

**Certified True Copy**



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**TRUST DEED**

**FOR**

**AN ISSUE OF FIVE MILLION (5,000,000) LISTED RATED SECURED (ASSET BACKED) REDEEMABLE  
SUKUK 2025 – 2030 OF THE PAR VALUE OF SRI LANKA RUPEES ONE HUNDRED (LKR 100/-) EACH  
BY VIDULLANKA PLC**

**DATED 22<sup>ND</sup> APRIL 2025**



## TRUST DEED

### FOR AN ISSUE OF UPTO FIVE MILLION (5,000,000) LISTED RATED SECURED (ASSET BACKED) REDEEMABLE SUKUK 2025 – 2030 OF THE PAR VALUE OF SRI LANKA RUPEES ONE HUNDRED (LKR 100/-) EACH BY VIDULLANKA PLC

This Trust Deed is made on this Twenty Second (22<sup>nd</sup>) day of April Two Thousand and Twenty-Five.

#### Between

**VIDULLANKA PLC**, a company duly incorporated under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 7 of 2007 (as amended) bearing registration number PQ 83 and having its registered office at Level 04, Access Towers, No. 278, Union Place, Colombo 02 (hereinafter referred to as “**the Company**” and which term or expression hereinafter used shall where the context so requires or admits mean and include the said **VIDULLANKA PLC**, its successors and assigns) of the **ONE PART**;

#### And

**HATTON NATIONAL BANK PLC**, a banking company duly incorporated in Sri Lanka under the Companies Ordinance No. 51 of 1938 and re-registered under the Companies Act No. 7 of 2007 (as amended) bearing registration number PQ 82 and having its registered office at No. 479, T.B. Jayah Mawatha, Colombo 10 in the Democratic Socialist Republic of Sri Lanka (hereinafter referred to as “**the Trustee**” and which term or expression hereinafter used shall where the context so requires or admits mean and include the said **HATTON NATIONAL BANK PLC**, its successors and assigns) of the **OTHER PART**;

#### WHEREAS

- The Company is involved in the business of carrying out renewable energy projects both within and outside of Sri Lanka;
- The Company is carrying out a renewable energy project of 4.0 MW at Lower Kotmale Oya (“Project”) pursuant to a generation license granted by the Ceylon Electricity Board (“CEB”) and a power purchase agreement entered into with the CEB;
- The Company being duly empowered in that behalf by its Articles of Association has resolved by resolution dated December 31, 2024 of its Board of Directors, which was ratified by the Board subject to amendments pursuant to the Board Resolution dated March 10, 2025, to raise a sum not exceeding Sri Lanka Rupees Five Hundred Million (LKR 500,000,000/-) by the issue of Type A Listed Rated Secured (Asset backed) Redeemable Sukuk and Type B Listed Rated Secured (Asset backed) Redeemable Sukuk each of the par value of Sri Lanka Rupees One Hundred (LKR 100/-) having a tenure hereinafter mentioned and to be listed on the Colombo Stock Exchange;
- In consideration of the receipt of a sum not exceeding Sri Lanka Rupees Five Hundred Million (LKR 500,000,000/-) from the Sukuk Holders as hereinafter defined and pursuant to a Purchase Agreement substantially in the form in Schedule 1 as hereinafter defined to be entered into by the Company with the Trustee for the sale and purchase of the Usufruct Rights of the Underlying Assets as provided under Schedule 2, the Company has agreed to issue upto Five Million (5,000,000) Listed Rated Secured (Asset backed) Redeemable Sukuk in favour of the Sukuk Holders;
- Pursuant to an Ijarah agreement to be entered into by the Company with the Trustee substantially in the form set out in Schedule 3 the Company shall take on Ijarah lease the Usufruct Rights of the Underlying Assets from the Trustee and would be obligated to make the Ijarah Payment to the Trustee as hereinafter mentioned.
- The said Sukuk shall be constituted in the manner and upon the terms and conditions hereinafter contained;
- The Company has obtained:
  - an instrument rating of A+ (EXP) (Ika) from Fitch Ratings Lanka Limited for the aforesaid Sukuk; and
  - the Shariah Compliance Certificate for the Sukuk from the Shariah Scholars accredited by the SEC
- The Trustee being duly qualified to act as Trustee under the Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021 has agreed to accept 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 Sukuk 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 Systems (Private) Limited.
  2. **"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 (02) Directors or (b) a Director and the Chief Executive Officer or (c) a Director and the Company Secretary or (d) any two (02) other Officers specifically authorized by the Board of the Company to issue such a certificate.
  3. **"CSE"** means the Colombo Stock Exchange.
  4. **"DATE OF ALLOTMENT"** means the date on which the Sukuk will be allotted to the Sukuk Holders which date will be notified to the Sukuk Holders.
  5. **"DATE OF REDEMPTION"** means Five (05) years from the Date of Allotment or such earlier date on which the Sukuk may become redeemable in accordance with These Presents or such later date on which the Sukuk may be redeemable in the circumstances set out in Clause 4.2 for both Type A and Type B.
  6. **"EXERCISE PRICE"** means the consideration received by the Sukuk Holders through the Trustee/Bankers to the Issue from the Company from the sale of the Usufruct Rights of the Underlying Assets in terms of the Purchase Undertaking
  7. **"ENTITLEMENT DATE"** means the Market Day immediately preceding the respective Ijarah Payment Date or Date of Redemption on which a Sukuk Holder would need to be recorded as being a Sukuk Holder on the list of Sukuk Holders provided by the CDS to the Company in order to qualify for the Ijarah Payment or any redemption proceeds.
  8. **"EVENT OF DEFAULT"** means any event set out in Clause 12.
  9. **"EXTRAORDINARY RESOLUTION"** means a resolution passed by the holders of not less than three fourth ( $\frac{3}{4}$ ) in value of the Sukuk Holders present and voting on such resolution.
  10. **"IJARAH AGREEMENT"** means the Ijarah agreement to be entered into by the Trustees with the Company on or around the Date of Allotment substantially in the form set out in Schedule 3 for the Ijarah lease of the Usufruct Rights of the Underlying Assets.
  11. **"IJARAH PAYMENT"** means the amount receivable by the Trustee from the Company under the Ijarah Agreement by way of rental and includes the payment for the period from the last payment until the payment is made pursuant to an Event of Default.
  12. **"IJARAH PAYMENT DATES"** For both Type A and B: mean the date on which Ijarah payments are due and payable by the Company to the Trustee in terms of the Ijarah Agreement and which is morefully described in Schedule 4 hereof.
  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. **"MORTGAGE BOND"** means a mortgage bond to be executed on or around the Date of Allotment substantially in the form set out in Schedule 6.
  16. **"PROSPECTUS"** means a prospectus prepared in accordance with the Companies Act No. 7 of 2007 (as amended) and the Rules of the Colombo Stock Exchange and delivered to the Registrar of Companies in terms thereof.
  17. **"PURCHASE AGREEMENT"** means an agreement substantially in the form set out in Schedule 1 hereto, to be entered into by the Company with the Trustee on the Date of Allotment wherein the Usufruct Rights of the Underlying Assets would be sold by the Company to the Trustee for and on behalf of the Sukuk Holders.



