMOUNT OF THE HIGH YIELD BOND ISSUE AND ALLOTMENT OF HIGH YIELD BONDS

High Yield Bonds will be issued by the Company to Qualified Investors to raise a sum of up to Sri Lankan Rupees Seven Hundred and Fifty Million (LKR 750,000,000/-) with an option to raise a further Sri Lankan Rupees Seven Hundred and Fifty Million (LKR 750,000,000/-) in the event of an oversubscription of the initial tranche to raise an aggregate sum of up to Sri Lankan Rupees One Thousand Five Hundred Million (LKR 1,500,000,000/-) and the High Yield Bonds shall be listed on the Colombo Stock Exchange subject to in-principle approvals of the CSE being obtained.

4. COVENANTS TO REPAY THE PRINCIPAL SUM AND INTEREST

4.1 (a) The Company hereby covenants with the Trustee for the benefit of the High Yield Bond Holders that it will:

- (i) pay on the Date of Redemption to the High Yield Bond Holders as of the Entitlement Date, in accordance with the provisions of These Presents and upon receipt of the information relating to the High Yield Bond Holders from the CDS, either through an electronic fund transfer mechanism recognised by the banking system of Sri Lanka such as SLIPS (Sri Lanka Interbank Payments System) and RTGS (Real Time Gross Settlement System) in the event accurate bank account details of the High Yield Bond Holders are provided to the CDS to effect such transfers; or by cheque/s marked "Account Payee Only" sent by ordinary mail to the addresses provided by the High Yield Bond Holders to the CDS, at the risk of the High Yield Bond Holders, if bank account details are not provided to the CDS or the bank account details provided to the CDS are inaccurate the principal sum of the High Yield Bonds which ought to be redeemed and interest (if any) remaining unpaid up to the date immediately preceding the Date of Redemption of the High Yield Bonds. RTGS transfers however could be effected only for amounts over and above the maximum value that can be accommodated via SLIPS transfers.

- (ii) pay on each applicable Interest Payment Date to the High Yield Bond Holders as of the Entitlement Date, in accordance with the provisions of These Presents and upon receipt of the information relating to the High Yield Bond Holders from the CDS, either through an electronic fund transfer mechanism recognised by the banking system of Sri Lanka such

as SLIPS and RTGS, in the event accurate bank account details of the High Yield Bond Holders are provided to the CDS to effect such transfers; or by cheque/s marked "Account Payee Only" sent by ordinary mail to the addresses provided by the High Yield Bond Holders to the CDS, at the risk of the High Yield Bond Holders, if bank account details are not provided to the CDS or the bank account details provided to the CDS are inaccurate the interest on the High Yield Bonds for the time being outstanding at the Rate of Interest in accordance with the provisions of These Presents, RTGS transfers however could be effected only for amounts over and above the maximum value that can be accommodated via SLIPS transfers.

- (iii) the interest calculation shall be based upon the actual number of days in each Interest Period (actual/actual).
- (iv) the payment of the principal sum and interest shall be made in Sri Lankan Rupees after deducting any withholding tax and/or such other taxes and charges thereon, if applicable in terms of the law prevailing at the time of payment.
- (v) any payments shall be deemed to have been made on the Date of Redemption or the Interest Payment Date as the case may be if the cheques are dispatched not later than three (03) Working Days from such date or the SLIPS transfer or the RTGS transfer is made not later than three (03) Working Days from such date.
- (vi) in the event of there being any delay in the redemption of the High Yield Bonds or the payment of interest thereon due to a default by the Company, the Company shall pay default interest at the Rate of Interest plus Two per centum (2%) per annum from the Date of Redemption or the Interest Payment Date as the case may be.
- (b) The High Yield Bonds shall be redeemed in accordance with the provisions contained in These Presents on the Date of Redemption together with interest (if any) remaining unpaid thereon.
- (c) If any High Yield Bond Holder fails or refuses to receive payment of the interest or redemption monies payable to such High Yield Bond Holder, or any part thereof within ninety (90) days from the Interest Payment Date or the Date of Redemption of the High Yield Bonds as the case may be, the amount due to him shall be transferred by the Company to a suspense account maintained separately with the Trustee at the end of ninety (90) days after the Interest Payment Date or the Date of Redemption of the High Yield Bonds and shall be paid by the Company to the High Yield Bonds Holder when a claim is duly made and no interest will be payable by the Company on such interest or redemption monies for the period between the Interest Payment Date or the Date of Redemption as the case may be and the date of the said payment unless the nonpayment is due to a default on the part of the Company.

No person shall be entitled to claim any such payment after the completion of six (06) years from the Interest Payment Date or the Date of Redemption and all unclaimed monies shall cease to be owed and payable by the Company to any High Yield Bond Holder after the said period of six (06) years and such moneys will be returned to the Company by the Trustee.



