

**TRUST DEED
FOR**

**AN INITIAL ISSUE OF FIFTY MILLION (50,000,000) RATED SENIOR
UNSECURED REDEEMABLE DEBENTURES OF THE PAR VALUE
RUPEES ONE HUNDRED (SLR 100/-) EACH BY LANKA ORIX LEASING
COMPANY PLC**

This Trust Deed is made on this Twenty Fourth (24th) Day of October Two Thousand
and Fourteen

Between

LANKA ORIX LEASING COMPANY PLC, a Company duly incorporated in Lanka bearing registration number PQ 70 of 100/1, Sri Jayawardenepura Mawatha Rajagiriya in the Democratic Socialist Republic of Sri Lanka (hereinafter called "**Company**") and which term or expression herein used shall where the context requires or admits mean and include the said **LANKA ORIX LEASING COMPANY PLC**, its successors and assigns) of the **ONE PART**;

And

DEUTSCHE BANK AG, COLOMBO BRANCH, a Banking Corporation duly incorporated in the Federal Republic of Germany and having its registered office at Taunusanlage, Frankfurt am Main, Federal Republic of Germany and having a Branch Office at No. 86 Galle Road, Colombo 3, in the Democratic Socialist Republic of Lanka (hereinafter referred to as the "**Trustee**") and which term or expression herein used shall where the context so requires or admits mean and include the said **DEUTSCHE BANK AG, COLOMBO BRANCH** its successors and assigns) of the **OTHER PART**;

Whereas

- The Company being duly empowered in that behalf by its Articles of Association has resolved by resolutions dated 02 June 2014, 30 June 2014, August 2014, 27 August 2014 and 23 October 2014 of its Board of Directors to raise a sum of Sri Lankan Rupees Five Billion (SLR 5,000,000,000/-) by issue of Rated Senior 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-" from ICRA Limited for the aforesaid Debentures;
- The Trustee being duly qualified to act as Trustee under the Securities and Exchange Commission Act No. 36 of 1987 (as amended) has agreed to accept the office of Trustee and act under the provisions of this Deed as Trustee for the benefit of and in the interests of the Debenture Holders on the terms hereinafter contained.

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

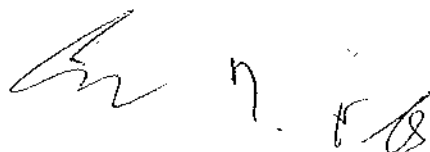
1. DEFINITIONS

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

1. **"CENTRAL DEPOSITORY or CDS"** means the Central Depository System (Private) Limited.
2. **"CSE"** means the Colombo Stock Exchange.
3. **"CERTIFICATE"** means any certificate required to be issued under These Presents and they may be signed on behalf of the Company by (a) any two Directors or (b) a Director and the Company Secretary 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 Five (5) years from the Date of Allotment or such earlier date on which the Debentures may become redeemable in accordance with These Presents or such later date on which the Debentures may be redeemable in the circumstances set out in Clause 4.2.
6. **"DEBENTURES"** shall mean Rated Senior Unsecured Redeemable Debentures 2014 – 2019 of the par value of Sri Lanka Rupees One Hundred (SLR 100/-) each, bearing interest at a fixed rate of Nine decimal Zero per centum (9.00%) per annum payable quarterly on each Interest Payment Date from the Date of Allotment of the Debentures until the date immediately preceding the Date of Redemption.

All the Debentures under this Indenture shall rank equal and *pari passu* in all respects. They shall also rank *pari passu* with all other unsecured creditors of the Company other than those mandatorily preferred by law.

7. **"DEBENTURE HOLDERS"** mean the Holders of the Debentures in whose CDS account the Debentures are lodged as at the relevant date.
8. **"ENTITLEMENT DATE"** means the Market Day immediately preceding the respective Interest Payment Date or Date of Redemption on which a Debenture Holder would need to be recorded as being a Debenture Holder on the list of Debenture Holders provided by the CDS to the Company in order to qualify for the payment of any interest or any redemption proceeds.
9. **"EVENT OF DEFAULT"** means any event set out in Clause 10.