18. **"PURCHASE UNDERTAKING"** means an undertaking given by the Company to the Trustee that it would purchase the Usufruct Right of the Underlying Assets in Schedule 2 in terms of an agreement to be entered into between the Company and the Trustee on or around the Date of Allotment substantially in the form set out in Schedule 5 hereto and the payment by the Trustee to Sukuk Holders will be deemed to be a sale of the Usufruct Rights of the Underlying Asset to the Company.
19. **"REDEMPTION SUM"** means the principal sum of the Sukuk which ought to be redeemed which shall be equivalent to the Exercise Price in terms of the Purchase Undertaking.
20. **"RESOLUTION"** means a Resolution passed by the Sukuk Holders in terms of Clause 21 unless otherwise provided for.
21. **"REGISTERED ADDRESS"** when used in relation to a Sukuk Holder means the address provided by the Sukuk Holder to the CDS.
22. **"REGISTRARS"** means the Registrars to the Sukuk issue or such other person or persons to be appointed as the Registrars for the purpose of These Presents by the Company.
23. **"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.
24. **"SECURITY"** means the security set out in Clause 6 of this Trust Deed.
25. **"SRI LANKA RUPEES"** and the sign **"LKR"** mean the lawful currency of the Republic of Sri Lanka.
26. **"SUKUK"** shall mean:

Type A : Listed Rated Secured (Asset backed) Redeemable Sukuk 2025 – 2030 of the par value of Sri Lanka Rupees One Hundred (LKR 100/-), bearing a fixed Ijarah Payment Rate, each carrying an entitlement to the proportionate amount of the Usufruct Rights of the Underlying Assets and an entitlement to a redemption at par on the Date of Redemption.

Type B : Listed Rated Secured (Asset backed) Redeemable Sukuk 2025 – 2030 of the par value of Sri Lanka Rupees One Hundred (LKR 100/-) bearing a floating Ijarah Payment Rate, each carrying an entitlement to the proportionate amount of the Usufruct Rights of the Underlying Assets and an entitlement to a redemption at par on the Date of Redemption.

All the Sukuk shall rank in priority to all other unsecured creditors and the rights of any preference and ordinary shareholders of the Company with respect to the Usufruct Rights of the Underlying Assets from the Date of Allotment until the Date of Redemption.

27. **"SUKUK HOLDERS"** mean the holders of the Type A and/or Type B Sukuk in whose CDS account the Sukuk are lodged as at the relevant date.
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 Trust Deed executed in accordance with the provisions hereof.
29. **"TRUST"** means the Trust hereby created, named the "Vidullanka Sukuk Trust 1"
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 Supplementary Trust Deed executed in accordance with the provisions hereof.
31. **"TRUSTEE"** means Hatton National Bank PLC, or its successors or assigns as duly appointed by These Presents.
32. **"UNDERLYING ASSETS"** shall mean the assets listed in Schedule 2 including any assets which replace the said assets in the normal course of business and any takaful insurance proceeds relating thereto.
33. **"USUFRUCT RIGHT OF THE UNDERLYING ASSETS"** means the use and enjoyment to all the rights and interest accruing to the Underlying Assets.
34. **"WORKING DAY"** means any day (other than a Saturday or Sunday or any statutory holiday) on which licensed commercial banks are open for business in Sri Lanka.

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



(c) In These Presents references to:

- (i) any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made there under or under such modifications or re-enactment.
  - (ii) costs, charges or expenses shall include (but not be limited to) Value Added Tax, Social Security Contribution Levy 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 Sukuk and for the benefit of and in the interests of the Sukuk 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.

The Trust shall be constituted by the transfer of a sum of Sri Lanka Rupees One Thousand (LKR 1,000) from the Company to the Trustee.

## 3. AMOUNT OF THE SUKUK ISSUE AND DISBURSEMENT BY TRUSTEE

3.1 Sukuk will be issued by the Company to raise a sum of up to Sri Lanka Rupees Five Hundred Million (LKR 500,000,000/-) and such Sukuk shall be listed on the Colombo Stock Exchange subject to in-principle approvals of the CSE being obtained.

3.2 The Company shall bank the entire proceeds from the Sukuk issue in the Account No. 250020341609 Titled "VIDULLANKA PLC - SUKUK ISSUE 2025" maintained at Hatton National Bank PLC, Kollupitiya Branch.

3.3 The amounts lying to the credit of the bank account referred to in Clause 3.2 above shall be held in trust by the Trustee for and on behalf of the prospective investors in the Sukuk until the time at which the Sukuk is allotted to such investors on the Date of Allotment.

## 4. COVENANTS RELATING TO PAYMENTS TO SUKUK HOLDERS

4.1 (a) The Company hereby covenants with the Trustee for the benefit of the Sukuk Holders that it will:

- (i) subject to Clause 4.2, on the instructions of the Trustee, pay on the Date of Redemption to Sukuk Holders as of the Entitlement Date, in accordance with the provisions of These Presents and upon receipt of the information relating to the Sukuk Holders from the CDS, either through an electronic fund transfer mechanism recognised by the banking system of Sri Lanka such as SLIPS (Sri Lanka Interbank Payments System) and RTGS (Real Time Gross Settlement System) in the event accurate bank account details of the Sukuk Holders are provided to the CDS to effect such transfers or by cheque/s marked "Account Payee Only" sent by ordinary mail to the addresses provided by the Sukuk Holders to the CDS, at the risk of the Sukuk Holders if bank account details are not provided to the CDS or the bank account details provided to the CDS are inaccurate, the Redemption Sum and Ijarah Payment (if any) remaining unpaid up to the date immediately preceding the Date of Redemption of the Sukuk. RTGS transfers however could be effected only for amounts over and above the maximum value that can be accommodated via SLIPS transfers.
- (ii) On the instructions of the Trustee, pay on each applicable Ijarah Payment Date to the Sukuk Holders as of the Entitlement Date, in accordance with the provisions of These Presents and upon receipt of the information relating to the Sukuk Holders from the CDS, either through an electronic fund transfer mechanism recognised by the banking system of Sri Lanka such as SLIPS and RTGS in the event accurate bank account details of the Sukuk Holders are provided to the CDS to effect such transfers or by cheque/s marked "Account Payee Only" sent by ordinary mail to the addresses provided by the Sukuk Holders to the CDS, at the risk of the Sukuk Holders if bank account details are not provided to the CDS or the bank account details provided to the CDS are inaccurate, the Ijarah Payment received by the Trustee from the Company under the Ijarah Agreement. RTGS transfers however could be effected only for amounts over and above the



maximum value that can be accommodated via SLIPS transfers.

- (iii) the payment of the consideration referred to in 4.1(a)(i) above and Ijarah Payment referred to in 4.1(a) (ii) above shall be made in Sri Lanka Rupees after deducting any withholding tax and/or such other taxes and charges thereon, if applicable.
- (iv) any payments shall be deemed to have been made on the Date of Redemption or the Ijarah Payment Date as the case may be if the cheques are dispatched or the SLIPS or RTGS transfers are made not later than three (03) Working Days from such date.
- (v) in the event of there being any delay in the redemption of the Sukuk or the payment of the Ijarah Payment thereon due to a default by the Company, the Company shall pay an additional amount based on the defaulted sum at the rate of AWPLR plus Two per centum (2%) per month from the Date of Redemption or the Ijarah Payment Date as the case may be to the Trustee Account No. 250010048312 named "VIDULLANKA PLC - SUKUK PAYMENTS" maintained at Hatton National Bank PLC, Kollupitiya Branch and the Trustee shall pay over such sum to any of the charities approved by the Shariah Advisors as set out in Schedule 7 of the Trust Deed.

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

- (d) If any cheques for redemption and/or Ijarah Payment sent by post to the Sukuk 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 account maintained with the Trustee and retained therein for a period of six (06) years from the Ijarah Payment Date or One (01) year from the Date of Redemption of the Sukuk whichever comes first. Such monies will be repaid to the Sukuk Holders if the same is claimed in writing by such Sukuk Holder within the said period and no additional profit or rental will be payable by the Company on such Ijarah Payment or redemption monies for the period between the Ijarah 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 Ijarah Payment after the completion of six (06) years from the Ijarah Payment Date or One (01) year from the Date of Redemption whichever comes first.

- (e) The Company shall always act on the information furnished by the CDS and it shall be the responsibility of each such Sukuk Holder to keep all the information in respect of such Sukuk Holder updated. Each Sukuk 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 Sukuk 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 Sukuk Holders.