- (d) If any cheques for redemption and/or an interest payment sent by post to the High Yield Bond Holders are returned to the Company undelivered, the amounts represented by each of such returned cheques shall also be transferred by the Company to the aforementioned suspense account maintained with the Trustee and retained therein for a period of six (06) years from the Interest Payment Date or the Date of Redemption of the High Yield Bonds. Such monies will be repaid to the High Yield Bond Holders if the same is claimed in writing by such High Yield Bond Holder within the said six (06) year period and no interest will be payable by the Company on such interest or redemption monies for the period between the Interest Payment Date or the Date of Redemption as the case may be and the date of the said payment.

No person shall be entitled to claim any such redemption and/or interest payment after the completion of six (06) years from the Interest Payment Date or the Date of Redemption and all unclaimed monies shall cease to be owed and payable by the Company to any High Yield Bond Holder after the said period of six (06) years and such monies will be returned to the Company by the Trustee.

- (e) The Company shall always act on the information furnished by the CDS and it shall be the responsibility of each such High Yield Bond Holder to keep all the information in respect of such High Yield Bond Holder updated. Each High Yield Bond Holder shall absolve the Company from any responsibility or liability in respect of any error or absence of necessary changes in the information recorded with the CDS. Provided further that the High Yield Bond Holder shall absolve the CSE and the CDS from any responsibility or liability in respect of any error or absence of necessary changes in the information recorded with the CDS where such errors or absence of changes are initiated or are attributable to the High Yield Bond Holders.

- (f) The Company shall be entitled to make payment on redemption of all such High Yield Bonds on the Date of Redemption to such High Yield Bond Holders without any request for claim from such High Yield Bond Holders and such payment shall be deemed to be a payment duly made by the Company to the respective High Yield Bond Holders in the redemption of the High Yield Bonds of such Holders.

- (g) In order to accommodate the High Yield Bond interest cycles in the CDS system of the CSE, the High Yield Bond Holders to whom interest shall be paid shall be those holding High Yield Bonds in the CDS as of the Entitlement Date.

- 4.2 If the Date of Redemption falls on a day which is not a Market Day, then the Date of Redemption shall be the immediately succeeding Market Day and for the avoidance of doubt it is agreed that interest shall be paid for the intervening days which are not Market Days.

- 4.3 The High Yield Bonds shall not be redeemed by the Company prior to maturity for any reason whatsoever except

- i) due to the occurrence of an Event of Default as contemplated in Clause 10 hereunder, or
ii) with the prior written approval from the Central Bank of Sri Lanka and the approval of the High Yield Bond holders of two third (2/3) of the par value of the High Yield Bonds outstanding.

- 4.4 The High Yield Bond Holders shall not have any right or option to call for redemption of the High Yield Bonds before the Date of Redemption.

5. STAMP DUTY AND OTHER CHARGES (IF ANY)

The Company shall pay all charges, stamp duties and other similar duties or taxes (if any) payable on or in connection with (i) the issue of the High Yield Bonds and (ii) the execution of These Presents.

6. ELIGIBILITY TO APPLY FOR HIGH YIELD BONDS

Applications for High Yield Bonds are limited to Qualified Investors and should be for a minimum of One Hundred (100) High Yield Bonds and any application for excess of this figure should be in multiples of One Hundred (100) High Yield Bonds. In the case of an individual in order to be a Qualified Investor the minimum subscription would need to be for Fifty Thousand (50,000) High Yield Bonds.

7. TRANSFER OF HIGH YIELD BONDS

- (a) These High Yield Bonds shall be freely transferable among Qualified Investors and the registration of such transfer shall not be subject to any restriction, save and except to the extent required for compliance with statutory requirements.
- (b) The High Yield Bonds shall be transferable and transmittable through the CDS as long as the High Yield Bonds are listed in the CSE. Subject to the provisions contained herein the Company may register without assuming any liability any transfer of High Yield Bonds, which are in accordance with the statutory requirements and rules and regulations in force for the time being as laid down by the CSE, SEC and the CDS.
- (c) In the case of death of a High Yield Bond Holder
 - (i) The survivor where the deceased was a joint holder, and
 - (ii) The executors or administrators of the deceased or where the administration of the estate of the deceased is in law not compulsory the heirs of the deceased where such High Yield Bond Holder was the sole or only surviving holdershall be the only persons recognized by the Company as having any title to his/her High Yield Bonds.
- (d) Any person becoming entitled to any High Yield Bonds in consequence of bankruptcy or winding up of any High Yield Bond Holder, upon producing proper evidence that he/she/it sustains the character in respect of which he/she/it proposes to act or his/her title as the Board of Directors of the Company thinks sufficient may in the discretion of the Board be substituted and accordingly registered as a High Yield Bond Holder in respect of such High Yield Bonds subject to the applicable laws, rules and regulations of the Company, CDS, CSE and SEC.
- (e) No change of ownership in contravention to these conditions will be recognized by the Company.

8. COVENANT TO OBSERVE PROVISIONS OF THE TRUST DEED

The Company hereby covenants with the Trustee to comply with the provisions contained herein and to perform and observe the same. It is expressly agreed between the Company and the Trustee that the Trustee shall not be liable for any loss or damage however caused by non-observance or non-compliance with the covenants contained in Clause 9 by the Company.

