TRUST DEED
FOR

AN INITIAL ISSUE BY BANK OF CEYLON OF UP TO FIFTY MILLION (50,000,000) BASEL III COMPLIANT, TIER 2, LISTED, RATED, UNSECURED, SUBORDINATED REDEEMABLE FIVE (05) YEAR DEBENTURES (2023/28) WITH NON-VIABILITY WRITEDOWN FEATURES AT A PAR VALUE OF RUPEES ONE HUNDRED (LKR 100/-) EACH TO RAISE A SUM OF UP TO SRI LANKAN RUPEES FIVE BILLION (LKR 5,000,000,000/-) WITH AN OPTION TO ISSUE UPTO A FURTHER FIFTY MILLION (50,000,000) OF SAID DEBENTURES TO INCREASE THE SAID SUM BY UP TO A FURTHER SRI LANKAN RUPEES FIVE BILLION (LKR 5,000,000,000/-), AT THE DISCRETION OF THE BANK IN THE EVENT OF AN OVERSUBSCRIPTION OF THE INITIAL ISSUE

THIS TRUST DEED is entered into at Colombo on this **Eighth (08th)** day of **December Two Thousand and Twenty-Three (2023).**

By and Between

BANK OF CEYLON, a Banking Corporation duly established under the Bank of Ceylon Ordinance (Cap.397) and having its Head Office at "BOC Square", No. 01, Bank of Ceylon Mawatha, Colombo 01 in the Democratic Socialist Republic of Sri Lanka (hereinafter referred to as "the Bank" and which term or expression herein used shall where the context so requires or admits mean and include the said BANK OF CEYLON, its successors and assigns) of the **ONE PART**

And

HATTON NATIONAL BANK PLC, a banking company duly incorporated under the Companies Ordinance No.51 of 1938 and re-registered under the Companies Act No, 7 of 2007 bearing registration number PQ 82 and having its registered office at No.479, T B Jayah Mawatha Colombo 10 in the said Republic (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 Hatton National Bank PLC its successors and assigns) of the

OTHER PART

WHEREAS

The Board of Directors of the Bank of Ceylon being duly empowered by the Bank of Ceylon Ordinance has resolved by resolution dated 31st August 2023 which was duly passed to raise a sum not exceeding Sri Lankan Rupees Five Billion (LKR5,000,000,000/-) by the issue of Fifty Million (50,000,000) BASEL III Compliant, Tier 2, Listed Rated Unsecured Subordinated Redeemable Debentures at an par value of Sri Lankan Rupees One Hundred (LKR100/-) with a non-viability write down features, with an option to raise a further sum of Sri Lankan Rupees Five Billion (LKR 5,000,000,000/-) by the issue of further Fifty Million (50,000,000) BASEL III Compliant, Tier 2, Listed Rated Unsecured Subordinated Redeemable Debentures each at an par value of Sri Lankan Rupees One Hundred (LKR100/-) with a non-viability write down features, having tenures and bearing interest at the rates hereinafter mentioned for purposes of expanding the Bank's loan book, increasing the Tier 2 capital of the Bank, reducing maturity gaps exposure in the assets and liability portfolios of the Bank and strengthening the liquidity position of the Bank to increase the asset base

The/-

- The said Debentures shall be constituted in the manner and upon the terms and conditions hereinafter contained;
- The Bank has obtained an instrument rating of BBB+ (EXP) (lka) from Fitch Ratings Lanka Limited for the aforesaid Debentures;
- The Bank proposes to invite Qualified Investors to subscribe to the said Debentures by the issue of a Prospectus; and
- The Trustee being duly qualified to act as Trustee under and in terms of the Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021, and specifically under Rule 2.2.1 (k) of the CSE Listing Rules, has, at the request of the Bank, agreed to accept appointment to 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 Debenture Holders on the terms hereinafter contained.

THIS TRUST DEED IS TO BE READ ALONG WITH THE PROSPECTUS WITH SPECIAL CAUTION TO THE CONTENTS THEREIN IN ORDER TO AVOID ANY MISAPPREHENSION RELATING TO THE ISSUE.

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. "**ADDITIONAL TIER 1 CAPITAL (AT1) BOND**" means Basel III Compliant, Rated, Listed, Unsecured, Subordinated, Perpetual, Additional Tier 1 Capital (AT1) Bonds with a non-viability full and permanent write down feature and each of the par value of Sri Lankan Rupees One Hundred (LKR 100/-) bearing interest at a fixed rate of Fifteen per centum (15%) per annum. Such AT1 Bonds will be perpetual in nature and equivalent to the perpetual debt securities as per the CSE Listing Rules. Interest payment frequency is annually at the expiry of every one-year period from the date of allotment of the Bonds, subject to the conditions described under item 5 of the Web Based Return Code 20.2.2.1.1.1 of the Banking Act Direction No.1 of 2016 dated 29th December 2016.

   If a Trigger Event occurs for the BASEL III Debentures, any liability arising from such instrument at the point of such non-viability will be converted to the AT 1 Bonds which shall be issued within Twenty (20) days upon the occurrence of the Trigger Event as determined by the Monetary Board of the CBSL and such AT1 Bonds will be listed on the CSE.

2. "**AT 1 BOND HOLDERS**" means those who hold ATI Bonds upon the occurrence of the Trigger Event in respect of Type A and Type B BASEL III Debentures.