10. **"EXTRAORDINARY RESOLUTION"** means a resolution passed by the holders of not less than three fourth (¾) in value of the Debenture Holders voting on such resolution.
11. **"INTEREST PAYMENT DATE"** means the 31st December, 31st March, 30th June and 30th September of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.
12. **"INTEREST PERIOD"** means the 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 Companies Act No. 7 of 2007 and delivered to the Registrar of Companies in terms thereof.
16. **"RATE OF INTEREST"** means the rate of Nine decimal Zero per centum (9.00%) per annum.
17. **"RESOLUTION"** means a Resolution passed by the Debenture Holders in terms of Clause 20 unless otherwise provided for.
18. **"REGISTERED ADDRESS"** when used in relation to a Debenture Holder means the address provided by the Debenture Holder to the CDS.
19. **"REGISTRARS"** mean the Registrars to the Debenture issue or such other person or persons to be appointed as the Registrars for the purpose of These Presents by the Company.
20. **"SEC"** means the Securities and Exchange Commission of Sri Lanka established under the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 (as amended).
21. **"SRI LANKAN RUPEES"** and the sign **"SLR"** mean the lawful currency of the Republic of Sri Lanka.
22. **"THESE PRESENTS"** means this Trust Deed as from time to time modified in accordance with the provisions herein contained

and/or according to law and shall include any Supplementary Trust Deed executed in accordance with the provisions hereof.

23. "TRUST DEED" means These Presents as from time to time modified in accordance with the provisions herein contained and/or according to law and shall include any Supplementary Trust Deed executed in accordance with the provisions hereof.

24. "TRUSTEE" means Deutsche Bank AG Colombo Branch, a licensed Commercial Bank under the Banking Act No. 30 of 1988, or its successors or assigns.

(b) Words denoting or importing the singular number shall include the plural number and vice versa and words denoting or importing the masculine gender only shall include the feminine gender and shall include corporate and unincorporated bodies of persons.

(c) In These Presents references to:

(i) any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made there under or under such modifications or re-enactment.

(ii) principal and/or interest in respect of the Debentures or to any monies payable by the Company under These Presents or under the Debentures shall be deemed also to include references to any additional amounts which may be payable under These Presents.

(iii) Costs, charges or expenses shall include (but not be limited to) Value Added Tax, Turnover Tax or similar tax charged or chargeable in respect thereof.

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


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

2. APPOINTMENT OF THE TRUSTEE

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

3. AMOUNT OF THE DEBENTURE ISSUE

Debentures will be issued by the Company to raise a sum up to Sri Lanka Rupees Five Billion (SLR 5,000,000,000/-) and such Debentures shall be listed on the Colombo Stock Exchange subject to in-principle approvals of the CSE being obtained.



4. COVENANTS TO REPAY THE PRINCIPAL SUM AND INTEREST

- 4.1 (a) The Company hereby covenants with the Trustee for the benefit of the Debenture Holders that it will:
- (i) pay on the Date of Redemption to Debenture Holders in accordance with the provisions of These Presents and upon receipt of the information relating to the Debenture Holders from the CDS, as of the Entitlement Date by crossed cheque marked "Account Payee only" sent by ordinary mail to the Registered Addresses of the Debenture Holders or through a SLIPS (Sri Lanka Inter Company Payments System) transfer or a RTGS (Real Time Gross Settlement System) transfer the principal sum of the Debentures which ought to be redeemed and interest (if any) remaining unpaid up to the date immediately preceding the Date of Redemption of the Debentures. RTGS transfers however could be effected only for amounts over and above the maximum value that can be accommodated via SLIPS transfers.
 - (ii) pay on each Interest Payment Date to the Debenture Holders in accordance with the provisions of These Presents and upon receipt of the information relating to the Debenture Holders from the CDS, as of the Entitlement Date by crossed cheque marked "Account Payee only" sent by ordinary mail to the Registered Addresses of the Debenture Holders or through a SLIPS (Sri Lanka Inter Company Payments System) transfer or a RTGS (Real Time Gross Settlement System) transfer the interest on the Debentures for the time being outstanding at the Rate of Interest in accordance with the provisions of These Presents. RTGS transfers however could be effected only for amounts over and above the maximum value that can be accommodated via SLIPS transfers.
 - (iii) the interest calculation shall be based upon the actual number of days in each Interest Period (actual/actual).
 - (iv) the payment of the principal sum and interest shall be made in Sri Lankan Rupees after deducting any withholding tax and/or such other taxes and charges thereon, if applicable.
 - (v) any payments shall be deemed to have been made on the Date of Redemption or the Interest Payment Date as the case may be if the cheques are dispatched not later than three (3) Market Days from such date or the SLIPS transfer or the RTGS transfer is made not later than three (3) Market 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