9. COVENANTS BY THE COMPANY

The Company hereby covenants with the Trustee for the benefit of the High Yield Bond Holders that, so long as any of the High Yield Bonds remain outstanding:

- (a) The Company shall at all times carry on and conduct its affairs in a proper and appropriate manner.
- (b) The Company shall at all times keep such books of accounts as it is obliged to keep under the applicable laws and (to the extent not prohibited by law or otherwise by virtue of any duty of confidentiality) at any time after an Event of Default shall have occurred or the Trustee shall have reasonable cause to believe that an Event of Default will occur, allow a reputed audit firm appointed by the Trustee in consultation with the Company free access to the same at all times during working hours and to discuss the same with the directors and officers of the Company, provided however that the Trustee and the audit firm shall, to the extent legally permitted, maintain confidentiality in respect of all the matters relating to the Company and its business and shall not use any information they acquire pursuant to these provisions for any other purpose.
- (c) The Company shall issue a Certificate in writing to the Trustee:
 - (i) within five (05) days from each Interest Payment Date, certifying that the interest on the High Yield Bonds has been paid to the High Yield Bond Holders in terms of Clause 4;
 - (ii) within five (05) days from the Date of Redemption certifying that the principal amount has been paid to the High Yield Bond Holders in terms of Clause 4.
- (d) The Company shall issue to the Trustee such certificates and provide such information as the Trustee may require in order to carry out its duties and obligations in terms of These Presents provided such certificates can be issued or such information can be provided by the Company to the extent permitted by law and the Listing Rules of CSE without committing any breach of its duty of confidentiality to any person or entity.
- (e) The Company shall submit to the Trustee within one (01) month from the end of every calendar quarter from the Date of Allotment a Certificate which is dated in accordance with a resolution of its Board of Directors that the Company has complied with each and all of the covenants including those contained in this Clause 9 in These Presents and the certification should include:
 - (i) Whether or not any limitation of liabilities or borrowings as prescribed by the Companies Act No. 7 of 2007 (as amended) and the Articles of Association of the Company has been exceeded;
 - (ii) Whether any material trading or capital loss has been sustained by the Company;
 - (iii) Whether or not any circumstances materially affecting the Company has occurred which adversely affects the High Yield Bond Holders;

Lanka Credit and Business Finance PLC

10

A. D. S.
Director

A. D. S.
Secretary

HATTON NATIONAL BANK PLC

A. D. S.
Authorized Signatory

A. D. S.
Authorized Signatory

- (iv) Whether or not any contingent liability has matured or is likely to mature within the next twelve (12) months, which will materially affect the ability of the Company to repay the High Yield Bonds;
- (v) Whether the Company has any material contingent liabilities and if so the amount of such liabilities;
- (vi) Whether the Company has assumed a liability of a related corporate body during the preceding calendar quarter, the extent of the liability assumed during the quarter and the extent of the liability at the end of the quarter;
- (vii) Whether or not there has been any change in any accounting method or method of valuation of assets or liabilities of the Company;
- (viii) Whether or not any circumstances have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company inappropriate;
- (ix) Whether or not there has been any substantial change in the nature of the Company's business since the issue of the High Yield Bonds;
- (x) Whether or not any action has been taken by the Board of Directors of the Company in terms of Section 219 or Section 220 of the Companies Act No. 7 of 2007 (as amended) during the preceding quarter;
- (xi) Whether or not the Company has observed and performed all the covenants and obligations binding upon them respectively pursuant to the Trust Deed.
- (f) The Company shall keep a record of the number of High Yield Bonds which have been issued and, the date of such issue and the persons to whom such High Yield Bonds were issued, provided however that the Company shall after the listing of the High Yield Bonds on the CSE be entitled to treat the records maintained by the CDS as an accurate record of the High Yield Bond Holders and the number and value of the High Yield Bonds held by each High Yield Bond Holder.
- (g) The Company shall permit the Trustee and the High Yield Bond Holders at all reasonable times without payment of any fee to inspect any records maintained by the Company referred to in Clause 9(f) above and to take copies thereof.
- (h) The Company shall forthwith upon the Company becoming aware of the happening of any and every such event as is mentioned in Clause 10 hereof give notice thereof in writing to the Trustee provided that the Company shall in any event issue a Certificate to the Trustee within thirty (30) days from the end of every semi-annual period commencing from the Date of Allotment of the High Yield Bonds certifying that no event mentioned in paragraphs (c) and (d) of Clause 10 hereof has occurred during the previous six (06) month period which would have resulted in the High Yield Bonds becoming payable in terms of the said Clause 10.
- (i) The Company shall make available the Trust Deed in full on the Company's web site and CSE's web site until the Date of Redemption and shall make available to any High Yield Bond Holder on request a certified copy of the Trust Deed upon payment of a fee of Sri Lankan Rupees One Hundred (LKR100/-).

(j) The Company shall send to the Trustee and the CSE and publish on its web site, no later than one hundred and fifty (150) days from its financial year end its audited financial statements and no later than forty five (45) days from the end of the first, second and third quarters and sixty (60) days from the end of the fourth quarter of its financial year an interim financial statement prepared on a quarterly basis.