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

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.

4.3 For the avoidance of doubt, the Trustee has agreed with the Company that the principal sum of the Sukuk which ought to be redeemed and the Ijarah Payments which are due to



the Sukuk Holders shall be paid directly by the Company to the Sukuk Holders in accordance with their entitlements under the provisions of this Trust Deed.

**5. PURCHASE UNDERTAKING**

In consideration of the redemption of the Sukuk on the Date of Redemption, the Company shall upon due exercise by the Trustee pursuant to the issue of an exercise notice in terms of the Purchase Undertaking purchase and accept the transfer of all the Trustee's interest, rights, benefits and entitlements in and to the Underlying Assets morefully described in Schedule 1 of the Trust Deed for the Exercise Price of Sri Lanka Rupees Five Hundred Million (LKR 500,000,000/-).

**6. SECURITY**

- 6.1 Pursuant to the Purchase Agreement and for the better securement of the interest of the Trustee the Company shall mortgage the Underlying Assets and the amounts lying to the credit of the Vidullanka PLC designated Account No. 250010048312 named "VIDULLANKA PLC - SUKUK PAYMENTS" maintained at Hatton National Bank PLC, Kollupitiya Branch to the Trustee in terms of the Mortgage Bond as security for the payment of the Exercise Price and the Ijarah Payment to the Sukuk Holders under the Trust Deed.

**7. 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 Sukuk (ii) the execution of These Presents (iii) the execution of the Mortgage Bond and such other documentation required for the completion and perfection of the Security granted by the Company.

**8. ELIGIBILITY TO APPLY FOR SUKUK**

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

**9. TRANSFER OF SUKUK**

- (a) These Sukuk 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 Sukuk shall be transferable and transmittable through the CDS as long as the Sukuk are listed in the CSE. Subject to the provisions contained herein the Company may register without assuming any liability any transfer of Sukuk, 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 Sukuk 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 Sukuk Holder was the sole or only surviving holder;  
shall be the only persons recognized by the Company as having any title to his/her Sukuk.
- (d) Any person becoming entitled to any Sukuk in consequence of bankruptcy or winding up of any Sukuk 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 Sukuk Holder in respect of such Sukuk 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.

**10. 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 11 by the Company.

**11. COVENANTS BY THE COMPANY**

- 11.1 The Company hereby covenants with the Trustee for the benefit of the Sukuk Holders that, so long as any of the Sukuk 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 (05) days from each Ijarah Payment Date, certifying that the Ijarah Payment has been paid to the Sukuk Holders in terms of Clause 4;
  - (ii) within five (05) days from the Date of Redemption certifying that the Exercise Price has been paid to the Sukuk 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 one (01) 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 of Directors that the Company has complied with each and all of the covenants including those contained in this Clause 11 in These Presents and the certification should include:
  - (i) The amounts received from Ceylon Electricity Board on the Project for the relevant quarter;
  - (ii) Whether or not any limitation of liabilities or borrowings as prescribed by the Companies Act No. 7 of 2007 (as amended) and the Articles of Association of the Company has been exceeded;
  - (iii) Whether any material trading or capital loss has been sustained by the Company;
  - (iv) Whether or not any circumstances materially affecting the Company has occurred which adversely affects the Sukuk Holders;
  - (v) 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 Sukuk;
  - (vi) Whether the Company has any contingent liabilities and if so the amount of such liabilities;
  - (vii) 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;
  - (viii) Whether or not there has been any change in any accounting method or method of valuation of assets or liabilities of the Company;
  - (ix) Whether or not any circumstances have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company inappropriate;
  - (x) Whether or not there has been any substantial change in the nature of the Company's business since the issue of the Sukuk;
  - (xi) 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 (as amended) during the preceding quarter;
  - (xii) Whether or not the Company has observed and performed all the covenants and obligations binding upon it respectively pursuant to the Trust Deed;
  - (xiii) Whether or not any event has occurred which has caused or could cause the Security created by the Trust Deed to become enforceable;
  - (xiv) Whether or not any amount secured or payable under the Trust Deed has become immediately payable.
- (f) The Company shall keep a record of the number of Sukuk which have been issued and, the date of such issue and the persons to whom such Sukuk were issued, provided however that the Company shall after the listing of the Sukuk on the CSE be entitled to treat the records maintained by the CDS as an accurate record of the Sukuk Holders and the number, type and value of the Sukuk held by each Sukuk Holder.



- (g) The Company shall permit the Trustee and the Sukuk Holders at all reasonable times without payment of any fee to inspect any records maintained by the Company referred to in Clause 11.1 (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 12 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 semi-annual period commencing from the Date of Allotment of the Sukuk certifying that no event mentioned in paragraphs (e) and (f) of Clause 12 hereof has occurred during the previous six (06) month period which would have resulted in the Sukuk becoming payable in terms of the said Clause 12.
- (i) The Company shall make available the Trust Deed in full on the Company's website and CSE's website until the Date of Redemption and shall make available to any Sukuk Holder on request a certified copy of the Trust Deed upon payment of a fee of Sri Lanka Rupees One Hundred (LKR 100/-).
- (j) The Company shall send to the Trustee and publish on its website, no later than sixty (60) days from the end of the first, second and third quarters and ninety (90) days from the end of the fourth quarter of its financial year an interim financial statement prepared on a quarterly basis.
- (k) The Company shall send the Trustee all published financial and other 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 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 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 secured or payable under the Sukuk to become immediately payable.
  - (ii) Any event which in the opinion of the Company that could lead to the acceleration of either the Ijarah Payment or redemption of the Sukuk.
  - (iii) Any other right or remedy under the terms and conditions of the Sukuk or the provisions or covenants of the Trust Deed to become immediately enforceable.
- (n) In the event that the Company creates a charge other than the Security, 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 (05) 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 Sukuk Holders.
- (p) The Company shall not declare or pay any dividend to its shareholders during any financial year unless it has paid the Exercise Price and Ijarah Payment that have become due and payable to the Sukuk Holders as at the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions therefor.
- (q) The Company shall not in any manner encumber any of the revenues which it receives from CEB on the Project other than in favour of the Trustee.
- (r) The Company shall submit to the Trustee any information relating to the affairs of the Company which the Trustee may require in order to discharge its duties as Trustee to the extent permitted by law and the Listing Rules of the CSE.



## 12. EVENTS OF DEFAULT

On the occurrence of any of the following events the Trustee at its discretion may, and if so requested in writing by the Sukuk holders of at least one fifth in nominal value of the Sukuk outstanding or if so directed by a Special Resolution of the holders, shall give notice to the Company that Sukuk becomes immediately due and payable at their principal amount, together with accrued Ijarah Payments as provided in the Trust Deed:

- a) If the Company does not pay the Ijarah Payment to the Trustee on each Ijarah Payment Date.
- b) If the Company fails to fulfill its purchase obligations in terms of the Purchase Undertaking referred to in Clause 5 on the Date of Redemption.
- c) If the Sukuk ceases 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.
- d) 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.
- e) If any liquidation, bankruptcy, insolvency, receivership, administration 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.
- f) If the Company does not submit a Certificate to the Trustee as set out in Clause 11.1(c), Clause 11.1 (e) or Clause 11.1(h).
- 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) If the Company commits a breach of any of the other covenants or provisions herein contained or any other documents relating to the issue of the Sukuk 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.
- i) 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 Sukuk or the provisions of the Trust Deed or any other document relating to the issue, offer or invitation in respect of the Sukuk.
- j) 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 Sukuk and the provisions of the Trust Deed.
- k) If the Sukuk becomes non-Shariah compliant.