3. "**BANK**" means the Bank of Ceylon.

4. "**BANKING ACT**" means the Banking Act No. 30 of 1988 of Sri Lanka as amended from time to time.

5. "**BOARD**" means the Board of Directors of the Bank.

6. **"CBSL"** means Central Bank of Sri Lanka.

7."CENTRAL/-

7. **"CENTRAL DEPOSITORY or CDS"** means the Central Depository Systems (Private) Limited.

8. **"CERTIFICATE"** means any certificate required to be issued under These Presents and they may have been signed on behalf of the Bank by the Deputy General Manager (International, Treasury & Investments) and the Assistant General Manager (Investment Banking) duly authorized by the Board of Directors of the Bank to issue such a certificate.

9. **"CSE"** means the Colombo Stock Exchange.

10. **"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.

11. **"DATE OF REDEMPTION"** means with respect to Debentures of Types A & B Five (05) years from the Date of Allotment or such earlier date on which the Debentures may become payable in accordance with These Presents or such later date on which the Debentures may be payable in the circumstances set out in Clause 4.2.

12. **"DEBENTURES"** mean

    Type A Debentures: BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable 5 year Debentures (2023/28) with non-viability write down features and each of the par value of Sri Lankan Rupees One Hundred (LKR 100/-) bearing interest at a fixed rate of Twenty-Two per centum (22%) per annum on the Principal Sum payable annually on each Interest Payment Date from the Date of Allotment of the Debentures until the date immediately preceding the Date of Redemption.

    Type B Debentures: BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable 5 year Debentures (2023/28) with non-viability write down features and each of the par value of Sri Lankan Rupees One Hundred (LKR 100/-) bearing interest at a floating nominal rate equivalent to 100 basis points (1.00%) above the Weighted Average One (01) Year Gross Treasury Bill Rate, at the latest Primary Auction as announced by the CBSL prior to the interest resetting date for every annual period initially and thereafter to be determined/revised annually at the expiry of every One (01) year period from the date of allotment of the Debentures on the same basis from the Date of Allotment of the Debentures until the date immediately preceding the Date of Redemption;

    If a Trigger Event occurs for the aforementioned Type A and Type B Debentures, the outstanding principal balance of the Debentures and accrued unpaid Debenture interest (if any), at the point of such non-viability will be converted to the AT 1 Bonds referred to in 1 (a) 1 hereof.

13. **"DEBENTURE HOLDERS"** means the Qualified Investors who are the holders of the Type A Debentures and Type B Debentures in whose CDS account the Debentures are lodged upon being entitled thereto.

In the/-

In the occurrence of a trigger event Type A Debentures and Type B Debenture Holders will be known as AT 1 Bond Holders

14. **"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 Bank in order to qualify for the payment of any interest or any redemption proceeds.

15. **"EVENT OF DEFAULT"** means any event set out in Clause 10.

16. **"EXTRAORDINARY RESOLUTION"** means a resolution passed by not less than three fourth (¾) in value of the Debenture Holders present of a majority in par value of the outstanding Debentures present in person or by proxy or by attorney or, in the case of a corporate Debenture Holder, by a duly authorized representative and voting on such resolution.

17. **"INTEREST PAYMENT DATE"** means the date on which the payment of interest in respect of the Debentures shall fall due.

    For Types A and B Debentures such date shall be the date of expiry of one (01) year commencing from the Date of Allotment and thereafter to be determined/revised annually at the expiry of every One (01) year period from the date of allotment of the Debentures on the same basis until the Date of Redemption (and inclusive of such Date of Redemption).

18. **"INTEREST PERIOD"** means for Types A, B Debentures, one (01) year 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).

19."LISTED"/-

R M N Jeewantha
Deputy General Manager
International, Treasury & Investment
Bank of Ceylon

HATTON NATIONAL BANK PLC
Authorized Signatory Authorized Signatory

Rihaan Shakoor
Assistant General Manager
(Investments)

19. **"LISTED"** means tradable on the CSE.

20. **"MARKET DAY"** means a day on which trading takes place at the CSE.

21. **"ORDINARY RESOLUTION"** means a resolution passed by Debenture Holders representing twenty-five per centum (25%) of the par value of the Debentures for the time being outstanding present in person or by proxy or by attorney or, in the case of a corporate Debenture Holder, by a duly authorized representative and voting on such resolution.

22. **"PERSONS RESIDENT OUTSIDE SRI LANKA"** has the same meaning as in the Order published under Section 31 of the Foreign Exchange Act No 12 of 2017 in Gazette No.2213/40 dated 3rd February 2021.

23. **"PROSPECTUS"** means a prospectus prepared in accordance with the CSE Listing Rules and delivered to the Securities and Exchange Commission of Sri Lanka in terms thereof.

24. **"QUALIFIED INVESTOR(S)"** shall mean anyone of the following persons:

(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 (as amended);
(i) An investment trust or investment company;
(j) A non-resident institutional investor; and,
(k) An individual with an initial investment of Rs.5,000,000/-.

The applicants should also meet the under mentioned eligibility criteria.