(k) The Company shall send to the Trustee all published financial and other information, which is normally provided to ordinary shareholders at the same time that it is sent to the shareholders.

(l) The Company shall reimburse all reasonable expenses incurred by the Trustee after an Event of Default has occurred in connection with:

- (i) Preservation of the Company's assets (whether then or thereafter existing).
- (ii) Collection of amounts due under this Trust Deed.

All such sums shall be reimbursed by the Company within thirty (30) days from the date of notice of demand from the High Yield Bond Holders or the Trustee.

(m) The Company shall immediately notify the Trustee in the event that the Company becomes aware of the occurrence of any of the following events that has caused or could cause:

- (i) Any amount payable under the High Yield Bond to become immediately payable.
- (ii) Any event which in the opinion of the Company that could lead to the acceleration of either the payment of interest or redemption of the High Yield Bonds.
- (iii) Any other right or remedy under the terms and conditions of the High Yield Bonds or the provisions or covenants of the Trust Deed to become immediately enforceable.

(n) In the event that the Company creates a charge, the Company shall submit to the Trustee the written details of the charge within twenty one (21) days after it is created and if the amount to be advanced on the security of the charge is indeterminate, the Company shall submit to the Trustee the written details of the amount of each claim, within five (05) days from the date the claim is made.

(o) The Company shall at all times maintain records of all its published information and make them available for inspection by the Trustee and High Yield Bond Holders.

(p) The Company shall not declare or pay any dividend to its shareholders during any financial year unless it has paid all principal sums and interest payments that have become due and payable to the High Yield Bond Holders as at the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions therefor.

10. EVENTS OF DEFAULT

The High Yield Bonds shall become immediately payable at the option of the Trustee and upon the request in writing of the High Yield Bond Holders of at least one fifth (1/5) of the par value of the High Yield Bonds outstanding or pursuant to an Extraordinary Resolution of the High Yield Bond Holders on the occurrence of any of the following events:

- (a) If the Company defaults on the payment of the principal sum or any interest due on the whole or any part of the High Yield Bonds in accordance with the provisions contained in These Presents.
- (b) If the High Yield Bonds cease to be listed in the CSE in terms of Rule 11.3(a) of the CSE Listing Rules at any time between the time of listing and the Date of Redemption, due to any default on the part of the Company.
- (c) If the Company stops or threatens to stop payment of its debts or ceases to carry on its business, which may lead to the winding up of the Company.
- (d) If any liquidation, bankruptcy, insolvency, receivership or similar action or proceeding is commenced against the Company or an order has been made against or an effective resolution has been passed for the winding up of the Company.
- (e) If the Company does not submit a certificate to the Trustee as set out in Clause 9 (c), Clause 9 (e) or Clause 9 (h).
- (f) If the Company commits a breach of any terms or conditions in the High Yield Bonds or provisions of the Trust Deed or any other documents relating to the issue, offer or invitation in respect of the High Yield Bonds on its part to be observed and performed.
- (g) Where any other indebtedness of the Company becomes due and payable prior to its stated maturity or where security created for any other indebtedness becomes enforceable.
- (h) Where there is revocation, withholding or modification of a license, authorization or approval that impairs or prejudices the Company's ability to comply with the terms and conditions of the High Yield Bonds or the provisions of the Trust Deed or any other document relating to the issue, offer or invitation in respect of the High Yield Bonds.
- (i) Where any mortgage, charge, pledge, lien or other encumbrance present or future is created or assumed by the Company contrary to the terms or conditions of the High Yield Bonds and the provisions of the Trust Deed.
- (j) where the rating assigned to the High Yield Bonds is downgraded to a 'default' rating, by a rating agency.

11. ENFORCEMENT OF OBLIGATIONS

At any time after the High Yield Bonds shall have become repayable on redemption or otherwise under any provision of These Presents, and the Company has failed and/or neglected to repay and/or redeem the same within the stipulated time period, the Trustee may upon the Company's continuous failure and/or negligence to repay and/or redeem the High Yield Bonds, at its discretion, and upon the request in writing of the High Yield Bond Holders of at least one fifth (1/5) of the par value of the High Yield Bonds outstanding or the High Yield Bond Holders pursuant to an Extraordinary Resolution and subject to fourteen (14) days prior written notice to the Company, institute such proceedings as they think fit to enforce repayment and other obligations of the Company under These Presents.

12. APPLICATION OF MONIES RECEIVED BY THE TRUSTEE

12.1 In the event of the Trustee recovering or receiving any monies from the Company consequent to any action taken by the Trustee against the Company the Trustee shall apply such monies,

(a) In the first place in paying or providing for the payment or satisfaction of the costs charges expenses and liabilities incurred in or about the execution of the trust constituted by These Presents (including remuneration of the Trustee);

(b) Secondly, in or towards payment to the High Yield Bond Holders of all arrears of interest remaining unpaid on the High Yield Bonds held by them respectively;

(c) Thirdly in or towards payment to the High Yield Bond Holders of all principal monies due in respect of the High Yield Bonds held by them respectively; and

(d) Finally, the Trustee shall pay the surplus (if any) of such monies to the Company or its assigns, provided that at the discretion of the Trustee payments may be made on account of principal monies before any part of the interest or the whole of the interest on the High Yield Bonds have been paid but such alteration in the order of payment of the principal monies and interest shall not prejudice the right of the High Yield Bond Holders to receive the full amount to which they would have been entitled if the ordinary order of payment had been observed. Any payment to the High Yield Bond Holders under this clause shall be made *pari passu* in proportion to the High Yield Bonds held by them respectively.