## 13. ENFORCEMENT OF OBLIGATIONS

At any time after the Sukuk shall have become repayable on redemption or otherwise (including any of the events above – Events of Default under Clause 12) 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 failure and/or negligence to repay and/or redeem the Sukuk despite such notice within fourteen (14) days thereof, at its discretion, or upon the request in writing of the Sukuk Holders of at least one fifth (1/5) of the par value of the Sukuk outstanding, and in the event that there is no Trustee, the Sukuk 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, including any action or proceeding for the enforcement of the Security, to enforce repayment and other obligations of the Company under These Presents.

Where 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 a reasonable degree of skill and diligence in exercising such powers.

## 14. 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 execution of the Trust constituted by These Presents (including remuneration of the Trustee);
- (b) Secondly, in or towards payment to the Sukuk Holders of all arrears of Ijarah Payment remaining unpaid on the Sukuk held by them respectively;



- (c) Thirdly in or towards payment to the Sukuk Holders of the Redemption Sum due in respect of the Sukuk 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 Ijarah Payment or the whole of the Ijarah Payment on the Sukuk have been paid but such alteration in the order of payment of the principal monies and Ijarah Payment shall not prejudice the right of the Sukuk 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 Sukuk Holders under this Clause shall be made *pari passu* in proportion to the Sukuk held by them respectively.

**15. MANNER OF PAYMENT AND ENFORCEMENT OF SUKUK**

Any payment to be made in respect of the Sukuk 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 Ijarah Payment in respect of a Sukuk shall extinguish any claim which may arise directly or indirectly in respect of such Ijarah Payment from a Sukuk Holder. The payment of the Exercise Price by the Company to the Trustee in terms of the Purchase Undertaking and the transmission thereof to the Sukuk Holder in respect of a Sukuk shall extinguish any claim which may arise directly or indirectly in respect of the Redemption Sum from a Sukuk Holder.

Upon any payment under the provisions of this Clause 15 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.

**16. REMUNERATION OF THE TRUSTEE**

The Company shall pay the Trustee during the continuation of These Presents a sum of Sri Lanka Rupees LKR 65,000/- per month 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 Sukuk.

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.

**17. GENERAL POWERS AND DUTIES OF THE TRUSTEE**

17.1 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, auditor, other expert (whether obtained by the Trustee or the Company) or other responsible officer of 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 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 Sukuk 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 Sukuk Holders in accordance with the provisions of Clause 21 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 Sukuk Holders of at least Seventy Five per centum (75%) of the par value of the Sukuk for the time being outstanding or in accordance with an Extraordinary Resolution passed by the Sukuk Holders in accordance with Clause 21 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 Sukuk 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.

- (f) The Trustee may, in the conduct of the Trust 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 Sukuk Holder by reason of having recognized or treated as a Sukuk 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 Sukuk Holders, it shall have regard to the interests of the Sukuk 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 Sukuk 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 Sukuk 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.

17.2 The Trustee shall give notice to the Sukuk Holders in writing:

- (a) when the Trustee is notified by the Company of any occurrence mentioned in Clause 12 or any condition of the Trust Deed which cannot be fulfilled;
- (b) when the Company fails to deliver the Certificate referred to in Clause 11.1 (e) of These Presents;
- (c) as soon as practicable if the Company fails to remedy any breach of terms and conditions of the Sukuk or the provisions/covenants of the Trust Deed.

17.3 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.

17.4 The Trustees 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.

17.5 The Trustee shall exercise reasonable diligence in accordance with Shariah principles to ascertain whether the Company has committed any breach of the terms and conditions of the Sukuk 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.

## 18. EXEMPTIONS AND INDEMNIFICATIONS OF TRUSTEE FROM LIABILITY

18.1 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 the willful 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.

18.2 Any terms and conditions of the Sukuk and provisions in the Trust Deed or a term of a contract with the Sukuk 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 Sukuk 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 Sukuk Holders if the Sukuk Holders who vote for the resolution represent three fourth (3/4) of the par value of the Sukuk.



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 Sukuk Holders at any meeting duly called.

18.3 The Trustee shall:

- (a) not be responsible in the capacity of a lender or borrower in terms of these Presents;
- (b) have no obligations to discharge debts owed by the Company to the Sukuk 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 to the contrary is received.

## 19. 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 Sukuk Holders holding not less than fifty per centum (50%) of the par value of the Sukuk for the time being outstanding or it may obtain approval by an ordinary resolution of the Sukuk Holders prior to the appointment of the new Trustee. Notice of such appointment shall be given to the Sukuk Holders within thirty (30) days of such appointment by an advertisement published in national newspapers in all three (03) 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 Sukuk 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 Sukuk Holders.
- (d) In the event of the Sukuk 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 Sukuk 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 20.1 below the existing Trustee shall continue to act as a Trustee until a new Trustee is appointed.
- (i) Upon a change of the Trustee in accordance with Clause 19, the Company or the Trustee shall notify the CSE and take steps to make an immediate market announcement

## 20. RESIGNATION OF TRUSTEE

- 20.1 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 19 of These Presents. The Trustee shall continue in its capacity as Trustee until such time a new Trustee is appointed.
- 20.2 In the event of such a resignation, the Trustee at its cost shall publish a notice to this effect in newspapers in all three (03) languages (Sinhala, Tamil and English) of its choice circulating in Sri Lanka and such notice shall be deemed to be sufficient notice to the Sukuk Holders notwithstanding anything to the contrary herein contained.
- 20.3 The Company or the Trustee shall notify the CSE and take steps to make an immediate market announcement upon such resignation.

## 21. MEETINGS OF SUKUK HOLDERS

- (a) The Trustee shall call a meeting/cause a meeting of Sukuk Holders with notice to the Company and all Sukuk Holders or on a requisition being received in writing signed by the Sukuk Holders of at



least one fifth (1/5) of the par value of the Sukuk for the time being outstanding or if requested by the Company.

- (b) Not less than fifteen (15) Working 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 Sukuk Holders representing twenty five per centum (25%) of the par value of the Sukuk for the time being outstanding, provided however, that the quorum for passing an Extraordinary Resolution should be the holders of a majority in par value of the outstanding Sukuk 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 Sukuk Holder and shall state in such notice that if a quorum as above defined shall not be present at the adjourned meeting the Sukuk Holders then present shall form a quorum.
- (e) On a poll, each Sukuk Holder will be entitled to one (01) vote for each Sukuk held by such person.
- (f) A proxy need not be a holder of the Sukuk.
- (g) The Trustee may appoint a person to chair the meeting of Sukuk Holders. If the Trustee does not exercise this power the Sukuk holders present at the meeting may appoint a person to chair the meeting and a copy of a resolution certified by the chairman shall be deemed to be conclusive evidence that such resolution has been duly adopted.
- (h) In the event the Company fails to remedy any breach of terms and conditions of the Sukuk or the provisions/covenants of the Trust Deed, the Trustee shall:
  - (i) Call a meeting of the Sukuk Holders with notice to the Company;
  - (ii) Inform the Sukuk Holders of the failure at the meeting; and
  - (iii) Submit proposals for the protection of the Sukuk Holders interests or call for proposals from the Sukuk Holders at the meeting as the Trustee considers necessary or appropriate and obtain suitable directions.
- (i) For the avoidance of doubt, it is hereby agreed that the meetings referred to herein can be convened virtually.

## **22. MODIFICATION OF THE TRUST DEED**

- 22.1 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 Sukuk Holders shall only be made with the consent of the Sukuk Holders of at least three fourth (3/4) of the par value of the Sukuk for the time being outstanding. Modification of These Presents shall only be effective if it is in writing and signed by the Trustee and the Company.
- 22.2 Upon a modification being duly made, the Company shall within seven (07) days of the modification being made inform the Sukuk Holders of such modification.
- 22.3 Upon a modification being duly made, the Company or the Trustee shall notify the CSE and take steps to make an immediate market announcement.