(a) An individual
  (i) whose net personal assets excluding primary residential property, exceeds Two Hundred Million Rupees (Rs. 200,000,000/-) in value; or
  (ii) whose average annual income in the preceding three (3) years is not less than Thirty Million Rupees (Rs. 30,000,000/-); and,
  (iii) who makes a declaration on his experience, ability and sophistication to take on the investment risk.
(b) A corporate (listed or unlisted) which does not fall under the above categories and is incorporated under the Companies Act No. 7 of 2007 with net assets exceeding One Thousand Million Rupees (Rs. 1,000,000,000/-) in value as determined by:
  (i) the most recent audited balance sheet of the entity; or

(ii) in the/-

(ii) in the absence of the audited balance sheet, the most recent balance sheet of the corporate entity certified by the entity as giving a true and fair view of the state of affairs of the entity as of the date of the balance sheet, which date shall be within the preceding twelve (12) months.

(c) The Trustee of a trust as the Commission may specify when acting in that capacity.

In view of the above trading of the Debentures on the CSE will also be limited to Qualified Investors

Applications will not be accepted from individuals and Sri Lankans residing outside Sri Lanka who are under the age of 18 years, or if made in the names of sole proprietorships, partnerships or unincorporated trusts, or bodies of persons. Applications will also not be entertained from any financial institution/ group over which the Bank has control or significant influence. The Bank will not directly or indirectly fund the purchase of the Debentures. When permitting Non -Residents to invest in the Debentures, the Bank will comply with the Foreign Exchange Act and the Regulations published thereunder including those contained in the Government Gazette (Extraordinary) No. 2213/35 dated 3rd February 2021 with regard to the issue and transfer of Debentures of Companies incorporated in Sri Lanka to persons resident outside Sri Lanka.

25. **"RATE OF INTEREST"** means with respect to:

i) Type A- Fixed interest rate of Twenty-Two percent (22%) per annum payable annually

ii) Type B - floating nominal rate of interest equivalent to 100 basis points (1.00%) above the Weighted Average One (01) year Treasury Bill interest rate (Before Tax) at the latest Primary Auction as announced by the Central Bank of Sri Lanka annually to the interest resetting date for every annual period.

26. **"RESOLUTION"** means a Resolution passed by the Debenture Holders in terms of Clause 20 unless otherwise provided for.

23. **"REGISTERED ADDRESS"** when used in relation to a Debenture Holder means the address provided by the Debenture Holder to the CDS.

27. **"REGISTRARS"** means the Investment Banking Division of Bank of Ceylon or such other person or persons to be appointed as the registrars for the purpose of These Presents by the Bank.

25. **"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 or Commission.

26. **"SRI LANKAN RUPEES"** and the sign **"LKR/ Rs"** mean the lawful currency of the Democratic Socialist Republic of Sri Lanka.

27. **"SUBORDINATED"** in relation to the Debentures means that the claims of the Debenture Holders shall, in the event of the winding up of the Bank rank after all the claims of depositors and holders of senior debt and claims of secured and other unsecured creditors of the Bank and any preferential claims under any Statutes governing the Bank but shall rank in priority to and over the claims and rights of the Shareholder of the Bank.

28. "THESE/-

28. **"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 provisions thereto executed in accordance with the provisions hereof.

29. **"TRIGGER EVENT"** means a point or event at which the Monetary Board of the Central Bank of Sri Lanka determines:

a. the Bank would become non-viable, without a write-down in terms of item 10(iii)(a) of the Web Based Return Code 20.2.3.1.1.1 of the Banking Act Directions No. 01 of 2016 (as amended); or

b. to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable

30. **"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 document executed (and as from time to time modified as aforesaid) and expressed to be supplemental hereto.

31. **"TRUSTEE"** means Hatton National Bank PLC, as described above and its successors or permitted assigns.

32. **"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 Bank 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.

(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 convenience and shall not affect the construction of These Presents.

2. APPOINTMENT/-

2. APPOINTMENT OF THE TRUSTEE

The Trustee is hereby appointed as Trustee for the purposes set out in These Presents for the benefit of and in the interests of the Debenture Holders as provided herein. The Trustee accordingly accepts the appointment upon the terms and conditions contained herein and agrees to act under the provisions of this Trust Deed as the Trustee. The Trustee is hereby vested with all powers necessary for the Trustee to give full effect to the object of the Trust hereby created.

It is hereby further declared and acknowledged that the Debenture Holders by applying for and subscribing to the Debentures, shall, on being issued and allotted the Debentures, be deemed to have appointed the Trustee as the agent of the Debenture Holders to act for and on behalf of the Debenture Holders and to represent the Debenture Holders collectively in the instances and in the manner provided for hereinafter.

For the avoidance of doubt the provisions of this Trust Deed entered into between the Bank and the Trustee, who also becomes the agent of the Debenture Holders, shall be deemed to be the written agreement by the Bank with the Debenture Holders in respect of all matters set out herein including with regard to the redemption of the Debentures and payment of interest on the Debentures.

3. THE ISSUE, TENURE AND LISTING OF DEBENTURES

AMOUNT AND OTHER DETAILS OF THE DEBENTURE ISSUE

Having received an approval from its Board of Directors by way of a resolution, the Bank shall issue Fifty Million Debentures to Qualified Investors of the par value of Sri Lankan Rupees One Hundred (LKR100/-) each in order to raise a sum of up to Sri Lankan Rupees Five Billion (LKR5,000,000,000/-) with the option at the discretion of the Bank, to make a further issue of Fifty Million Debentures of the par value of Sri Lankan Rupees One Hundred (LKR 100/-) each in order to raise a further sum not exceeding Sri Lankan Rupees Five Billion (LKR5,000,000,000/-).