12.2 The High Yield Bonds shall in the event of winding up of the Company rank after all the claims of secured creditors and preferential claims under any Statutes governing the Company and to the claims of unsecured creditors of the Company but *pari passu* to the claims of subordinated creditors of the Company and shall rank in priority to and over the claims and rights of the shareholder/s of the Company.

13. MANNER OF PAYMENT AND ENFORCEMENT OF HIGH YIELD BONDS

Any payment to be made in respect of the High Yield Bonds by the Company or the Trustee may be made in the manner provided in this Trust Deed and any payments so made shall be a good discharge *pro tanto* to the Company or the Trustee, as the case may be. Any payment of interest in respect of a High Yield Bond shall extinguish any claim which may arise directly or indirectly in respect of such interest from a High Yield Bond Holder.

Upon any payment under the provisions of this Clause 13 of the Trust Deed in respect of which such payment is made in full shall be cancelled and the Trustee shall certify or procure the certification of such cancellation.

14. REMUNERATION OF THE TRUSTEE

The Company shall pay the Trustee during the continuation of These Presents a sum of Sri Lankan Rupees Seven Hundred and Twenty Thousand (LKR 720,000/-) per annum exclusive of government taxes and levies on account of remuneration for the Trustee for its services under These Presents. The said fee shall be paid in advance at the beginning of each semi-annual period commencing from the Date of Allotment of the High Yield Bonds.

Further, the Trustee shall be entitled to be reimbursed by the Company all reasonable costs, charges and expenses which the Trustee may incur in relation to the exercise of its duties hereunder and the amounts to be so reimbursed shall be paid by the Company to the Trustee within fourteen (14) days of a claim being made.

Lanka Credit and Business Finance PLC

E. D. An
Director

Secretary

14

HATTON NATIONAL BANK PLC

Oslemade
Authorized Signatory

W. S. P. M.
Authorized Signatory

15. GENERAL POWERS AND DUTIES OF THE TRUSTEE

15.1

Without prejudice to the powers and reliefs conferred on Trustee by These Presents or by the laws relating to the Trusts or any other applicable law the Trustee shall have the following powers:-

- (a) The Trustee may in relation to These Presents act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant, auditor, other expert (whether obtained by the Trustee or the Company) or other responsible officer of the Company and shall not be responsible for any loss occasioned by acting on any such opinion, advice, certificate or information and that the Trustee shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same shall contain some error as long as the Trustee has acted in good faith with professional diligence.
- (b) The Trustee shall as regards all the trusts, powers, authorities and discretion vested in it by These Presents or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any loss, costs, damages, expenses or inconvenience that may result from the exercise or non exercise thereof but where the Trustee is under the provisions of These Presents bound to act at the request or direction of the High Yield Bond Holders the Trustee shall nevertheless not be bound unless first indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing.
- (c) To summon any meeting of the High Yield Bond Holders in accordance with the provisions of Clause 20 hereof.
- (d) In case of default by the Company, the Trustee may but shall not be bound unless directed either by an instrument in writing signed by the High Yield Bond Holders of at least Seventy Five per centum (75%) of the par value of the High Yield Bonds for the time being outstanding or in accordance with an Extraordinary Resolution passed by the High Yield Bond Holders in accordance with Clause 20 of These Presents, to waive such terms and conditions as they shall deem expedient any of the covenants and provisions contained in These Presents on the part of the Company to be performed and observed.
- (e) The Trustee as between itself and the High Yield Bond Holders shall have full power to determine all questions and doubts arising in relation to any of the provisions of These Presents and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee.
- (f) The Trustee may, in the conduct of the trusts of These Presents, instead of acting through its staff, employ and pay a professional person with the prior written approval of the Company, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee. Any expense incurred by such employment of a professional person shall not be charged as an expense to the Company.
- (g) The Trustee shall not be liable to the Company or any High Yield Bond Holder by reason of having recognized or treated as a High Yield Bond Holder any person subsequently found not to be so entitled to be recognized or treated.

- (i) Whenever in These Presents the Trustee is required in connection with any exercise of its powers, trusts, authorities or discretions to have regard to the interests of the High Yield Bond Holders, it shall have regard to the interests of the High Yield Bond Holders as a class and in particular, but without prejudice to the generality of the foregoing, shall not be obliged to have regard to the consequences of such exercise for any individual High Yield Bond Holders resulting from his or its being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory.

(i) The Trustee may, accept a Certificate certifying that all High Yield Bonds have been redeemed or relating to any other matter primarily in the knowledge of the Company as sufficient evidence thereof and such Certificate shall be a complete protection to the Trustee who acts thereon.

