



සමපත් බැංකුව
சம்பத் வங்கி
SampathBank

WE PRESENT YOUR FUTURE

සමපත් බැංකුව පී. එල්. ඩී. සමාගම අංක - PQ 144, ප්‍රධාන කාර්යාලය, පො. 110, ශ්‍රීමත් ජේම්ස් පීරිස් මාවත, කොළඹ 02, ශ්‍රී ලංකාව
சம்பத் வங்கி பிஎல்சி. நிறுவனம் இல - PQ 144, தலைமை அலுவலகம், இல. 110, சேர் ஜேம்ஸ் பீரிஸ் மாவத்தை, கொழும்பு 02, இலங்கை
Sampath Bank PLC. Company No - PQ144, Head Office, No. 110, Sir James Peiris Mawatha, Colombo 02, Sri Lanka
දු.ක./தொ.பே/Тel: +94 (0) 11 4730 630, 2300 260, ඊමේල්/மின்னஞ்சல்/E-mail: mgr@oper.sampath.lk, වෙබ්/இணையத்தளம்/Web: www.sampath.lk

15 December 2015

To: Bank of Ceylon ("the Trustee")
Trustee to the Sanasa Development Bank PLC ("The Company")
Debenture Issue 2015-2020

LETTER OF GUARANTEE NO. : 3927 2130 0554

Dear Sirs,

LETTER OF GUARANTEE ON THE ISSUANCE OF UPTO TWENTY MILLION (20,000,000) RATED, GUARANTEED, REDEEMABLE DEBENTURES, RGRD TYPE A AND RGRD TYPE B ("THE DEBENTURES") EACH AT A PAR VALUE OF RUPEES ONE HUNDRED (LKR 100/-) EACH BY SANASA DEVELOPMENT BANK PLC

At the request of **SANASA DEVELOPMENT BANK PLC** (bearing Registration No. PB 62 PQ), a company duly incorporated under the Laws of Sri Lanka and having its Registered office at No. 12, Edmonton Road, Kirulapone, Colombo 06 (hereinafter referred to as the Company) we **SAMPATH BANK PLC**, (bearing Registration No. PQ 144) a Company incorporated under the Companies Act No 17 of 1982 and re-registered under the Companies Act No 07 of 2007 being a Licensed Commercial Bank regulated under the Banking Act No 30 of 1988 (as amended) and having its registered office at No. 110, Sir James Pieris Mawatha, Colombo 02 (hereinafter referred to as "the Guarantor") do hereby irrevocably and unconditionally guarantee undertake bind and oblige to pay you (or your successors and assigns) on your first written demand at Colombo a sum of **Sri Lanka Rupees Two Thousand Two Hundred Million (LKR 2,200,000,000/-)** being the principal sum and two interest payments for two Interest Periods computed at the Rate of Interest on the maximum of Twenty Million (20,000,000)

- i. Rated Guaranteed Redeemable Debentures 2015-2018 bearing interest at a fixed rate of Nine decimal Six Zero per centum (9.60%) per annum payable semiannually ("RGRD Type A"); and
- ii. Rated Guaranteed Redeemable Debentures 2015-2020 bearing interest at a fixed rate of Ten decimal Zero per centum (10.00%) per annum payable semiannually ("RGRD Type B");

issued by the Company according to the terms and conditions set out in the Trust Deed dated Fourteenth (14th) December Two Thousand and Fifteen (2015) (hereinafter referred to as the "Trust Deed") which may be claimed by you or your authorised officer on behalf of the Debenture Holders of RGRD TYPE A and RGRD TYPE B Debentures for the monies due and payable by the Company.

Unless the context otherwise requires or admits all capitalized terms not defined herein shall have the same meanings given to them in the Trust Deed.

Any reference to Debentures in this letter of guarantee shall be a reference to RGRD TYPE A and RGRD TYPE B Debentures only.