The Bank shall allot such Debentures to Qualified Investors who accept the Bank's invitation to subscribe therefor in accordance with the terms and conditions set out in the Prospectus, and within such period of time prescribed in the Listing Rules of the CSE, credit the Securities Accounts of the respective Qualified Investors maintained at the CDS. The Bank shall send written confirmation thereof to the Qualified Investors within such period of Market Days as required in terms of the Listing Rules of the CSE. No Debenture certificate shall be issued by the Bank.

The Bank shall not be bound to register more than 03 natural persons as joint holders of any Debenture.

The Debentures once allotted shall rank equal and *pari passu* with each other and without any preference or priority of any one over the others except if otherwise provided for herein.

TENURE/-

R M N Jeewantha
Deputy General Manager
International, Treasury & Investment
Bank of Ceylon

HATTON NATIONAL BANK PLC
Authorized Signatory
Authorized Signatory

Rihaan Shakoor
Assistant General Manager
(Investments)

TENURE OF THE DEBENTURES

The Tenure of the Debenture Types A and B, once issued shall be for a period of 5 years commencing from their respective Date of Allotment and ending on their respective related Date of Redemption.

4. COVENANTS TO REPAY THE PRINCIPAL SUM AND INTEREST

4.1 (a) The Bank 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 at the Entitlement Date by crossed cheque marked "Account Payee only" sent by ordinary mail to the Registered Addresses of the Debenture Holders or through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as SLIPS (Sri Lanka Interbank 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 at the Entitlement Date by crossed cheque marked "Account Payee only" sent by ordinary mail to the Registered Addresses of the Debenture Holders or through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as SLIPS transfer or a RTGS 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 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 (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/-

(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 Bank, the Bank 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 Bank 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 Bank to the Debentures Holder when a claim is duly made and no interest will be payable by the Bank 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 Bank.

No person shall be entitled to claim any such payment after the completion of six (6) years from the Interest Payment Date or the Date of Redemption and all unclaimed monies shall cease to be owed and payable by the Bank to any Debenture Holder after the said period of six (6) years and such monies will be returned to the Bank 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 Bank undelivered, the amounts represented by each of such returned cheques shall also be transferred by the Bank to the aforementioned suspense account maintained with the Trustee and retained therein for a period of six (6) 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 Holders within the said six (6) year period and no interest will be payable by the Bank 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 (6) years from the Interest Payment Date or the Date of Redemption and all unclaimed monies shall cease to be owed and payable by the Bank to any Debenture Holder after the said period of six (6) years and such monies will be returned to the Bank by the Trustee.

(e)The Bank/-

(e) The Bank shall always act on the information furnished to it by the CDS and it shall be the responsibility of each Debenture Holder to keep all the information in respect of itself updated. Each Debenture Holder shall absolve the Bank 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 to be initiated by or are, for any other reason, attributable to the Debenture Holders.

(f) the Bank shall be entitled to make payment on redemption of all such Debentures on the Date of Redemption to 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 Bank to the respective Debenture Holders in redemption of the Debentures of such Debenture Holders.

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

4.2 If the Date of Redemption falls on a non- working Day on which Banks are closed for business, then the Date of Redemption shall be the next working 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 These Debentures will not be redeemed by the Bank prior to maturity for any reason whatsoever except due to the occurrence of an Event of Default as contemplated in Clause 10.1. Repayment before maturity of the principal sum on a Debenture in any circumstance shall be subject to the prior written approval of the CBSL and the approval of 3/4th of the Debenture Holders of each Type in nominal value of the Debentures outstanding when the principal sum is repaid before maturity. Debenture Holders shall not have any right or option to call for redemption of the Debentures before the Date of Redemption of such Debentures. However, if a Trigger Event occurs prior to maturity or at the point of maturity, the Debentures will be permanently written off and any liability arising from such instrument at the point of non-viability shall take the character of an AT1 Bond ranking equal and pari passu with the existing AT1 Bonds of the Bank.

5. STAMP DUTY AND OTHER CHARGES (IF ANY)

The Bank 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 is limited to Qualified Investors and should be for a minimum of One Hundred (100) Debentures (other than in respect of individual Qualified Investors who would need to apply for a minimum of 50,000 Debentures in order to satisfy the requirement of being a Qualified Investor) and any application for excess of this figure should be in multiples of One Hundred (100) Debentures.

7.TRANSFER/-

7. TRANSFER OF DEBENTURES

(a) These Debentures shall be freely transferable only to another Qualified Investor 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 Bank 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 Bank as having any title to his/her Debentures.

(d) Any person becoming entitled to any Debentures in consequence of the bankruptcy/insolvency of any Debenture Holder or winding up in the case of any corporate 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/its title as the Board 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 CDS, CSE and SEC.

(e) No change of ownership in contravention to these conditions will be recognized by the Bank.

(f) Neither the Bank nor a banking group over which the Bank exercises control or significant influence can have purchased the Debentures and the Bank cannot directly or indirectly have funded the purchase of the Debentures.

8. COVENANT TO OBSERVE PROVISIONS OF THE TRUST DEED

The Bank 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 Bank 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 Bank.