15.2 The Trustee shall give notice to the High Yield Bond Holders in writing:

- (a) when the Trustee is notified by the Company of any occurrence mentioned in Clause 10 or any condition of the Trust Deed which cannot be fulfilled;
- (b) when the Company fails to deliver the Certificate referred to in Clause 9(e) of These Presents;
- (c) as soon as practicable if the Company fails to remedy any breach of terms and conditions of the High Yield Bonds or the provisions/covenants of the Trust Deed.

15.3 The Trustee shall ensure that all documents required to be submitted by the Company in terms of the covenants set out in the Trust Deed are forwarded in a timely manner.

15.4 The Trustees shall in performance of its duties maintain the confidentiality of confidential information received by it (the Trustee may disclose such information to a branch, head office, subsidiary or agent of the Trustee in connection with the Trust Deed and to any government body court and/or to any party in accordance with the law) and shall not use such information for their own personal benefit.

15.5 The Trustee shall exercise reasonable diligence to ascertain whether the Company has committed any breach of the terms and conditions of the High Yield Bonds or provisions of the Trust Deed or whether an Event of Default has occurred or is continuing to occur, on perusal of the documents submitted in terms of the covenants set out in the Trust Deed.

15.6 Where an Event of Default has occurred and is continuing to occur the Trustee shall exercise such rights and powers vested in it by the Trust Deed and use reasonable degree of skill and diligence in exercising such powers.

16. EXEMPTIONS AND INDEMNIFICATIONS OF TRUSTEE FROM LIABILITY

16.1 The Trustee shall be indemnified by the Company for any liability, claim, expense, damage or loss that it may incur in connection with this Trust Deed, provided the liability or loss was not a result of the sole negligence or willful misconduct of the Trustee.

Provided further that none of the provisions of These Presents shall in any case in which the Trustee has failed to show the degree of care and diligence required by it, having regard to the provisions of These Presents, conferring on the Trustee the powers, authorities or discretions, relieve or indemnify the Trustee against any liabilities which by virtue of any rule of law would otherwise attach to it in respect of any negligence, default, breach of duty or breach of trust of which it may be guilty in relation to its duties under These Presents.

Lanka Credit and Business Finance PLC

16

E. D. de
Director

Secretary
Secretary

HATTON NATIONAL BANK PLC

Authorised Signatory
Authorised Signatory

Authorised Signatory
Authorised Signatory

16.2 Any terms and conditions of the High Yield Bonds and provisions in the Trust Deed or a term of a contract with the High Yield Bond Holders secured by the Trust Deed, shall be void in so far as such term or provision would have the effect of exempting the Trustee from liability for:

- (a) the failure to carry out its duties as the Trustee;
- (b) the failure to exercise the degree of care and diligence required of it as the Trustee;
- (c) indemnifying the Trustee against that liability, unless the term or provision:
 - (i) enables the release of the Trustee from liability for something done or omitted to be done before the release is given; or
 - (ii) enables a meeting of High Yield Bond Holders to approve the release of the Trustee from liability for something done or omitted to be done before the release is given.

Such release will be effective when approved by High Yield Bond Holders if the High Yield Bond Holders who vote for the resolution represent three fourth (3/4) of the par value of the High Yield Bonds.

The Trustee is also not liable for anything done or omitted to be done in accordance with a direction given to the Trustee by the High Yield Bond Holders at any meeting duly called.

16.3 The Trustee shall:

- (a) not be responsible in the capacity of a lender or borrower;
- (b) have no obligations to discharge debts owed by the Company to the High Yield Bond Holders;
- (c) not be liable for any losses arising out of circumstances beyond its control;
- (d) be entitled to rely and act on any document/instrument received from the Company unless actual notice of otherwise is given.

17. APPOINTMENT AND REMOVAL OF THE TRUSTEE

(a) Subject to the provisions of this Trust Deed, the power of appointing new Trustees shall be vested in the Company, provided that the Company shall obtain the consent of High Yield Bond Holders holding not less than Fifty per centum (50%) of the par value of the High Yield Bonds for the time being outstanding or it may obtain approval by an ordinary resolution of the High Yield Bond Holders prior to the appointment of the new Trustee. Notice of such appointment shall be given to the High Yield Bond Holders within thirty (30) days of such appointment by an advertisement published in national newspapers in all three languages (Sinhala, Tamil and English) of the Company's choice circulating in Sri Lanka.

(b) In the event the Company does not or cannot exercise its power to appoint a new Trustee and there being no new Trustee appointed as of thirty (30) days before the removal/resignation of the Trustee taking effect in accordance with the terms hereof, the High Yield Bond Holders may convene a meeting to appoint a new Trustee by an ordinary resolution.

(c) Any removal of a Trustee and the subsequent appointment of a replacement Trustee by the Company shall be with the consent of an Extraordinary Resolution of the High Yield Bond Holders.

(d) In the event of the High Yield Bond Holders not being satisfied with the Trustee, they have the right to remove the Trustee by way of an Extraordinary Resolution passed at a General Meeting convened under Clause 20 hereof.

(e) The Company shall be notified of any removal of the Trustee and subsequent appointment of a replacement Trustee by the High Yield Bond Holders.