## **23. NOTICES**

Any notice or demand to the Company, Sukuk 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 email, or prepaid registered post in the case of the Company or Trustee and by prepaid ordinary mail in the case of Sukuk Holder(s), or by facsimile transmission or by delivering it by hand to the Company, Sukuk 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 Trust Deed and in the case of Sukuk Holder(s) to the address which appear in the CDS, and any notice sent by email as provided in this Clause shall be deemed to have been given, made or served when such electronic mail was duly dispatched and received in the readable and understandable condition 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 Sukuk Holders by notice published in 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 Sukuk Holders including the provisions of the above Clause.

The Company:

**VIDULLANKA PLC**

Attention: Mr. Mafaz Ansar  
Address: Level 04, Access Towers,  
No. 278 Union Place, Colombo 02  
Fax: +94 11 4760 076  
Tel No: +94 11 4760 000  
E-mail: mafazma@vidullanka.com

The Trustee:

**HATTON NATIONAL BANK PLC**

Attention: Mr. Tyrone Hannan  
No. 479, T.B. Jayah Mawatha,  
Colombo 10.  
Fax: +94 112 682 659  
Tel No: +94 112 660 655  
E-mail: [tyrone.hannan@hnb.lk](mailto:tyrone.hannan@hnb.lk)

**24. 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 11.1(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 Courts of Sri Lanka shall have the exclusive jurisdiction to hear and determine any matters arising here from or hereunder. The invalidity or unenforceability of any terms or provision of these presents shall not affect the validity or enforceability of the remaining terms and provisions hereof.
- (e) 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.

*[schedules and execution page to follow]*

*Schedule 1 – Format of the Purchase Agreement*

*Schedule 2 –Underlying Asset*

*Schedule 3 – Format of the Ijarah Agreement*

*Schedule 4- Ijarah Payment Schedule*

*Schedule 5- Format of the Purchase Undertaking*

*Schedule 6- Format of the Mortgage Bond*

*Schedule 7 – Charities Approved by the Shariah Scholar*



## SCHEDULE 1 –FORMAT OF THE PURCHASE AGREEMENT

### PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT is made at Colombo on this [•] day of [•] 2025 by and between:

1. **VIDULLANKA PLC**, a company duly incorporated under the Companies Act of No. 17 of 1982 and re-registered under the Companies Act No. 7 of 2007 (as amended) bearing registration number PQ 83 and having its registered office at Level 04, Access Towers, No. 278 Union Place, Colombo 02 (hereinafter referred to as the “Seller” and which term or expression hereinafter used shall where the context so requires or admits mean and include the said **VIDULLANKA PLC**, its successors and assigns) of the **ONE PART**

AND

2. **HATTON NATIONAL BANK PLC**, a banking company duly incorporated in Sri Lanka under the Companies Ordinance No. 51 of 1938 and re-registered under the Companies Act No. 7 of 2007 (as amended) bearing registration number PQ 82 and having its registered office at No. 479, T.B. Jayah Mawatha, Colombo 10 in the Democratic Socialist Republic of Sri Lanka (hereinafter referred to as “**the Trustee**” and which term or expression hereinafter used shall where the context so requires or admits mean and include the said **HATTON NATIONAL BANK PLC**, its successors and assigns) of the **OTHER PART**

### **WHEREAS**

- (a) The Seller is involved in the business of carrying out renewable energy projects both within and outside of Sri Lanka;
- (b) The Seller is carrying out a renewable energy project of 4 MW at Lower Kotmale Oya, “Lower Kotmale Oya Mini Hydro Power Project” (“Project”) pursuant to a generation license granted by the Ceylon Electricity Board (“CEB”) and a Power Purchase Agreement entered into with the CEB;
- (c) In consideration of the receipt of a sum of Sri Lanka Rupees Five Hundred Million (LKR 500,000,000/-) from the Sukuk Holders the Seller hereby sells the Usufruct Relating to the Underlying Assets (as defined hereinafter) to the Trustee for and on behalf of the Sukuk Holders.

**NOW THEREFORE THIS AGREEMENT WITNESSETH** and the parties hereto agree and undertake as under.

### **1. DEFINITIONS AND INTERPRETATION**

- 1.1 Unless the context or meaning thereof otherwise requires, the following expressions shall have the meanings assigned to them respectively hereunder:

In this Deed the terms and expressions mentioned in this clause shall, unless repugnant to the context or inconsistent therewith, have the following meanings;

- a) “**Business Day**” means a day on which Banks are generally open for business in Sri Lanka;
- b) “**Project**” means the 4 MW mini hydro project which is owned and operated by the Seller;
- c) “**Purchase Consideration**” means the amount paid by the Trustee to the Seller pursuant to this Agreement for the absolute transfer of the Usufruct Relating to the Underlying Assets;
- d) “**SUKUK**” shall mean Secured (Asset Backed) Listed Redeemable Rated Sukuk 2025 – 2030 of the par value of Sri Lanka Rupees One Hundred (LKR 100/-) each carrying an entitlement to the proportionate amount of the Usufruct Relating to the Underlying Assets and an entitlement to a redemption at par on the Date of Redemption.
- e) “**SUKUK HOLDERS**” mean the holders of the Sukuk in whose CDS account the Sukuk are lodged as at the relevant date.
- f) “**Transaction Documents**” mean this Purchase Agreement, the Trust Deed, Mortgage Bond and the Ijarah Agreement;
- g) “**These Presents**” means this Purchase Agreement including the Schedules hereto as from time to time modified in accordance with the provisions herein contained and / or according to law and shall include any supplemental agreement executed in accordance with the provisions hereof;
- h) “**Trust**” means the Vidullanka Sukuk Trust 1.
- i) “**Trust Deed**” means the deed creating the Vidullanka Sukuk Trust 1. dated 22<sup>nd</sup> April 2025.



- j) **"Trustee"** means the person or corporation already so defined hereinabove and shall also include any additional or new Trustee appointed under the Trust Deed whether in substitution or in addition and holding office as Trustee from time to time.
- k) **"Underlying Assets"** means the assets morefully described in Schedule 1 hereto.
- l) **"Usufruct Relating to the Underlying Assets"** means the use and enjoyment of the Seller to all the rights and interest accruing on the Underlying Assets including but not limited to the right to receive all rentals from the Ijarah lease of the Underlying Assets and the sales proceeds from any sale of the Underlying Assets.

## 1.2 Interpretation

The rules for the interpretation of an agreement shall mutatis mutandis apply for interpretation of the provisions of this Purchase Agreement.

## 2. SUBJECT MATTER

- 2.1 In consideration of the Trustee paying the Purchase Consideration of Sri Lanka Rupees Five Hundred Million (LKR 500,000,000), the Seller does hereby unconditionally and irrevocably sell, transfer, cede and convey all its rights, title and interest in the Usufruct Relating to the Underlying Assets more fully described in the First Schedule hereto absolutely and forever to the Trustee, to the end and intent that the Trustee shall hereafter be deemed to be the full and absolute legal owner thereof and shall bear all the risks and rewards relating to the same hereafter.
- 2.2 The Seller shall not transfer, cede or create any security interest on the Usufruct Relating to the Underlying Assets subsequent to the execution of this Agreement.
- 2.3 The Seller agrees to give, if required by the Trustee, notice to any 3<sup>rd</sup> party that the Seller has fully and absolutely transferred the said Usufruct Relating to the Underlying Assets to the Trustee for and on behalf of and in trust for and for the benefit of the Sukuk Holders.