9.COVENANTS/-

R M N Jeewantha
Deputy General Manager
International, Treasury & Investment
Bank of Ceylon

HATTON NATIONAL BANK PLC
Authorized Signatory
Authorized Signatory

Rihaan Shakoor
Assistant General Manager
(Investments)

9. COVENANTS BY THE BANK

The Bank hereby covenants with the Trustee, for the benefit of the Debenture Holders, that so long as any of the Debentures remain outstanding;

(a) The Bank shall, at all times, carry on and conduct its affairs in a proper and appropriate manner.

(b) The Bank 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 Bank, free access to the same at all times during working hours and to discuss the same with the Board and officers of the Bank, 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 Bank and its business and shall not use any information they acquire pursuant to these provisions for any other purpose.

(c) The Bank 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 the Date of Redemption certifying that the principal amount has been paid to the Debenture Holders in terms of Clause 4.

(d) The Bank 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 relating to the Debentures to the extent permitted by law and Listing Rules of the CSE provided such Certificates can be issued or such information can be provided by the Bank without committing any breach of its duty of confidentiality to any person or entity.

(e) The Bank shall submit to the Trustee within one (1) 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 that the Bank has complied with each and all of the covenants including those contained in this Clause 9 of These Presents and the said Certificate shall include:

(i) Whether or not any limitation of liabilities or borrowings as prescribed by the Bank of Ceylon Ordinance has been exceeded;

(ii) Whether or not any material trading or capital loss has been sustained by the Bank, and if so, the amount of such trading or capital loss sustained by the Bank;

(iii) Whether or not any circumstances materially affecting the Bank have occurred which adversely affect the Debenture Holders;

(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 Bank to repay the Debentures, and if so, the amount of such contingent liability;

(v) Whether/-

(v) Whether or not the Bank has any contingent liabilities, and if so, the amount of such liabilities;

(vi) Whether or not the Bank has assumed a liability of a related corporate body during the preceding calendar quarter, and if so, 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 Bank;

(viii) Whether or not any circumstances have arisen which render adherence to the existing method of valuation of assets or liabilities of the Bank inappropriate;

(ix) Whether or not there has been any substantial change in the nature of the Bank's business since the issue of the Debentures;

(x) Whether or not the Bank has observed and performed all the covenants and obligations binding upon them respectively pursuant to the Trust Deed.

(f) The Bank shall keep a record by way of a Register of the number of Debentures which have been issued and, the date of such issue and the persons to whom such Debentures were issued, provided however that the Bank shall, after the listing of the Debentures on the CSE, be entitled to treat the records maintained by the CDS as an accurate record of the Debenture Holders and the number, type and value of the Debentures held by each Debenture Holder.

(g) The Bank shall permit the Trustee and the Debenture Holders at all reasonable times without payment of any fee to inspect any records maintained by the Bank referred to in Clause 9(f) above and to take copies thereof.

(h) The Bank shall forthwith upon the Bank becoming aware of the happening of any and every Event of Default as is mentioned in Clause 10 hereof, give notice thereof in writing to the Trustee, provided that the Bank 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 Debentures, certifying that no event mentioned in Clause 10.1 hereof has occurred during the previous six (6) month period which would have resulted in the Debentures becoming payable in terms of the said Clause 10.

(i) The Bank shall make available the Trust Deed in full on the Bank's website and on CSE's website until the Date of Redemption, and shall make available to any Debenture Holder, on request, a certified copy of the Trust Deed, upon payment of a fee of LKR100/-.

(j) The Bank shall send to the Trustee and the CSE, and publish on its website, 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 Bank shall send the Trustee all published financial information, which is normally provided to its shareholder.

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

(i)Preservation/-

(i) Preservation of the Bank's assets (whether then or thereafter existing); and/or

(ii) Collection of amounts due under this Trust Deed.

All such sums shall be reimbursed by the Bank within thirty (30) days from the date of notice of demand from the Debenture Holders or the Trustee.

(m) The Bank shall immediately notify the Trustee in the event that the Bank becomes aware of the occurrence of any of the events mentioned in Clause 10.

(n) In the event that the Bank creates a charge, the Bank 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 Bank shall submit to the Trustee the written details of the amount of each claim, within five (5) days from the date the claim is made.

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

(p) The Bank 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 Debenture Holders as at the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions therefor.

(q) The Bank shall immediately notify the Trustee in the event that the Bank becomes aware of the occurrence of any Trigger Event.

10. EVENTS OF DEFAULT AND TRIGGER EVENT

10.1 The Debentures shall become immediately payable at the option of the Trustee upon the commencement of any action/proceeding against the Bank on the grounds of liquidation, bankruptcy, insolvency or receivership or upon an order being made or a resolution being passed for the winding up of the Bank.

10.2 In the event of the occurrence of any of the events mentioned in this Clause 10. 2 (a) to (h), the Trustee shall notify the Bank of such default and grant the Bank a period of thirty (30) days to cure such default. In the event of such default not being cured within the time aforesaid the Rate of Interest on the Debentures shall be increased by Zero decimal Five per centum (0.5%) per annum.

(a) If the Bank defaults on the payment of the principal sum or any interest due on the whole or any part of the Debentures in accordance with the provisions contained in These Presents.

(b) If the Debentures cease to be listed in the CSE at any time between the time of listing and the Date of Redemption, due to any default on the part of the Bank.

(c) If the Bank 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 Bank.

(d) If the Bank does not submit a Certificate to the Trustee as set out in Clause 9 (c), Clause 9 (e) or Clause 9 (h).