(f) The Company shall take reasonable steps to replace the Trustee as soon as practicable after becoming aware that:

- (i) The Trustee has ceased to exist.
- (ii) The Trustee is in a situation of conflict of interests.
- (iii) The Trustee has ceased to perform its function as a Trustee.
- (iv) The Trustee is in a situation of unsuitability and does not eliminate such situation within ninety (90) days, after then ascertaining or of them been informed that the Trustee has such situation.

(g) In the event the Trustee discovers that it is not eligible to be appointed or act as Trustee, the Trustee shall give notice in writing to the Company regarding the same.

(h) Subject to Clause 19.1 below the existing Trustee shall continue to act as a Trustee until a new Trustee is appointed.

(i) Upon a change of the Trustee in accordance with Clause 17, the Company or the Trustee shall notify the CSE and take steps to make an immediate market announcement.

18. COMPLIANCE OF MAJORITY TRUSTEES

If there be more than one (01) Trustee under These Presents the Trustee shall with majority consent exercise all or any of the Trustee's powers and discretions vested in the Trustee generally under any Clause of These Presents.

19. RESIGNATION OF TRUSTEE

19.1 In the event of the Trustee, in its sole and absolute discretion, desiring to resign, the Trustee shall give not less than ninety (90) days' notice to the Company in writing to that effect, and the Company shall thereupon appoint a new Trustee in accordance with Clause 17 of These Presents. The Trustee shall continue in its capacity as Trustee until such time a new Trustee is appointed.

19.2 In the event of such a resignation, the Trustee at its cost shall publish a notice to this effect in national newspapers in all three languages (Sinhala, Tamil and English) of its choice circulating in Sri Lanka and such notice shall be deemed to be sufficient notice to the High Yield Bond Holders notwithstanding anything to the contrary herein contained.

19.3 The Company or the Trustee shall notify the CSE and take steps to make an immediate market announcement upon such resignation.

20. MEETINGS OF HIGH YIELD BOND HOLDERS

(a) The Trustee shall call a meeting/cause a meeting of High Yield Bond Holders with notice to the Company and all High Yield Bond Holders or on a requisition being received in writing signed by the High Yield Bond Holders of at least one fifth (1/5) of the par value of the High Yield Bonds for the time being outstanding or if requested by the Company.

(b) Not less than twenty one (21) days' notice shall be given of a meeting for the purpose of passing a Resolution.

(c) The quorum for the meeting (other than adjourned meeting) for the purpose of passing an ordinary resolution shall be the High Yield Bond Holders representing twenty five per centum (25%) of the par value of the High Yield Bonds for the time being outstanding.

provided however, that the quorum for passing an Extraordinary Resolution should be the Holders of a majority in par value of the outstanding High Yield Bonds present in person or by proxy or by attorney.

- (d) If such a quorum cannot be obtained, such meeting shall be adjourned for not less than fourteen (14) days in which event notice of adjourned meeting shall be sent to every High Yield Bond Holder and shall state in such notice that if a quorum as above defined shall not be present at the adjourned meeting the High Yield Bond Holders then present shall form a quorum.
- (e) On a poll, each High Yield Bond Holder will be entitled to one (01) vote for each High Yield Bond held by such person.
- (f) A proxy need not be a holder of the High Yield Bonds.
- (g) The Trustee may appoint a person to chair the meeting of High Yield Bond Holders. The Trustee shall also appoint a person or body to act as a Secretary of such meeting and a copy of a resolution certified by the Trustee and such Secretary shall deem to be conclusive evidence that such Resolution has been duly adopted.

Provided however that in the event of the Trustee not exercising the aforesaid entitlement, the High Yield Bond Holders present at the meeting may appoint a person to act as the chairman of the meeting.

- (h) In the event the Company fails to remedy any breach of terms and conditions of the High Yield Bonds or the provisions/covenants of the Trust Deed, the Trustee may:
 - (i) Call a meeting of the High Yield Bond Holders with notice to the Company;
 - (ii) Inform the High Yield Bond Holders of the failure at the meeting; and
 - (iii) Submit proposals for the protection of the High Yield Bond Holders interests or call for proposals from the High Yield Bond Holders at the meeting as the Trustee considers necessary or appropriate and obtain suitable directions.

21. MODIFICATION OF THE TRUST DEED

- 21.1 The Trustee and the Company may by mutual agreement agree to modify These Presents, provided such modifications are of a routine nature. Provided however that any modification to These Presents which are detrimental to the High Yield Bond Holders shall only be made with the consent of the High Yield Bond Holders of at least three fourth (3/4) of the par value of the High Yield Bonds for the time being outstanding.

- 21.2 Upon a modification being duly made, the Company shall within seven (07) days of the modification being made inform the High Yield Bond Holders of such modification.

- 21.3 Upon a modification being duly made, the Company or the Trustee shall notify the CSE and take steps to make an immediate market announcement.