## 3. NO RECOURSE

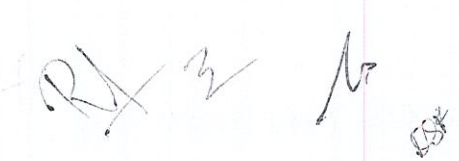
The Usufruct Relating to the Underlying Assets are being sold, transferred, ceded and conveyed to the Trustee without recourse and accordingly the Seller shall have no obligation to reimburse or in any other manner indemnify the Trustee except in the event the Underlying Assets and/or any part thereof which are sold, transferred, ceded or conveyed are defective in whole or any part. Provided further that nothing in this Section shall prejudice the entitlement of the Trustee to recover from the Seller damages in the event of the Seller not having good title to the Underlying Assets.

## 4. REPRESENTATIONS AND WARRANTIES OF THE SELLER

4.1 the Seller hereby represents and warrants to the Trustee as follows;

- a) that it has the full power, authority, and capacity to enter into and perform its obligations under this Agreement;
- b) that the execution, delivery and performance of this Agreement have been duly and validly authorized;
- c) that this Agreement constitutes a legal, valid, binding and enforceable obligation of the Seller;
- d) that the execution, delivery and performance by the Seller under this Agreement do not violate its constitutional documents or the terms of any law, regulation, order, or agreement entered into or applicable to it;
- e) that the particulars contained in the Prospectus dated [•] prepared by the Seller in connection with the issue of the Sukuk are correct and complete and no fact which would make the contents therein misleading have been omitted;
- f) that each of the Underlying Assets relate to an actual and bona fide asset in good working order used by the Seller in the Project; and
- g) that there does not exist any encumbrance of whatsoever nature over any of the Underlying Assets.

4.2 The Seller shall indemnify the Trustee for any breach of the representations and warranties referred to in Section 4.1 above.





5. **INSUFFICIENCY OF DOCUMENTATION**

The Seller undertakes and agrees with the Trustee that in the event of this Purchase Agreement being found by the Trustee to be insufficient, imperfect or inadequate in respect of the sale, transfer, cession and conveyance of the Usufruct Relating to the Underlying Assets, the Seller shall execute and register (if required) further or other supplementary agreements for effectively and absolutely transferring such Usufruct Relating to the Underlying Assets to the Trustee as may be required by the Trustee and all costs, expenses and charges including stamp duty, registration fees and all other legal costs for the preparation, execution and registration thereof shall be paid by the Seller.

6. **ASSIGNMENT**

The obligations herein shall be binding upon the successors of the parties hereto and the rights herein shall ensure for the benefit of the successors and assigns of the Trustee and accordingly the Trustee shall be entitled to cede and assign all or any of the Usufruct Relating to the Underlying Assets or any part thereof with or without any right, title or interest therein and all its rights and entitlements under this Agreement to one or more persons as may be decided by the Trustee including in favour of any other trustee.

7. **NOTICES**

7.1 Any notice, document or communication to be given by either party to the other may be given by post, telegram, telex or by personal delivery at the address of that party mentioned herein below:

- (i) If notice is to be given to the Seller the same shall be given at the following address:

Vidullanka PLC  
Level 4, Access Towers  
No 278 Union Place, Colombo 02  
Fax No. : +94 11 4760 076  
Tel No. : +94 11 4760 000  
Attention: Mr. Mafaz Ansar

- (ii) If a notice is to be given to the Trustee the same shall be given at the following address:

Attention: Tyrone Hannan  
Hatton National Bank PLC  
No. 479, T.B. Jayah Mawatha, Colombo 10.  
Fax No. : +94 112 682 659  
Tel No : +94 112 660 655  
E-mail: [tyrone.hannan@hnb.lk](mailto:tyrone.hannan@hnb.lk)

7.2 A notice, communication or document if sent by a party to the other party shall be deemed to have been received by the other party, when given by registered post, upon expiration of three (3) days after the same shall have been delivered to the post office, when given e-mail upon the successful transmission thereof and if personally delivered, when so delivered.

7.3 In calculating any period of days specified in this Agreement, the date of receipt of any document by the Trustee and the date of dispatch of any notice to the Trustee shall be excluded.

8. **DEFAULT**

8.1 In the event of the Seller being in breach of any of its obligations hereunder, the Trustee shall be entitled to recover all costs and damages which it may suffer consequent thereto.

8.2 The Trustee in lieu of seeking to recover the costs and damages referred to aforesaid for any breach of its obligations shall have the right to require the exchange of all or part of the Underlying Assets for a transfer of the usufruct relating to other power project assets of the Seller satisfying the same value criteria as the Underlying Assets at a value as maybe determined by an independent valuation expert and upon such terms as maybe agreed upon. Any such further assets shall be deemed to be part of the Underlying Assets from the date of such exchange in lieu of the assets which are being released consequent to such exchange.

9. **GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed by the laws of Sri Lanka and any dispute thereunder shall be resolved by the Courts of Sri Lanka.

10. **MISCELLANEOUS**

All reasonable costs charges and expenses in the preparation and execution of this Purchase Agreement or enforcement thereof shall be paid out of the funds of the Seller;

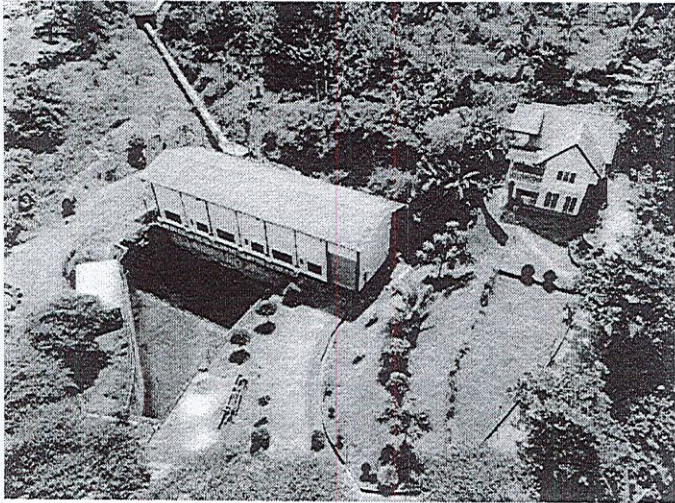
*[schedules and execution page to follow]*



SCHEDULE 1

UNDERLYING ASSET

VLL has identified its existing plant and the machinery belonging to the Lower Kotmale Oya Mini Hydro Power Project of Vidullanka PLC to be the Underlying Asset for the Ijarah contract.



Lower Kotmale Oya Mini Hydro Power Project is the 6th Hydro power project of Vidullanka PLC, which was successfully commissioned in June 2014. The 4MW project located in Nuwara Eliya, Sri Lanka is the largest project of the group in terms of capacity in Sri Lanka, and it is designed to supply over 13GWh of clean energy annually. However, the average historical generation of this plant has been 17.6GWh, which was much higher than originally designed generation. The project has entered into a 20-year Power Purchasing Agreement (PPA), with the Ceylon Electricity Board, the national utility of Sri Lanka to whom the generated electricity is sold. Currently the generated electricity is sold at LKR. 8.31 per KWh. The project has close to 10 years of remaining operations as per the PPA, which is further extendable to 20 more years after the lapse of the agreement. The river source of the project is the Kotmale Oya. The project uses three Francis turbines; 2 with a capacity of 1600KW and 1 with a capacity of 800KW, with a designed plant factor of 37%. The project costed approximately USD 8.2 Mn to design, construct and commission. Given below are few technical specifications and details of the project:

|                        |  |
|------------------------|--|
| Plant Name             | Lower Kotmale Oya MHPP                   |
| Ownership              | 100%                                     |
| Installed Capacity     | 4.0 MW                                   |
| Location               | Nuwara Eliya (7° 1'59.79"N 80°39'2.89"E) |
| Project Cost           | USD 8.2 Mn                               |
| River                  | Kotmale Oya                              |
| Catchment Area         | 89 Sq.km                                 |
| Plant Factor           | 37%                                      |
| Designed Annual Energy | 13 GWh                                   |
| Gross Head             | 71.5 m                                   |
| Channel Length         | 1,430 m                                  |
| Penstock Length        | 870 m                                    |
| Turbine                | Francis Turbines (2*1,600kW+1*800kW)     |

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IN WITNESS WHEREOF We, the said Vidullanka PLC and Hatton National Bank PLC have hereunto and to two others of the same tenor and date as These Presents affix our Common Seal and set our hands at Colombo on this [•] day of [•] 2025.