(e) If there is a breach by the Bank of any terms or conditions in the Debentures or provisions herein contained or any other documents relating to the issue, offer or invitation in respect of the Debentures

(f)Where/-

(f) Where any other indebtedness of the Bank becomes due and payable prior to its stated maturity or where security created for any other indebtedness becomes enforceable.

(g) Where there is revocation, withholding or modification of a license, authorization or approval that impairs or prejudices the Bank's ability to comply with the terms and conditions of the Debentures or the provisions of the Trust Deed or any other document relating to the issue, offer or invitation in respect of the Debentures.

(h) Where any mortgage, charge, pledge, lien or other encumbrance present or future is created or assumed by the Bank contrary to the terms or conditions of the Debentures and the provisions of the Trust Deed.

10.3 Trigger Event

Upon the occurrence of a Trigger Event, the Debentures shall be permanently written off and any liability arising from such instrument at the point of non-viability shall take the character of an Additional Tier 1 (AT1) Bonds and shall be subordinated to claims of every other liability as of the date on which the Trigger Event has occurred as notified to the Bank by the CBSL up to the outstanding balance of such Debentures

The Bank on receipt of a Trigger Event notification from the CBSL will immediately make a market announcement and the write-down mechanism would be activated.

Provided however, upon the occurrence of the trigger event, the Government of Sri Lanka as the sole shareholder of the Bank will liaise with the CBSL to restore the Bank's viability. The Board of Directors of the Bank is responsible for exercising the write-down mechanism as directed by the CBSL, the Regulator. The decision to write-down shall be *pari-passu* on all Debentures issued under BASEL III compliant with the feature of loss absorption fully, partially or pro rata as determined by the Monetary Board of CBSL

11. ENFORCEMENT OF OBLIGATIONS

At any time after the Debentures shall have become repayable on redemption or otherwise under any provision of These Presents, and/or the Bank has failed and/or neglected to repay and/or redeem the same within the stipulated time period, the Trustee may upon the Bank's continuous failure and/or negligence to repay and/or redeem the Debentures, at its discretion and upon the request in writing of the Debenture Holders representing at least one fifth (1/5th) in nominal value of the Debentures outstanding or, if so directed by the Debenture Holders pursuant to an Extra Ordinary Resolution and subject to fourteen (14) days prior written notice to the Bank, institute such proceedings as they think fit to enforce repayment of principal amount, together with accrued interest and other obligations of the Bank under These Presents.

12.APPLICATION/-

R M N Jeewantha
Deputy General Manager
International, Treasury & Investment
Bank of Ceylon

HATTON NATIONAL BANK PLC
Authorized Signatory
Authorized Signatory

Rihaan Shakoor
Assistant General Manager
(Investments)

12. APPLICATION OF MONIES RECEIVED BY THE TRUSTEE

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

(a) Firstly, 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 Debenture Holders all arrears of interest remaining unpaid on the Debentures held by them respectively;

(c) Thirdly, in or towards payment to the Debenture Holders all principal monies due in respect of the Debentures held by them respectively;

(d) Finally, the Trustee shall pay the surplus (if any) of such monies to the Bank 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 Debentures have been paid, but such alteration in the order of payment of the principal monies and interest shall not prejudice the right of the Debenture Holders to receive the full amount to which they would have been entitled if the order of payment outlined above had been observed. Any payment to the Debenture Holders under this Clause shall be made *pari passu* in proportion to the Debentures held by them respectively.

13. MANNER OF PAYMENT AND ENFORCEMENT OF DEBENTURES

Any payment to be made in respect of the Debentures by the Bank 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 Bank or the Trustee, as the case may be. Any payment of interest in respect of a Debenture shall extinguish any claim which may arise directly or indirectly in respect of such interest from a Debenture Holder.

Upon any payment being made by the Bank in full under this Clause, the capital and all interest due under and in terms of a Debenture, such Debenture shall be cancelled and the Trustee shall certify or procure the certification of such cancellation.

14. REMUNERATION OF THE TRUSTEE

The Bank shall pay the Trustee during the continuation of These Presents, a sum of Sri Lankan Rupees Three Hundred Thousand (LKR 300,000/-) 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 Debentures.

Further, the Trustee shall be entitled to the reimbursement of all reasonable costs, charges and expenses which the Trustee may incur in relation to the exercise of its duties hereunder and any additional services performed by the Trustee (if any) from and out of the funds lying to the credit of the trust hereby created. Such reimbursements will be made in Sri Lankan Rupees to the Trustee through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as SLIPS and RTGS in the event accurate bank account details of the Trustee is provided or by a cheque sent by registered mail to the addresses of Trustee within 14 market days from the receipt of such invoice.

15.GENERAL/-

15. GENERAL POWERS AND DUTIES OF THE TRUSTEE

15.1 Without prejudice to the powers and reliefs conferred on the 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 or other expert, (whether obtained by the Trustee or the Bank) and shall not be responsible nor liable for any loss occasioned by acting on any such opinion, advice, certificate or information provided that it has reasonable grounds for believing such person was competent to provide such opinion, advice, certificate or information and 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 and 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 Debenture 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 Debenture Holders in accordance with the provisions of Clause 20 hereof.

(d) In case of default by the Bank, the Trustee may but shall not be bound, unless directed either by an instrument in writing signed by the Debenture Holders representing not less than Seventy Five per centum (75%) of the par value of the Debentures for the time being outstanding or in accordance with an Extraordinary Resolution passed by the Debenture Holders in accordance with Clause 20 of These Presents, to waive such terms and conditions of These Presents as they shall deem expedient and or any of the covenants and provisions contained in These Presents to be performed and or observed on the part of the Bank.