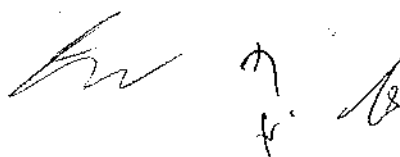
interest at the Rate of Interest plus two per centum (2%) per annum from the Date of Redemption or the Interest Payment Date as the case may be.

- (b) The Debentures shall be redeemed in accordance with the provisions contained in These Presents on the Date of Redemption together with interest (if any) remaining unpaid thereon.
- (c) If any Debenture Holder fails or refuses to receive payment of the interest or redemption monies payable to such Debenture Holder, or any part thereof within ninety (90) days from the Interest Payment Date or the Date of Redemption of the Debentures as the case may be, the amount due to him shall be transferred by the Company to a suspense account maintained separately with the Trustee at the end of ninety (90) days after the Interest Payment Date or the Date of Redemption of the Debentures and shall be paid by the Company to the Debentures Holder when a claim is duly made and no interest will be payable by the Company on such interest or redemption monies for the period between the Interest Payment Date or the Date of Redemption as the case may be and the date of the said payment unless the nonpayment is due to a default on the part of the Company.

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

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

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



- (e) The Company shall always act on the information furnished by the CDS and it shall be the responsibility of each such Debenture Holder to keep all the information in respect of such Debenture Holder updated. Each Debenture Holder shall absolve the Company from any responsibility or liability in respect of any error or absence of necessary changes in the information recorded with the CDS. Provided further that the Debenture Holder shall absolve the CSE and the CDS from any responsibility or liability in respect of any error or absence of necessary changes in the information recorded with the CDS where such errors or absence of changes are initiated or are attributable to the Debenture Holders.
- (f) the Company shall be entitled to make payment on redemption of all such Debentures on the Date of Redemption to such Debenture Holders without any request for claim from such Debenture Holders and such payment shall be deemed to be a payment duly made by the Company to the respective Debenture Holders in redemption of the Debentures of such Holders.
- (g) In order to accommodate the Debenture interest cycles in the Automated Trading System (ATS) of the CSE, the Debenture Holders to whom interest shall be paid shall be those holding Debentures in the CDS as of the Entitlement Date.

4.2 If the Date of Redemption falls on a day which is not a Market Day, then the Date of Redemption shall be the immediately succeeding Market Day and interest shall be paid upto the date immediately preceding such Market Day (including holidays).

5. STAMP DUTY AND OTHER CHARGES (IF ANY)

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

6. ELIGIBILITY TO APPLY FOR DEBENTURES

Applications for Debentures should be for a minimum of One Hundred (100) for the value of Sri Lankan Rupees Ten Thousand (SLR.10,000/-) Debentures and any application for excess of this figure should be in multiples of One Hundred (100) (SLR.10,000/-) Debentures.

7. TRANSFER OF DEBENTURES

- (a) These Debentures shall be freely transferable and the registration of such transfer shall not be subject to any restriction, save and except to the extent required for compliance with statutory requirements.
- (b) The Debentures shall be transferable and transmittable through the CDS as long as the Debentures are listed in the CSE. Subject to the provisions contained herein the Company may register without assuming any liability any transfer of Debentures, which are in accordance with the statutory requirements and rules and regulations in force for the time being as laid down by the CSE, SEC and the CDS.