The Common Seal of the **VIDULLANKA PLC** was )  
affixed hereto in the presence of ..... Director and )  
..... Director who do hereby attest the sealing )  
thereof. )

Witnesses

- 1.
- 2.

Signed and Delivered on behalf of **HATTON NATIONAL** )  
**BANK PLC** by ..... its duly )  
authorized signatory, and ..... duly )  
authorized signatory . )

Witnesses

- 1.
- 2.

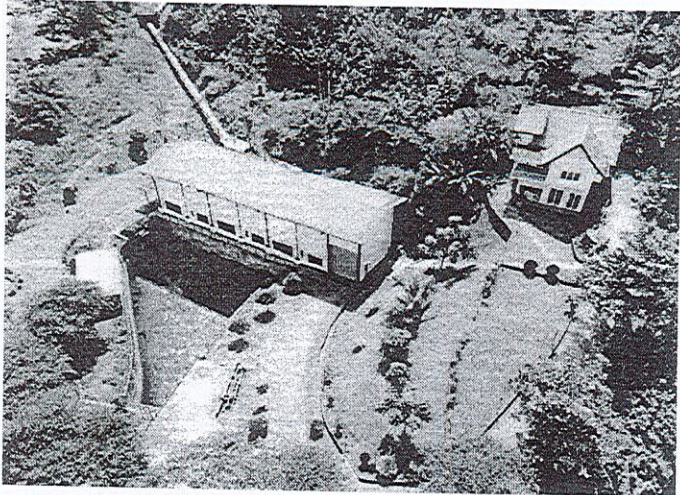


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SCHEDULE 2-UNDERLYING ASSET

VLL has identified its existing plant and the machinery belonging to the Lower Kotmale Oya Mini Hydro Power Project of Vidullanka PLC to be the Underlying Asset for the Ijarah contract.



Lower Kotmale Oya Mini Hydro Power Project is the 6<sup>th</sup> Hydro power project of Vidullanka PLC, which was successfully commissioned in June 2014. The 4MW project located in Nuwara Eliya, Sri Lanka is the largest project of the group in terms of capacity in Sri Lanka, and it is designed to supply over 13GWh of clean energy annually. However, the average historical generation of this plant has been 17.6GWh, which was much higher than originally designed generation. The project has entered into a 20-year Power Purchasing Agreement (PPA), with the Ceylon Electricity Board, the national utility of Sri Lanka to whom the generated electricity is sold. Currently the generated electricity is sold at LKR. 8.31 per KWh. The project has close to 10 years of remaining operations as per the PPA, which is further extendable to 20 more years after the lapse of the agreement. The river source of the project is the Kotmale Oya. The project uses three Francis turbines; 2 with a capacity of 1600KW and 1 with a capacity of 800KW, with a designed plant factor of 37%. The project costed approximately USD 8.2 Mn to design, construct and commission. Given below are few technical specifications and details of the project:

|                        |  |
|------------------------|--|
| Plant Name             | Lower Kotmale Oya MHPP                     |
| Ownership              | 100%                                       |
| Instailed Capacity     | 4.0 MW                                     |
| Location               | Nuwara Eliya (7° 1'59.79"N 80°39'2.89"E)   |
| Project Cost           | USD 8.2 Mn                                 |
| River                  | Kotmale Oya                                |
| Catchment Area         | 89 Sq.km                                   |
| Plant Factor           | 37%  |
| Designed Annual Energy | 13 GWh                                     |
| Gross Head             | 71.5 m                                     |
| Channel Length         | 1,430 m                                    |
| Penstock Length        | 870 m                                      |
| Turbine                | Francis Turbines (2*1,600kW+1*800kW)       |
| Present Status         | Commissioned on 25 <sup>th</sup> June 2014 |

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**SCHEDULE 3 –FORMAT OF THE IJARAH AGREEMENT**

**IJARAH AGREEMENT**

**THIS AGREEMENT** is made and entered into on this [•] day of [•] 2025 by and between:

**HATTON NATIONAL BANK PLC**, a banking company duly incorporated in Sri Lanka under the Companies Ordinance No. 51 of 1938 and re-registered under the Companies Act No. 7 of 2007 (as amended) bearing registration number PQ 82 and having its registered office at No. 479, T.B. Jayah Mawatha, Colombo 10 in the Democratic Socialist Republic of Sri Lanka (hereinafter referred to as “**the Lessor**” 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 **ONE PART**;

**AND**

**VIDULLANKA PLC**, a company duly incorporated under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 7 of 2007 (as amended) bearing registration number PQ 83 and having its registered office at Level 04, Access Towers, No. 278 Union Place, Colombo 02 (hereinafter referred to as “**the Lessee**” and which term or expression hereinafter used shall where the context so requires or admits mean and include the said **VIDULLANKA PLC**, its successors and assigns) of the **OTHER PART**.

Whereas the Lessor is a Trustee under and in terms of the Trust Deed as hereinafter defined.

The Lessor is the beneficial owner of the Underlying Assets morefully described in Schedule One.

And whereas the Lessor is desirous of leasing the aforesaid Underlying Assets and as hereinafter set out and the Lessee is desirous of leasing the same for the purpose of use in its business.

And whereas it is agreed by the Parties that the terms and conditions of this agreement shall be executed by the Parties in order to set out the Parties rights, liabilities and duties.

**NOW THEREFORE IN CONSIDERATION OF THE MUTUAL COVENANTS SET OUT HEREIN THE PARTIES AGREE AS FOLLOWS:**

**1. Definitions**

|                     |   |
|---------------------|---|
| “Agreement”         | shall mean this agreement and the Schedules One and Two attached hereto.  |
| “Date of Allotment” | shall mean the date of allotment of the Sukuk to the Sukuk Holders in terms of the Trust Deed   |
| “Parties”           | shall mean the Lessor and the Lessee as referred to in this Agreement   |
| “Total Loss Event”  | shall mean a shutdown or potential shutdown of the Project for a period in excess of six (6) months due to a destruction or any malfunction of the whole or a part of the Underlying Assets as may be notified by the Lessee to the Lessor. |
| “Underlying Assets” | shall mean the underlying assets morefully described in Schedule One  |

Capitalised terms used and not otherwise defined herein have the respective meanings assigned thereto in the Trust Deed dated 22nd April 2025 entered into between the Lessee and the Lessor (hereinafter referred to as the “Trust Deed”).

**2. Commencement**

The Lessor shall:

- 2.1 grant to the Lessee and the Lessee agrees to take on lease by way of Ijarah from the Lessor the Underlying Assets subject to the terms and conditions of this Agreement for the period of this Agreement.

**3. Duration of this Agreement**

- 3.1 Subject to the conditions of this Agreement, this Agreement shall remain in force for a period of 05 (Five) years from the date of the execution of this Agreement.



- 3.2 The said term could be extended for a further term as agreed upon between the parties at any time not earlier than three months before the expiry of this Agreement.
- 3.3 If at any time not earlier than three months before the expiry of this Agreement if the parties agree to extend the period of this Agreement the parties shall enter into a new agreement to replace this Agreement.
- 3.4 The renewal agreement will operate from the expiry date of this Agreement.