Contd...P/2

AND WHEREAS we the Guarantor in consideration of agreement being reached with the Company and other good and valuable consideration do hereby guarantee undertake bind and oblige to pay you on the first demand all sums of monies not exceeding a sum of **Sri Lanka Rupees Two Thousand Two Hundred Million (LKR 2,200,000,000/-)** on account of

- i. the principal sum and two interest payments at the Rate of Interest of Nine decimal Six Zero per centum (9.60%) per annum for two Interest Periods (as defined in the Trust Deed) for the RGRD Type A; and
- ii. the principal sum and two interest payments at the Rate of Interest of Ten decimal Zero per centum (10.00%) per annum for two Interest Periods (as defined in the Trust Deed) for the RGRD Type B

due and payable by the Company or its successors and assigns to you in the event the said Company has failed or neglected to redeem the said Debentures or pay the interest described above on the said Debentures upon the occurrence of an Event of Default in terms of the Trust Deed.

AND WHEREAS we the said Guarantor hereby confirm that payments under this guarantee will not be denied by reference to the *beneficium excussionis seu ordinis* and/ or any other benefits privileges and exceptions to which sureties are by law entitled.

Your statement that the said Company has failed or neglected to redeem the said Debentures or pay the interest described above on the said Debentures upon the occurrence of an Event of Default in terms of the Trust Deed and that in consequence thereof any amount not exceeding **Sri Lanka Rupees Two Thousand Two Hundred Million (LKR 2,200,000,000/-)** is due to you shall be absolutely binding on us and shall be accepted by us as sufficient and conclusive proof thereof.

Whereas our obligation shall be unconditional and irrevocable and our liability hereunder shall not be discharged or released by any agreement made between you and the said Company with or without notice to us or by reason of any alteration or amendment of the terms of the Trust Deed entered into between you and the said Company or by any forbearance whether as to payments, performance or otherwise whatsoever.

Also we, specifically agree that you shall be at liberty either in one action to sue the said Company and us together with any other surety and also any other person all jointly and severally or to proceed in the first instance against us only.

This Guarantee shall be valid from the period commencing from the **Thirty First (31st) day of December in the year Two Thousand and Fifteen (2015)** up to and including the **Twenty Ninth (29th) day of January in the year Two Thousand and Twenty One (2021)**



සමපත් බැංකුව
சம்பத் வங்கி
SampathBank

-3-

Any claims arising under this guarantee should be in writing and demand under the hand of two duly authorized signatories of Bank of Ceylon, Sri Lanka and shall be addressed and delivered to us on or before the said **Twenty Ninth (29th) day of January in the year Two Thousand and Twenty One (2021)** after which date this guarantee will be treated as null and void and thereafter, even though the original of this guarantee may be retained by you, this guarantee shall not be of any force or avail in law except in respect of claims lodged by you with us under this guarantee on or before the **Twenty Ninth (29th) day of January in the year Two Thousand and Twenty One (2021)** in the manner herein before provided.

Any claims made on this guarantee shall be paid by us within Five (05) Market Days of demand in writing as aforesaid as per the Trust Deed between you and the Company.

This Guarantee shall be binding on and remain in force and be enforceable against the Guarantor notwithstanding the dissolution or disability of the Guarantor.

All payments made hereunder shall be a *pro tanto* discharge of our aggregate liability hereunder and our aggregate liability hereunder shall not in any event exceed the said sum of **Sri Lanka Rupees Two Thousand Two Hundred Million (LKR 2,200,000,000/-)**

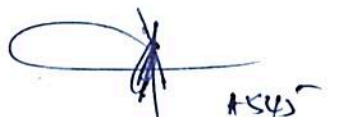
The benefits accruing under this Letter of Guarantee shall not be assigned by Bank of Ceylon in favour of any other party. Provided however that in the event of the appointment of a new trustee all rights benefits and title under this Guarantee shall enure to the benefit of such new trustee.

Notwithstanding anything to the contrary in this Letter of Guarantee, where there is no oversubscription and the amount which is raised from the issue of the Debentures is a sum lesser than the sum of Sri Lankan Rupees Two Thousand Million (LKR 2,000,000,000/-/-) the Guarantor's aggregate liability hereunder shall not exceed the principal sum due on such lesser number of Debentures issued plus two interest payments for two Interest Periods (computed at the Rates of Interest as described above).

This Guarantee shall be governed by the laws of the Democratic Socialist Republic of Sri Lanka.

Signed at Colombo on this 15th day of December 2015.

Yours faithfully,


.....
AUTHORISED SIGNATORY

RUWAN EMBULDENIYA


.....
AUTHORISED SIGNATORY

MAHESH MOHANARATNAM