(c) In the case of death of a Debenture Holder

- (i) The survivor where the deceased was a joint holder; and
- (ii) The executors or administrators of the deceased or where the administration of the estate of the deceased is in law not compulsory the heirs of the deceased where such Debenture Holder was the sole or only surviving holder;

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

- (d) Any person becoming entitled to any Debentures in consequence of bankruptcy or winding up of any Debenture Holder, upon producing proper evidence that he/she/it sustains the character in respect of which he/she/it proposes to act or his/her title as the Board of Directors of the Company thinks sufficient may in the discretion of the Board be substituted and accordingly registered as a Debenture Holder in respect of such Debentures subject to the applicable laws, rules and regulations of the Company, CDS, CSE and SEC.
- (e) No change of ownership in contravention to these conditions will be recognized by the Company.

8. COVENANT TO OBSERVE PROVISIONS OF THE TRUST DEED

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

9. COVENANTS BY THE COMPANY

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

- (a) The Company shall at all times carry on and conduct its affairs in a proper and appropriate manner.
- (b) The Company shall at all times keep such books of accounts as it is obliged to keep under the applicable laws and (to the extent not prohibited by law or otherwise by virtue of any duty of confidentiality) at any time after an Event of Default shall have occurred or the Trustee shall have reasonable cause to believe that an Event of Default will occur, allow a reputed audit firm appointed by the Trustee in consultation with the Company free access to the same at all times during working hours and to discuss the same with the directors and officers of the Company, provided however that the Trustee and the audit firm shall, to the extent legally permitted, maintain confidentiality in respect of all the matters relating to the Company and its business and shall not use any information they acquire pursuant to these provisions for any other purpose.

- (c) The Company shall issue a Certificate in writing to the Trustee;
 - (i) within five (5) days from each Interest Payment Date, certifying that the interest on the Debentures has been paid to the Debenture Holders in terms of Clause 4;
 - (ii) within five (5) days from the Date of Redemption certifying that the principal amount has been paid to the Debenture Holders in terms of Clause 4.

(d) The Company shall issue to the Trustee such certificates and provide such information as the Trustee may require in order to carry out its duties and obligations in terms of These Presents provided such certificates can be issued or such information can be provided by the Company without committing any breach of its duty of confidentiality to any person or entity.

(e) The Company shall submit to the Trustee within fifteen (15) days from the end of every calendar quarter from the Date of Allotment a Certificate which is dated in accordance with a resolution of its Board of Directors that the Company has complied with each and all of the covenants including those contained in this Clause 9 in These Presents and the certification should include:

- (i) Whether or not any limitation of liabilities or borrowings as prescribed by the Companies Act No. 7 of 2007 and the Articles of Association of the Company has been exceeded;
- (ii) Whether any material trading or capital loss has been sustained by the Company;
- (iii) Whether or not any circumstances materially affecting the Company has occurred which adversely affects 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 Company to repay the Debentures;
- (v) Whether the Company has any contingent liabilities and if so the amount of such liabilities;
- (vi) Whether the Company has assumed a liability of a related corporate body during the preceding calendar quarter, the extent of the liability assumed during the quarter and the extent of the liability at the end of the quarter;
- (vii) Whether or not there has been any change in any accounting method or method of valuation of assets or liabilities of the Company;
- (viii) Whether or not any circumstances have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company inappropriate;

- (ix) Whether or not there has been any substantial change in the nature of the Company's business since the issue of the Debentures;
- (x) Whether or not any action has been taken by the Board of Directors of the Company in terms of section 219 or section 220 the Companies Act No. 7 of 2007 during the preceding quarter;
- (xi) Whether or not the Company has observed and performed all the covenants and obligations binding upon them respectively pursuant to the Trust Deed;
- (f) The Company shall keep a record of the number of Debentures which have been issued and, the date of such issue and the persons to whom such Debentures were issued, provided however that the Company 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 and value of the Debentures held by each Debenture Holder.
- (g) The Company shall permit the Trustee and the Debenture Holders at all reasonable times without payment of any fee to inspect any records maintained by the Company referred to in Clause 9(f) above and to take copies thereof.
- (h) The Company shall forthwith upon the Company becoming aware of the happening of any and every such event as is mentioned in Clause 10 hereof give notice thereof in writing to the Trustee provided that the Company shall in any event issue a Certificate to the Trustee within thirty (30) days from the end of every quarterly period commencing from the Date of Allotment of the Debentures certifying that no event mentioned in paragraphs (c) and (d) of Clause 10 hereof has occurred during the previous three (03) month period which would have resulted in the Debentures becoming payable in terms of the said Clause 10.
- (i) The Company shall make available the Trust Deed in full on the Company's web site and CSE's web site until the Date of Redemption and shall make available to any Debenture holder on request a certified copy of the Trust Deed upon payment of a fee of SLR 100/-.
- (j) The Company shall send to the Trustee, Debenture Holders and the CSE an interim financial statement prepared on a quarterly basis, 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.
- (k) The Company shall send the Trustee all published financial information, which is normally provided to ordinary shareholders at the same time that it is sent to the shareholders.
- (l) The Company shall reimburse all reasonable expenses incurred by the Debenture Holders/Trustee after an Event of Default has occurred in connection with;