(e) The Trustee as between itself and the Debenture Holders shall have full power to determine all questions and doubts arising in relation to any of the provisions of These Presents and shall keep the Bank informed of every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee.

(f) The Trustee may, instead of acting through its staff in the conduct of the trust matters set out in These Presents, employ and pay a professional person, with the prior written approval of the Bank, 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 Bank.

(g)The/-

(g) The Trustee shall not be liable to the Bank or to any Debenture Holder by reason of having recognized or treated as a Debenture Holder any person subsequently found not to be entitled to be recognized or treated as such.

(h) 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 Debenture Holders, it shall have regard to the interests of the Debenture 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 Debenture Holder 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 Debentures have been redeemed or relating to any other matter primarily in the knowledge of the Bank 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 Debenture Holders in writing:

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

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

15.4 The Trustee shall in performance of its duties maintain the confidentiality of confidential information received by it (provided that 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 its own benefit.

15.5 The Trustee shall exercise reasonable diligence to ascertain whether the Bank has committed any breach of the terms and conditions of the Debentures 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 The Trustee may rely upon any certificate or report given or statement made by the auditors or an officer of the Bank if it has reasonable grounds for believing that the auditor or officer was competent to give or make the certificate, report or statement.

15.7 The Trustee shall comply with the provisions in relation to inter alia, the registration of the trust with the relevant authority as stipulated under the Trusts Ordinance No. 9 of 1917 (as amended).

15.8 In the event of any change in the rating assigned by Fitch Ratings Lanka Limited for the Debentures, the Bank shall notify the Trustee and the CSE and take steps to make an immediate market announcement.

15.9 In the/-

15.9 In the event of 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 Bank 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 and or equity 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.

16.2 Any terms and conditions of the Debentures and provisions in the Trust Deed or a term of a contract with the Debenture 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; or
(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 Debenture 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 Debenture Holders by an Extraordinary Resolution.

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 Debenture Holders by way of an Extraordinary Resolution at any meeting duly called.

16.3The/-

R M N Jeewantha
Deputy General Manager
International, Treasury & Investment
Bank of Ceylon

HATTON NATIONAL BANK PLC
Authorised Signatory Authorised Signatory

Rihaan Shakoor
Assistant General Manager
(Investments)

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 Bank to Debenture 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 Bank 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 a new Trustees shall be vested in the Bank, provided that the Bank shall obtain the consent of Debenture Holders representing not less than fifty per centum (50%) of the par value of the Debentures for the time being outstanding at a duly convened Meeting or otherwise, prior to any such appointment of the new Trustee by the Bank. Notice of such appointment shall be given to the Debenture Holders within thirty (30) days of such appointment by an advertisement published in the national newspapers in all three languages (Sinhala, Tamil and English) of the Bank's choice circulating in Sri Lanka.

(b) In the event the Bank 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 Debenture 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 Bank shall be with the consent of an Extraordinary Resolution of the Debenture Holders.

(d) In the event of the Debenture 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 Bank shall be notified of any removal of the Trustee and subsequent appointment of a replacement Trustee by the Debenture Holders.

(f) The Bank 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 the situation of unsuitability and does not eliminate such situation within 90 days, after them ascertaining or of them being 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 Bank 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.

18. COMPLIANCE/-

18. COMPLIANCE OF MAJORITY OF TRUSTEES

If there be more than one (01) Trustee under These Presents the Trustees shall with majority consent exercise all or any of the Trustee's powers and discretions vested in the Trustees 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, desires to resign, the Trustee shall give not less than ninety (90) days' notice to the Bank in writing to that effect, and the Bank 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 the 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 Debenture Holders notwithstanding anything to the contrary herein contained.

20. MEETINGS OF DEBENTURE HOLDERS

(a) The Trustee shall call /cause the holding of a meeting of Debenture Holders: (i) by providing written notice to the Bank and to all Debenture Holders regarding such meeting; or (ii) on receipt of a requisition in writing signed by the Debenture Holders representing not less than one fifth ($1/5^{th}$) of the value of the Debentures for the time being outstanding; or (iii) if a meeting is requested by the Bank in writing.

(b) Not less than twenty-one (21) days' notice shall be given of a meeting for the purpose of passing a Resolution, whether an Ordinary or Extraordinary Resolution.

(c) The quorum for the meeting (other than an adjourned meeting) for the purpose of passing an Ordinary Resolution shall be the Debenture Holders representing twenty five per centum (25%) of the par value of the Debentures for the time being outstanding present in person or by proxy or by attorney or, in the case of a corporate Debenture Holder, by a duly authorized representative, provided however, that the quorum for passing an Extraordinary Resolution should be the Holders of a majority in par value of the outstanding Debentures present in person or by proxy or by attorney or, in the case of a corporate Debenture Holder, by a duly authorized representative. In order to pass such resolution not less than three fourth (¾) in value of the Debenture Holders present and voting on such resolution

(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 Debenture Holder and shall state in such notice that if a quorum as above defined shall not be present at the adjourned meeting the Debenture Holders then present shall form a quorum.

(e) A vote on a Resolution shall be taken in the first instance by a vote on a show of hands and each Debenture Holder who is present only in person shall be entitled to participate thereat, unless a Poll be first demanded.

