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**TRUST DEED
FOR**

AN INITIAL ISSUE OF THIRTY MILLION (30,000,000) RATED UNSECURED REDEEMABLE DEBENTURES OF THE PAR VALUE OF RUPEES ONE HUNDRED (SLR 100/-) EACH BY RICHARD PIERIS AND COMPANY PLC WITH AN OPTION TO ISSUE UP TO A FURTHER FIVE MILLION (5,000,000) DEBENTURES IN THE EVENT OF AN OVERSUBSCRIPTION

This Trust Deed is made on this 3rd Day of April Two Thousand and Fourteen

Between

RICHARD PIERIS AND COMPANY PLC, a Company duly incorporated in Sri Lanka bearing registration number PQ 138 of No. 310, High Level Road, Nawinna, Maharagama in the Democratic Socialist Republic of Sri Lanka (hereinafter called "the Company" and which term or expression herein used shall where the context so requires or admits mean and include the said **RICHARD PIERIS AND COMPANY PLC**, its successors and assigns) of the **ONE PART**;

And

DEUTSCHE BANK, AG COLOMBO BRANCH a Banking Corporation Duly incorporated in the Federal Republic of Germany and having its registered office at 12 Taunusanlage, Frankfurt am Main, Federal Republic of Germany and having an Office at No. 86 Galle Road, Colombo 3, in the Democratic Socialist Republic of Sri Lanka (hereinafter referred to as "the Trustee" and which term or expression hereinafter used shall where the context so requires or admits mean and include the said **DEUTSCHE BANK AG** 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 resolution dated 17th March 2014 of its Board of Directors to raise a sum not exceeding Sri Lanka Rupees Three Thousand Five Hundred Million (SLR 3,500,000,000/-) by the issue of Rated Unsecured Redeemable Debentures for that amount, having tenures and bearing interest at the rates hereinafter mentioned and to be listed on the Colombo Stock Exchange.
- The said Debentures shall be constituted in the manner and upon the terms and conditions hereinafter contained;
- The Company has obtained an instrument rating of AA- from RAM Ratings Lanka Limited for the aforesaid Debentures;
- The Trustee being duly qualified to act as Trustee; under the Securities and Exchange Commission Act No. 36 of 1987 (as amended) has agreed to accept the office of Trustee and act under the provisions of this Deed as Trustee for the benefit of and in the interests of the Debenture 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 System (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 Directors or (b) a Director and the Chief Executive Officer or (c) a Director and the Company Secretary or (d) any two 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 Debentures will be allotted to the Debenture Holders which date will be notified to the Debenture Holders.
5. "DATE OF REDEMPTION" means in respect of,
- (a) RURD TYPE A - Three (3) years from the Date of Allotment,
 - (b) RURD TYPE B - Four (4) years from the Date of Allotment,
 - (c) RURD TYPE C - Five (5) years from the Date of Allotment,

or such earlier date on which the Debentures may become redeemable in accordance with These Presents or such later date on which the Debentures may be redeemable in the circumstances set out in Clause 4.2,

6. "DEBENTURES" shall mean:

RURD TYPE A - Rated Unsecured Redeemable Debentures 2014 - 2017 of the par value of Sri Lanka Rupees one hundred (SLR 100/-) each, bearing interest at a fixed rate of Ten decimal Seven Five per centum (10.75%) per annum payable semiannually on each Interest Payment Date from the Date of Allotment of the Debentures until the date immediately preceding the Date of Redemption.

RURD TYPE B - Rated Unsecured Redeemable Debentures 2014 - 2018 of the par value of Sri Lanka Rupees one hundred (SLR 100/-) each, bearing interest at a fixed rate of Eleven decimal Zero per centum (11.00%) per annum payable semiannually on each Interest Payment Date from the Date of Allotment of the Debentures until the date immediately preceding the Date of Redemption.

RURD TYPE C - Rated Unsecured Redeemable Debentures 2014 - 2019 of the par value of Sri Lanka Rupees one hundred (SLR 100/-) each, bearing interest at a fixed rate of Eleven decimal Two Five per centum (11.25%) per annum payable semiannually on each Interest Payment Date from the Date of Allotment of the Debentures until the date immediately preceding the Date of Redemption.

All the Debentures under this Indenture shall rank equal and *pari passu* in all respects except for the Date of Redemption, the Rate of Interest as set out herein. They shall also rank *pari passu* with all other unsecured creditors of the Company.

7. "DEBENTURE HOLDERS" mean the Holders of the Debentures in whose CDS account the Debentures are lodged as at the relevant date.
8. "ENTITLEMENT DATE" means the Market Day immediately preceding the respective Interest Payment Date or Date of Redemption on which a Debenture Holder would need to be recorded as being a Debenture Holder on the list of Debenture Holders provided by the

CDS to the Company in order to qualify for the payment of any interest or any redemption proceeds.