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

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

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

- (i) Any amount payable under the Debenture to become immediately payable;
 - (ii) Any event which in the opinion of the Company that could lead to the acceleration of either the payment of interest or redemption of the Debentures;
 - (iii) Any other right or remedy under the terms and conditions of the Debentures or the provisions or covenants of the Trust Deed to become immediately enforceable.
- (n) In the event that the Company creates a charge, the Company shall submit to the Trustee the written details of the charge within twenty one (21) days after it is created and if the amount to be advanced on the security of the charge is indeterminate, the Company shall submit to the Trustee the written details of the amount of each claim, within five (5) days from the date the claim is made.
- (o) The Company shall at all times maintain records of all its published information and make them available for inspection by the Trustee and Debenture Holders.
- (p) The Company shall not declare or pay any dividend to its shareholders during any financial year unless it has paid all principal sums and interest payments that have become due and payable to the Debenture Holders as at the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions therefor.

10. EVENTS OF DEFAULT

The Debentures shall become immediately payable at the option of the Trustee on the occurrence of any of the following events:

- (a) If the Company defaults on the payment of the principal sum or any interest due on the whole or any part of the 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 Company.

- (c) If the Company stops or threatens to stop payment of its debts or ceases to carry on its business, which may lead to the winding up of the Company.
- (d) If any liquidation, bankruptcy, insolvency, receivership or similar action or proceeding is commenced against the Company or an order shall be made or an effective resolution shall be passed for the winding up of the Company.
- (e) If the Company does not submit a certificate to the Trustee as set out in Clause 9 (c), Clause 9 (e) or Clause 9 (h).
- (f) If the Company commits a breach of any of the other covenants or provisions herein contained and on its part to be observed and performed provided however that the Trustee shall give the Company up to thirty (30) days' notice before declaring such breach to be an Event of Default.
- (g) Where any other indebtedness of the Company becomes due and payable prior to its stated maturity or where security created for any other indebtedness becomes enforceable.
- (h) Where there is revocation, withholding or modification of a license, authorization or approval that impairs or prejudices the Company's ability to comply with the terms and conditions of the Debentures or the provisions of the Trust Deed or any other document relating to the issue, offer or invitation in respect of the Debentures.
- (i) Where any mortgage, charge, pledge, lien or other encumbrance present or future is created or assumed by the Company contrary to the terms or conditions of the Debentures and the provisions of the Trust Deed.

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 the Company has failed and/or neglected to repay and/or redeem the same within the stipulated time period, the Trustee may upon the Company's continuous failure and/or negligence to repay and/or redeem the Debentures despite such notice, at its discretion, or upon the request in writing of the Debenture Holders of at least one fifth (1/5) of the face value of the Debentures outstanding, and in the event that there is no Trustee, the Debenture Holders pursuant to an Extraordinary Resolution and subject to fourteen (14) days prior written notice to the Company, institute such proceedings as they think fit to enforce repayment and other obligations of the Company under These Presents.

12. APPLICATION OF MONIES RECEIVED BY THE TRUSTEE

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

- (a) In the first place in paying or providing for the payment or satisfaction of the costs charges expenses and liabilities incurred in or about the

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execution of the trust constituted by These Presents (including remuneration of the Trustee);

- (b) Secondly, in or towards payment to the Debenture Holders of all arrears of interest remaining unpaid on the Debentures held by them respectively;
- (c) Thirdly in or towards payment to the Debenture Holders of all principal monies due in respect of the Debentures held by them respectively; and
- (d) Finally, the Trustee shall pay the surplus (if any) of such monies to the Company or its assigns, provided that at the discretion of the Trustee payments may be made on account of principal monies before any part of the interest or the whole of the interest on the 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 ordinary order of payment 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 Company or the Trustee may be made in the manner provided in this Trust Deed and any payments so made shall be a good discharge *pro tanto* to the Company or the Trustee, as the case may be. Any payment of interest in respect of a Debenture shall extinguish any claim which may arise directly or indirectly in respect of such interest from a Debenture Holder.