(f) On a poll, each Debenture Holder will be entitled to one (01) vote for each Debenture held by such person.

(g)A proxy/-

(g) A proxy need not be a holder of the Debentures.

(h) The Trustee, or where the Trustee is a corporate entity, an authorized representative thereof, shall be the chairman of any meeting of the Debenture Holders, and shall appoint a person or body to act as a secretary of such meeting. A copy of any Resolution certified by the Trustee and such secretary as having been passed at such Meeting shall be deemed conclusive evidence that such Resolution was, in fact, duly passed thereat.

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

(i) In the event the Bank fails to remedy any breach of terms and/or conditions of the Debentures or the provisions/covenants of the Trust Deed, the Trustee may:

(i) Call a meeting of the Debenture Holders with notice to the Bank.
(ii) Inform the Debenture Holders of the failure at the meeting; and
(iii) Submit proposals for the protection of the Debenture Holders' interests, or call for proposals from the Debenture 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 Bank may by mutual agreement and by way of a writing which is duly signed agree to modify and in fact modify These Presents subject to such modifications being of a routine nature; Provided however that any modification to These Presents which are detrimental to the Debenture Holders shall only be made by an Extraordinary Resolution of the Debenture Holders.

21.2 Upon a modification being duly made, the Bank shall inform the Debenture Holders within seven (7) days with regard to such modification. Upon a modification being duly made, the Bank or the Trustee shall notify the CSE and the Bank shall take steps to make an immediate market announcement.

22. NOTICES

Any notice or demand to the Bank, Debenture 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 Bank or Trustee and by prepaid ordinary mail in the case of Debenture Holder(s), or by facsimile transmission or by delivering it by hand to the Bank, Debenture Holders or the Trustee as the case maybe, in the case of the Bank or the Trustee at the address shown below in this Trust Deed, and in the case of Debenture Holder(s) to the address which appear in the CDS, and any notice sent by post as provided in this Clause 22 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 22 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.

The/-

The Trustee shall at any time be entitled to give notice of any meeting or make any communication to the Debenture Holders by notice published in the national newspapers in all three (03) 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 Debenture Holders including the provisions of the above clause.

The Bank

BANK OF CEYLON

ATTN: ASSISTANT GENERAL MANAGER (INVESTMENTS)

Address: Investment Banking Division, 7th Floor, "BOC Square", No 01,

Bank of Ceylon Mawatha, Colombo 01

Fax: +94 112346842 Tel No: +94 11 2448348

Email : investment@boc.lk

The Trustee

HATTON NATIONAL BANK PLC

ATTN: MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER

Address: Level 16, No.479, T B Jayah Mawatha, Colombo 10

Fax: +94 112662735 Tel No: +94 11 2662717

23. MISCELLANEOUS

(a) Nothing in the provisions of These Presents shall require disclosure to the Trustee by the Bank 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 Bank shall be obliged to furnish to the audit firm referred to in the Clause 9 (b) information in respect of the Bank's books of accounts.

(b) In the event of any inconsistency between these provisions and any rules, regulations or directions of the SEC, CSE or CDS such rules, regulations or directions shall prevail.

(c) This/-

R M N Jeewantha
Deputy General Manager
International, Treasury & Investment
Bank of Ceylon

HATTON NATIONAL BANK PLC
Authorised Signatory Authorised Signatory

Rihaan Shakoor
Assistant General Manager
(Investments)

(c) This Trust Deed shall be governed by and construed in accordance with the laws of Sri Lanka.

(d) This Trust Deed should be read together with the Prospectus for this issue of Debentures with special emphasis on the risk factors which are mentioned therein.

(e) The Trustee shall not disclose the affairs relating to the trust to any person whomsoever unless such disclosure is:

i) to the Bank as long as the Bank is not in default of its obligations hereunder, or

ii) required by any Court or regulatory authority in accordance with any statutory provision.

IN WITNESS WHEREOF the hands of two Authorised Signatories of **BANK OF CEYLON** and **HATTON NATIONAL BANK PLC** was placed hereunto and to three others of the same tenor and date as these Presents at Colombo on the day hereinafter mentioned.

Signed by R.M.N. Jeewantha (Deputy General Manager – International, Treasury and Investment) and M.R.A. Shakoor (Assistant General Manager – Investments) being the duly authorized signatories of **BANK OF CEYLON** on this **Eighth (08th) day of December Two Thousand and Twenty Three (2023)** at Colombo.

R M N Jeewantha
Deputy General Manager
International Treasury & Investment
Bank of Ceylon

Signed in the presence of us

WITNESSES:

1. Chandima Darshani Herath
777932294 V

Rihaan Shakoor
Assistant General Manager
(Investments)

2. Naullage Dimesha Erandi Perera
198473900751

Signed by **Tyrone Hannan** (Head of Custody and Trustee Services) and **Niroshan Chandrapalan** (Relationship Manager– Custody and Trustee Services) being the duly authorized signatories of **HATTON NATIONAL BANK PLC** on this **Eighth (08th) day of December Two Thousand and Twenty Three (2023)** at Colombo.

HATTON NATIONAL BANK PLC
Authorized Signatory
Authorized Signatory

WITNESSES:

1. Demata Hettige Madhushika Niroshini
955412125V

2. Maswala Vidhana Arachchige Don Shermila Nadishani
198351503070