22. NOTICES

Any notice or demand to the Company, High Yield Bond Holder(s) or the Trustee required to be given, made or served for any purpose hereof shall be given, made or served by sending the same by prepaid registered post in the case of the Company or Trustee and by prepaid ordinary mail in the case of High Yield Bond Holder(s), or by facsimile transmission or by delivering it by hand to the Company, High Yield Bond Holders or the Trustee as the case maybe, in the case of the Company or the Trustee at the address shown in below in this Trust Deed and in the case of High

Yield Bond Holder(s) to the address which appear in the CDS, and any notice sent by post as provided in this Clause shall be deemed to have been given, made or served seventy two (72) hours after dispatch and any notice sent by facsimile transmission as provided in this Clause shall be deemed to have been given, made or served at the time of dispatch and in proving the giving, making or service of the same it shall be sufficient to prove, in the case of a letter, that such letter was properly stamped, addressed and placed in the post and, in the case of a facsimile transmission that such facsimile transmission was duly dispatched and received in the readable and understandable condition.

Provided that any notice between the Company and the Trustee for any purpose hereof may be given, made or served by sending the same via electronic mail to the e-mail addresses of the Company and the Trustee shown below. Such electronic mail shall be deemed to have been given, made or served if the electronic mail was duly dispatched and received in the readable and understandable condition.

The Trustee shall at any time be entitled to give notice of any meeting or make any communication to the High Yield Bond Holders by notice published in national newspapers in all three languages (Sinhala, Tamil and English) of its choice circulating in Sri Lanka and such notice will notwithstanding anything to the contrary herein contained be deemed to be sufficient notice to the High Yield Bond Holders including the provisions of the above Clause.

The Company

LANKA CREDIT AND BUSINESS FINANCE PLC

Address: No. 76, S. De S. Jayasinghe Mawatha, Kottuwela

Fax: 0112825404 Tel No: 0112825404/6

E-mail: info@lcbfinance.lk

Attention: K.K. Wannige (AGM - Finance & Strategic Planning)

The Trustee

HATTON NATIONAL BANK PLC

Address: No. 479, T.B. Jayah Mawatha, Colombo 10

Fax: 0112 682 659 Tel No: 0112 660 655

E-mail: tyrone.hansari@hnb.lk

Attention: Tyrone Hansari

23.

MISCELLANEOUS

- (a) Nothing in the provisions of These Presents shall require disclosure to the Trustee by the Company of any information as to the affairs of any of its customers except,
- i) when required to do so by a Court of Law, or
 - ii) in order to comply with any of the provisions of any Law.
- Provided however that the Company shall be obliged to furnish to the audit firm referred to in the Clause 9(b) information in respect of the Company's books of accounts.
- (b) In the event of any inconsistency between these provisions and any rules, regulations or directions of the SEC, or the CSE such rules, regulations or directions shall prevail.
- (c) This Trust Deed shall be governed by and construed in accordance with the laws of Sri Lanka.



(d) The Court of Sri Lanka shall have the exclusive jurisdiction to hear and determine any matters arising here from or hereunder. The invalidity or unenforceability of any terms or provision of these presents shall not affect the validity or enforceability of the remaining terms and provisions hereof.

(e)

The Trustee shall not disclose the affairs relating to the Trust to any person whomsoever unless such disclosure is:

- i) to the Company as long as the Company is not in default of its obligations hereunder; or
- ii) required by any Court or regulatory authority in accordance with any statutory provision.

[Execution page to follow]

Lanka Credit and Business Finance Plc

R. D. A.
Director

[Signature]
Secretary



HATTON NATIONAL BANK PLC
[Signature]
Authorized Signatory

IN WITNESS WHEREOF the said LANKA CREDIT AND BUSINESS FINANCE PLC has placed its Common Seal and the duly appointed Authorised Signatories of the said HATTON NATIONAL BANK PLC have set their hands and all Signatories to these presents have placed their left thumb impressions hereunto and to three others of the same tenor and date as These Presents at Colombo on the day herein before mentioned.

The Common Seal of LANKA CREDIT AND BUSINESS FINANCE PLC is hereto affixed in the presence of K.G. Leelananda (Director) L.A.T.K.K. Rodrigo (Company Secretary) who do hereby attest the sealing thereof

) Lanka Credit and Business Finance PLC
)
)
) K.G. Leelananda
Director
) A.T.K.K. Rodrigo
Secretary
)
)
)

Witnesses:

1. *[Signature]*
D.M. Gunawardena
1946 33 10 2383
1616, Samanayake Rd
Petit, Pinnathla
Made 2
D.M. Mathushan
892163359
210 Galle Road,
Galle
2. *[Signature]*
D.H.M. Niroshini
956412125V
No. 79 V, Robert Gunawardena M.O, Kirulapana

Signed for and on behalf of HATTON NATIONAL BANK PLC by its duly authorized signatories
W.W.D.S Fernando and S.M.T.W Samarakoon

HATTON NATIONAL BANK PLC
[Signature]
Authorized Signatory
[Signature]
Authorized Signatory

Witnesses:

1. *[Signature]*
D.H.M. Niroshini
956412125V
No. 79 V, Robert Gunawardena M.O, Kirulapana
2. *[Signature]*
D.M.N.M. Dasanayaka
200578104399
9/0, Gireline Park, Ekala.