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

Notwithstanding anything in the foregoing, the Company shall not effect an early redemption of a part of the Debentures only.

14. REMUNERATION OF THE TRUSTEE

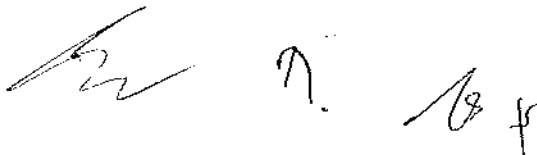
The Company shall pay the Trustee during the continuation of These Presents a sum of Sri Lankan Rupees Three Hundred Thousand (SLR 300,000/-) per annum payable exclusive of government taxes and levies on account of remuneration for the Trustee for its services under These Presents. The said fee shall be paid in advance at the beginning of each quarterly 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 from and out of the funds lying to the credit of the Trust hereby created.

15. GENERAL POWERS AND DUTIES OF THE TRUSTEE

15.1 Without prejudice to the powers and reliefs conferred on Trustees 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 Company) and shall not be responsible for any loss occasioned by acting on any such opinion, advice, certificate or information and that the Trustee shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same shall contain some error as long as the Trustee has acted in good faith.
- (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 Company, the Trustee may but shall not be bound unless directed either by an instrument in writing signed by the Debenture Holders of at least Seventy Five per centum (75%) of the face value of the Debentures for the time being outstanding or in accordance with a Extraordinary Resolution passed by the Debenture Holders in accordance with Clause 20 of These Presents, to waive such terms and conditions as they shall deem expedient any of the covenants and provisions contained in These Presents on the part of the Company to be performed and observed.
- (e) The Trustee as between itself and the Debenture Holders shall have full power to determine all questions and doubts arising in relation to any of the provisions of These Presents and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee. If a Debenture Holder is not satisfied with the said determination provided by the Trustee, then the Debenture Holder may challenge such determination in a court of law provided;
 - (i) Such Debenture Holder has first appealed to the Trustee within fourteen (14) days of such determination, with cogent reason for a revision of such determination and the Trustee had failed and/or neglected to revise its determination and/or communicate its revised



determination within fourteen (14) days of the receipt of the appeal;
and

(ii) given the Trustee not less than fourteen (14) days notice of his intent to challenge that determination or revised determination as the case maybe

(f) The Trustee may, in the conduct of the trusts of These Presents, instead of acting through its staff, employ and pay a professional person with the prior written approval of the Company, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee. Any expense incurred by such employment of a professional person shall not be charged as an expense to the Company.

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

(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 Holders resulting from his or its being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory.

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

15.2 The Trustee shall give notice to the Debenture Holders in writing

(a) when the Trustee is notified by the Company of any occurrence mentioned in Clause 10 or any condition of the Trust Deed which cannot be fulfilled;

(b) when the Company fails to deliver the Certificate referred to in Clause 9(e) of These Presents;

(c) as soon as practicable if the Company fails to remedy any breach of terms and conditions of the Debentures or the provisions/covenants of the Trust Deed.

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

15.4 The Trustee shall in performance of its duties maintain the confidentiality of confidential information received by it (the Trustee

may disclose such information to a branch, head office, subsidiary or agent of the Trustee in connection with the Trust Deed and to any government body court and/or to any party in accordance with the law) and shall not use such information for their own personal benefit.

- 15.5 The Trustee shall exercise reasonable diligence to ascertain whether the Company has committed any breach of the terms and conditions of the 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. However, the Trustee's role shall be passive prior to the Trustee being notified of any occurrence of an Event of Default and the Trustee shall not have any other duty apart from those expressly stated herein.

