

**TRUST DEED  
FOR**

THE ISSUE OF UP TO FIVE MILLION (5,000,000) RATED UNSECURED REDEEMABLE DEBENTURES OF THE PAR VALUE OF SRI LANKA RUPEES ONE HUNDRED (SLR 100/-) EACH BY SOFTLOGIC HOLDINGS PLC WITH AN OPTION TO INCREASE BY UPTO A FURTHER FIVE MILLION (5,000,000) DEBENTURES IN THE EVENT OF AN OVERSUBSCRIPTION.

This Trust Deed is made on this 18th day of July Two Thousand and Thirteen

**Between**

SOFTLOGIC HOLDINGS PLC, a Company duly incorporated in Sri Lanka bearing registration number PV 1536 PB/PQ of No. 14, De Fonseka Place, Colombo 05 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 SOFTLOGIC HOLDINGS 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 a Branch Office at No. 86, Galle Road, Colombo 03, 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 5<sup>th</sup> July 2013 of its Board of Directors to raise a sum not exceeding Sri Lanka Rupees One Thousand Million (SLR 1,000,000,000/-) by the issue of Rated Unsecured - Redeemable Debentures for that amount, having a tenure and bearing interest at the rate 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 A- (lka) from Fitch 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 of the Company or (b) a Director and the Secretaries of the Company or (c) any two other Officers of the Company specifically authorized by the Board of the Company from time to time 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 Three (3) 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 the :  
RURD - Rated Unsecured Redeemable Debentures 2013- 2016 of the par value of Sri Lanka Rupees One Hundred (SLR 100/-) each, and bearing interest at a fixed rate of Fifteen decimal Seven Five per centum (15.75%) per annum payable quarterly on each Interest Payment Date from the Date of Allotment of the Debentures until the Date of Redemption.

Each of the Debentures under this Indenture shall rank equal and *pari passu* in all respects and they shall also rank *pari passu* with all other unsecured creditors of the Company.

7. "DEBENTURE HOLDERS" means 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 ( $\frac{3}{4}$ ) in value of the Debenture Holders voting on such resolution.
11. "INTEREST PAYMENT DATE" means the 31<sup>st</sup> of March, 30<sup>th</sup> of June, 30<sup>th</sup> of September and 31<sup>st</sup> of December of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.
12. "INTEREST PERIOD" means the three 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 terms of the Companies Act No 7 of 2007 and delivered to the Registrar General of Companies in terms thereof.
  16. "RATE OF INTEREST" means the fixed rate of Fifteen decimal Seven Five per centum (15.75 %) per annum and shall include any increased rate which may become applicable in terms of Clause 4.1(a)(vii).
  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 LANKA 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 thereunder 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 agrees to act under the provisions of this Deed as the Trustee.

## 3. AMOUNT OF THE DEBENTURE ISSUE

Debentures will be issued by the Company to raise a sum up to Sri Lanka Rupees Five Hundred Million (SLR 500,000,000/-) with an option to increase the said sum by up to a further Sri Lanka Rupees Five Hundred Million (SLR 500,000,000/-) and such Debentures shall be listed on the Colombo Stock Exchange subject to approval in principle being obtained from the CSE.

## 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) as and when the Debentures ought to be redeemed in accordance with the provisions of These Presents and upon receipt of the information relating to the Debenture Holders from the CDS, pay to the Debenture Holders 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 Bank 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 preceding the Date of Redemption of the Debentures.
- (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 or through a SLIPS (Sri Lanka Inter Bank Payments System) transfer or a RTGS (Real Time Gross Settlement System) transfer of the Debenture Holders the interest on the Debentures for the time being outstanding at the Rate of Interest in accordance with the provisions of These Presents.

- (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 Lanka 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 Day 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.
  - (vii) In the event of an imposition of income tax on interest on these Debentures whether by way of withholding or otherwise in Sri Lanka, the Rate of Interest on the Debentures shall be increased by mutual agreement between the Debenture Holders and the Company to compensate the Debenture Holders for such tax provided however that the increase to be so agreed shall in no event exceed one decimal zero per centum (1.00%) per annum above the Rate of Interest with effect from the date of such imposition of tax. Provided however that any such agreement shall be subject to the prior approval of the holders of two third (2/3) of the face value of the Debentures outstanding at that time. In the event of such mutual agreement not being reached the Debenture Holders and the Company, the Company shall pre pay such Debentures in accordance to the provisions of Clause 13.2 hereof.
- (b) The Debentures shall be redeemed in accordance with the provisions contained in These Presents on the Date of Redemption or on such earlier date in the Event of Default together with interest (if any) remaining unpaid therefore. Provided further that the Debentures are also redeemable together with interest (if any) remaining unpaid at the option of the Company subject to the provisions set out in Clause 4.1(a)(vii) and Clause 13.2. In such an event such date shall also be deemed to be a Date of Redemption.
- (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 90 (ninety) 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 with the Trustee at the end of 90 (ninety) days after the Interest Payment Date or the Date of