9. "EVENT OF DEFAULT" means any event set out in Clause 10.
10. "EXTRAORDINARY RESOLUTION" means a resolution passed by the holders of not less than three fourth (¾) in value of the Debenture Holders voting on such resolution.
11. "INTEREST PAYMENT DATE" means the 31st of March and 30th of September of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.
12. "INTEREST PERIOD" means the six month period from the date immediately succeeding a particular Interest Payment Date and ending on 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 first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the date immediately succeeding 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. "MARKET DAY" means a day on which trading takes place at the Colombo Stock Exchange.
15. "PROSPECTUS" means a prospectus prepared in accordance with the Companies Act No. 7 of 2007 and delivered to the Registrar of Companies in terms thereof.
16. "RATE OF INTEREST" means in respect of Debentures of,
 - (a) RURD TYPE A - the rate of Ten decimal Seven Five per centum (10.75%) per annum,
 - (b) RURD TYPE B - the rate of Eleven decimal Zero per centum (11.00%) per annum,
 - (c) RURD TYPE C - the rate of Eleven decimal Two Five per centum (11.25%) per annum,
17. "RESOLUTION" means a Resolution passed by the Debenture Holders in terms of Clause 20 unless otherwise provided for.
18. "REGISTERED ADDRESS" when used in relation to a Debenture Holder means the address provided by the Debenture Holder to the CDS.
19. "REGISTRARS" means the Registrars to the Debenture issue or such other person or persons to be appointed as the Registrars for the purpose of These Presents by the Company.
20. "SEC" means the Securities and Exchange Commission of Sri Lanka established under the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 (as amended).

21. "SRI LANKAN RUPEES" and the sign "SLR" mean the lawful currency of the Republic of Sri Lanka.
22. "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.
23. "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.
24. "TRUSTEE" means Deutsche Bank AG, Colombo Branch, a licensed Commercial Bank under the Banking Act No. 30 of 1988 or its successors and assigns.
25. "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 Debentures or to any monies payable by the Company under These Presents or under the Debentures 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.

(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 Debentures and for the benefit of and in the interests of the Debenture 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.

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3. AMOUNT OF THE DEBENTURE ISSUE

Debentures will be issued by the Company to raise a sum up to Sri Lanka Rupees Three Thousand Million (SLR 3,000,000,000/-) with an option to increase the said sum by up to a further Sri Lanka Rupees Five Hundred Million (SLR 500,000,000/-) in the event of an oversubscription and such Debentures 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 Debenture Holders that it will:

- (i) pay on the Date of Redemption to Debenture Holders in accordance with the provisions of These Presents and upon receipt of the information relating to the Debenture Holders from the CDS, as of the Entitlement Date by crossed cheque marked "Account Payee only" sent by ordinary mail to the Registered Addresses of the Debenture Holders or through a SLIPS (Sri Lanka Inter Company Payments System) transfer or a RTGS (Real Time Gross Settlement System) transfer the principal sum of the Debentures which ought to be redeemed and interest (if any) remaining unpaid up to the date immediately preceding the Date of Redemption of the Debentures. 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 Interest Payment Date to the Debenture Holders in accordance with the provisions of These Presents and upon receipt of the information relating to the Debenture Holders from the CDS, as of the Entitlement Date by crossed cheque marked "Account Payee only" sent by ordinary mail to the Registered Addresses of the Debenture Holders or through a SLIPS (Sri Lanka Inter Company Payments System) transfer or a RTGS (Real Time Gross Settlement System) transfer the interest on the Debentures 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.
- (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 despatched not later than three (3) Working Days from such date or the SLIPS transfer or the RTGS transfer is made not later than three (3) Working Days from such date.
- (vi) in the event of there being any delay in the redemption of the Debentures 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 Debentures 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 Debenture Holder fails or refuses to receive payment of the interest or redemption monies payable to such Debenture Holder, or any part thereof within ninety (90) days from the Interest Payment Date or the Date of Redemption of the Debentures 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 Debentures and shall be paid by the Company to the Debentures 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 Debenture 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 Debenture 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 separately 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 Debentures. Such monies will be repaid to the Debenture Holders if the same is claimed in writing by such Debenture Holder within the said six (06) years 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 Debenture Holder after the said period of six (06) years and such moneys 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 Debenture Holder to keep all the information in respect of such Debenture Holder updated. Each Debenture 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 Debenture 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 Debenture Holders.

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

(g) In order to accommodate the Debenture interest cycles in the Automated Trading System (ATS) of the CSE, the Debenture Holders to whom interest shall be paid shall be those holding Debentures 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.

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 Debentures and (ii) the execution of These Presents.

6. ELIGIBILITY TO APPLY FOR DEBENTURES

Applications for Debentures under each type of Debentures should be for a minimum of One Hundred (100) Debentures and any application for excess of this figure should be in multiples of One Hundred (100) Debentures.

7. TRANSFER OF DEBENTURES

(a) These Debentures shall be freely transferable 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 Debentures shall be transferable and transmittable through the CDS as long as the Debentures are listed in the CSE. Subject to the provisions contained herein the Company may register without assuming any liability any transfer of Debentures, 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 Debenture 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 Debenture Holder was the sole or only surviving holder;

shall be the only persons recognized by the Company as having any title to his/her Debentures.

(d) Any person becoming entitled to any Debentures in consequence of bankruptcy or winding up of any Debenture 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 Debenture Holder in respect of such Debentures 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 Debenture Holders that, so long as any of the Debentures 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 (5) days from each Interest Payment Date, certifying that the interest on the Debentures has been paid to the Debenture Holders in terms of Clause 4;
 - (ii) within five (5) days from each Date of Redemption certifying that the principal amount has been paid to the Debenture 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 without committing any breach of its duty of confidentiality to any person or entity.
- (e) The Company shall submit to the Trustee within fifteen (15) days 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 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;

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