16. EXEMPTIONS AND INDEMNIFICATIONS OF TRUSTEE FROM LIABILITY

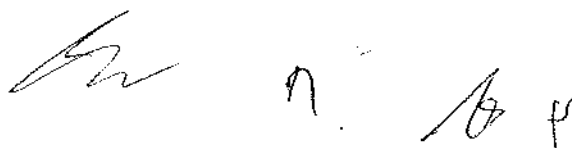
- 16.1 The Trustee shall be indemnified by the Company for any liability, claim, expense, damage or loss that it may incur in connection with this Trust Deed, provided the liability or loss was not a result of negligence or willful misconduct of the Trustee.

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

- 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 if the Debenture Holders who vote for the resolution represent three fourth (3/4) of the face value of the Debentures.



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 at any meeting duly called.

16.3 The Trustee shall:

- (a) not be responsible in the capacity of a lender or borrower;
- (b) have no obligations to discharge debts owed by the Company to 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 Company unless actual notice of otherwise is given.

17. APPOINTMENT AND REMOVAL OF THE TRUSTEE

- (a) Subject to the provisions of this Trust Deed, the power of appointing new Trustees shall be vested in the Company, provided that the Company shall obtain the consent of Debenture Holders holding not less than fifty per centum (50%) of the face value of the Debentures for the time being outstanding or it may obtain approval by an ordinary resolution of the Debenture Holders prior to the appointment of the new Trustee. Notice of such appointment shall be given to the Debenture Holders within thirty (30) days of such appointment by an advertisement published in national newspapers in all three languages (Sinhala, Tamil and English) of the Company's choice circulating in Sri Lanka.
- (b) In the event the Company does not or cannot exercise its power to appoint a new Trustee and there being no new Trustee appointed as of thirty (30) days before the removal/resignation of the Trustee taking effect in accordance with the terms hereof, the 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 Company 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 Company shall be notified of any removal of the Trustee and subsequent appointment of a replacement Trustee by the Debenture Holders.
- (f) The Company shall take reasonable steps to replace the Trustee as soon as practicable after becoming aware that;
 - (i) The Trustee has ceased to exist;
 - (ii) The Trustee is in a situation of conflict of interests;
 - (iii) The Trustee has ceased to perform its function as a Trustee;
 - (iv) The Trustee is in a situation of unsuitability and does not eliminate such situation within ninety (90) days, after them ascertaining or of them been informed that the Trustee has such situation.

- (g) In the event the Trustee discovers that it is not eligible to be appointed or act as Trustee, the Trustee shall give notice in writing to the Company regarding the same.
- (h) Subject to Clause 19.1 below the existing Trustee shall continue to act as a Trustee until a new Trustee is appointed.

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, desiring to resign, the Trustee shall give not less than ninety (90) days' notice to the Company in writing to that effect, and the Company shall thereupon appoint a new Trustee in accordance with Clause 17 of These Presents. The Trustee shall continue in its capacity as Trustee until such time a new Trustee is appointed.
- 19.2 In the event of such a resignation, the Trustee at its cost shall publish a notice to this effect in 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 a meeting/cause a meeting of Debenture Holders with notice to the Company and all Debenture Holders or on a requisition being received in writing signed by the Debenture Holders of at least one tenth (1/10) of the face value of the Debentures for the time being outstanding or if requested by the Company.
- (b) Not less than twenty one (21) days' notice shall be given of a meeting for the purpose of passing a Resolution.
- (c) The quorum for the meeting (other than adjourned meeting) for the purpose of passing an ordinary resolution shall be the Debenture Holders representing ten per centum (10%) of the face value of the Debentures for the time being outstanding, provided however, that the quorum for passing an Extraordinary Resolution should be the Holders of a majority in face value of the outstanding Debentures present in person or by proxy or by attorney.
- (d) If such a quorum cannot be obtained, such meeting shall be adjourned for not less than fourteen (14) days in which event notice of adjourned meeting shall be sent to every 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) On a poll, each Debenture Holder will be entitled to one vote for each Debenture held by such person.
- (f) A proxy need not be a holder of the Debentures.
- (g) The Trustee 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 and a copy of a resolution certified by the Trustee and such Secretary shall deem to be conclusive evidence that such Resolution has been duly adopted. Provided however that in the event of the Trustee not exercising the aforesaid entitlement, the Debenture Holders may appoint a person to act as the chairman of the meeting.
- (h) In the event the Company fails to remedy any breach of terms and conditions of the Debentures or the provisions/covenants of the Trust Deed, the Trustee may;
 - (i) Call a meeting of the Debenture Holders with notice to the Company.
 - (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 Company may by mutual agreement agree to modify These Presents, provided such modifications are of a routine nature. Provided however that any modification to These Presents which are detrimental to the Debenture Holders shall only be made with the consent of the Debenture Holders of at least three fourth (3/4) of the face value of the Debentures for the time being outstanding.
- 21.2 Upon a modification being duly made, the Company shall within seven (7) days of the modification being made inform the Debenture Holders of such modification.

22. NOTICES

Any notice or demand to the Company, 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 Company 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 Company, Debenture Holders or the Trustee as the case maybe, in the case of the Company or the Trustee at the address shown in below in this 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 shall be deemed to have been given, made or served seventy two (72) hours after dispatch and any notice sent by facsimile transmission as provided in this Clause shall be deemed to have been given, made or served at the time of dispatch and in proving the giving,

making or service of the same it shall be sufficient to prove, in the case of a letter, that such letter was properly stamped, addressed and placed in the post and, in the case of a facsimile transmission that such facsimile transmission was duly dispatched and received in the readable and understandable condition.

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 Newspapers in all three languages (Sinhala, Tamil and English) of its choice circulating in Sri Lanka and such notice will notwithstanding anything to the contrary herein contained be deemed to be sufficient notice to the Debenture Holders including the provisions of the above clause.

The Company

LANKA ORIX LEASING COMPANY PLC

Address: 100/1, Sri Jayawardenepura Mawatha, Rajagiriya

Fax: 2865642

Tel No: 5880851

Attention: Rohan Perera, General Manager/ Group Treasurer

The Trustee

DEUTSCHE BANK AG, COLOMBO BRANCH

Address: 86, Galle Road, PO Box 314, Colombo 03

Fax: +94 11 2 447 067

Tel No: +94 11 2 447 062

Attention: Tyrone Haman, Head of Global Transaction Banking

23. MISCELLANEOUS

(a) Nothing in the provisions of These Presents shall require disclosure to the Trustee by the Company of any information as to the affairs of any of its customers except,

- i) when required to do so by a Court of Law, or
- ii) in order to comply with any of the provisions of any Law.

PROVIDED however that the Company shall be obliged to furnish to the audit firm referred to in the Clause 9(b) information in respect of the Company's books of accounts.

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

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

(d) The trustee shall not disclose the affairs relating to the Trust to any person whomsoever unless such disclosure is:

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

IN WITNESS WHEREOF the said LANKA ORIX LEASING COMPANY PLC has placed its Common Seal and DEUTSCHE BANK AG, COLOMBO BRANCH has placed its hands hereunto and to one other of the same tenor and date as These Presents at Colombo on the day herein before mentioned.

The Common Seal of Lanka ORIX Leasing)
 Company PLC is hereto affixed in the presence)
 of Waduthantri Dharsan Kapila)
 Jayawardena (Director) Ishara Chinthaka)
 Nanayakkara (Director/Secretary))

LANKA ORIX LEASING COMPANY PLC
 Director
 LANKA ORIX LEASING COMPANY PLC
 Director

Witnesses:

1. Parasitrama Ralakkitha Amasekera Ekampala
 120/3, Pahle Sivanwile, Kaduwatha.
 841513720V.

2. Honwellege Dona Shanika Sivanali
 Amarapura 777910043V
 NO 451, Nairajodapalana, Ratuwalle

Signed for and on behalf of the Deutsche Bank AG,)
 Colombo Branch by its duly authorized signatories)
 Ignace Harman and Ruwanthi)
 Fernando)

For and behalf of
 DEUTSCHE BANK
 COLOMBO BRANCH
 Attorneys

Witnesses:

1. Priyanga Dinushi Wanigatunge
 No 17 First lane Dehiwala.
 731672164V

2. Dinushi Fernando
 No 64/5, Uyana Road,
 Moratuwa - 813101305V