## **5 Representations and Warranties of the Lessor**

The Lessor represents and warrants to the Lessee that at the time of the execution of the Agreement that:

- 5.1 The Lessor has the power and authority to enter into this Agreement and to perform all of its obligations hereunder and the persons signing this Agreement on behalf of the Lessor are duly authorized to do so; and
- 5.2 The Underlying Assets are being leased by way of Ijarah on an "as is" basis and the Lessor does not hereby make any representations or warranties in regard to merchantability or fitness for purpose thereof.

## **6 Representations and Warranties of the Lessee**

The Lessee hereby represents and warrants that:

- 6.1 It has the necessary corporate powers to carry out and fulfil its obligations under this Agreement;
- 6.2 The persons signing this Agreement on behalf of the Lessee are duly authorized to do so; and
- 6.3 The Lessee entered into this Agreement after the examination of the Underlying Assets and other information and after making further inquiries that it deems necessary in relation to the Underlying Assets.

## **7 Rent**

- 7.1 The Lessee agrees to make Ijarah Payments for the Underlying Assets on the dates and periods as described in **Schedule Two (Ijarah Payment Schedule)** (hereinafter called the said Rent).
- 7.2 Lessee shall pay the said Rent even for the period when the Underlying Assets or any of them remain out of commission or out of order due to any circumstance whatsoever other than due to force majeure circumstances. Provided however that the payment shall not become due in the event of the Underlying Assets remaining out of commission due to a Total Loss Event.
- 7.3 The Lessee agrees that the Lessor will have absolute discretion to appropriate any payment received from the Lessee first towards compensation (if any) and, costs incurred by the Lessor on account of this Ijarah lease and the balance, if any, towards the said Rent.  
The Lessee shall pay the said Rent or any other payment due to the Lessor in terms of this Agreement to the credit of Account bearing No. 250010048312 named "VIDULLANKA PLC - SUKUK PAYMENTS" maintained at Hatton National Bank PLC, Kollupitiya Branch.
- 7.4 The Lessee agrees to indemnify the Lessor for all taxes, duties and levies which may be payable by the Lessor by way of withholding or otherwise.

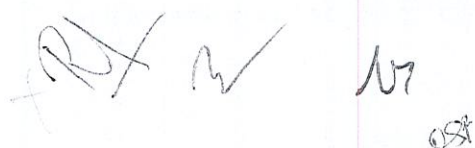
## **8 Use of Underlying Assets**

It shall be the duty of the Lessee to:

- 8.1 Take proper care of the Underlying Assets provided under this Agreement,
- 8.2 Use it for the purpose for which it is provided; and
- 8.3 Subject to fair wear and tear and to any modifications agreed to by the Parties to this Agreement keep it in the condition in which it was delivered to the Lessee.

## **9 Non-conformity of Underlying Assets**

- 9.1 The Lessee agrees to accept the Underlying Assets upon the execution of this Agreement and perform any inspection of the Underlying Assets before the execution of this Agreement
- 9.2 The Lessee shall not have any rights whatsoever to reject the Underlying Assets and/or terminate this Agreement on any ground that the Underlying Assets does not conform to the terms and/or conditions and-or warranties and/or specifications required by the Lessee.





- 9.3 The Lessor shall not except as provided for in this Agreement incur any liability to the Lessee for the non-conformity of the Underlying Assets with the terms, conditions, warranties, or specifications of the Underlying Assets.

#### **10 Return and Recovery of the Underlying Assets**

- 10.1 Upon the expiration of the period of this Agreement or its prior termination or on the failure to adhere to the terms and conditions of the Agreement including the failure to pay the said Rent by the Lessee, the Lessee shall return the Underlying Assets to the Lessor in such conditions as is specified in Clause 8.3. Where the Lessee fails to return the Underlying Asset, the Lessor shall have the right to recover possession of the same or its value from the Lessee.
- 10.2 It is hereby specifically agreed that the Lessor or the Lessor's duly authorized agent or nominee shall have the right to retake possession of the Underlying Assets as hereafter stated and the Lessee shall have no right whatsoever to resist the retaking of possession and will not offer any resistance.
- 10.3 Upon the expiration of the period of this Agreement or at any earlier time upon the occurrence of a Total Loss Event and notwithstanding anything to the contrary in Clause 10.1 and 10.2 above the Lessee may have obligations to repurchase the Underlying Assets in terms of the Purchase Undertaking.

#### **11 Non-liability of Lessor for Loss in relation to Underlying Assets**

- 11.1 The Lessor shall not incur any liability to the Lessee for any loss suffered by the Lessee in respect of the Underlying Assets provided under this Agreement.
- 11.2 The Lessor shall not, in the capacity of a Lessor, be liable to any person for any loss suffered by death, personal injury or damage to property caused by any of the Underlying Assets provided under this Agreement or its use.

#### **12 Custody and Use of the Underlying Asset**

- 12.1 The Lessor shall use the Underlying Assets in the place described in **Schedule One** (*List of Underlying Assets*) and the Lessee shall not remove the Underlying Assets therefrom without the Lessor's written consent.
- 12.2 The Lessee shall treat the Underlying Assets as a good custodian would as to the time and method of use and treatment thereof and shall comply with and conform to all regulations and instructions of the governmental authorities and to all Acts of Parliament, statutes and rules and regulations made in connection with the use of such like Underlying Assets and manufacturer's instructions of the said Underlying Assets.
- 12.3 The Lessee shall compensate Lessor for all damages to Underlying Assets or to third party (whether or not caused by Lessee) other than those arising from force majeure circumstances and shall indemnify Lessor and keep Lessor indemnified at all times against all damages, costs, claims and demands which may be made to the Lessor arising out or in consequence of the placement, custody or use of Underlying Assets whilst in Lessee's possession.
- 12.4 Lessee will indemnify Lessor and keep indemnified at all times against:
- a) Loss by seizure, execution or other legal process with regard to the Underlying Assets;
  - b) Loss, destruction of or damage to the Underlying Assets by fire, accident or any other cause whatsoever which is due to any fault or negligence of the Lessee;
  - c) Any claim arising out of the use, operation, or keeping of the Underlying Assets which is due to any fault or negligence of the Lessee; and
  - d) Any other taxes, fees or lawful charges paid by Lessor upon failure of Lessee to make such payments in relation to the Underlying Assets.

#### **13 Maintenance of Underlying Assets and Expenses**

- 13.1 Lessee shall, at all times, maintain the Underlying Assets in good operating condition and working order and repair the same whenever necessary and shall dutifully follow the manufacturer's recommendations as to use, service and maintenance thereof.
- 13.2 Lessee, at its own cost and expense, shall replace any and all parts and accessories, repair the Underlying Assets conduct regular and extraordinary inspection, and do every and all maintenance and repair for the purposes provided for in the preceding paragraph of this Clause. Lessee shall only replace worn out or damaged parts or accessories that will not affect the operations and functioning of the Underlying Assets or affect the Lessee's liability to handover the said Underlying Assets upon the termination of this Agreement in the same condition in which it was delivered to the Lessee.



13.3 Lessee shall bear and pay all registration fees, taxes and levies (if any) which may be imposed upon the ownership, custody or use of the Underlying Assets.

13.4 Lessee assumes all risks and liability for Underlying Assets arising from its Breach of Terms and Conditions as per Clause 21 or negligence and for the use, operation and storage thereof, and for injuries to or death of the persons and damages to the Underlying Assets howsoever arising out of or incidental to such use operation or storage where such injury to or death of persons be, of agents or employees of Lessee or of third parties, and such damage to property be of Lessee or others. Lessee will also save and hold Lessor harmless against all losses, damages, claims, penalties, liabilities and expenses, including legal costs, arising or incurred because of or incidental to any default or negligence of the Lessee in relation to the said Underlying Assets or the use, operation or storage, or alleged use, operation or storage thereof.

#### **14 Alteration of the Underlying Assets**

14.1 Without the written consent of Lessor, Lessee shall not make any additions, material improvements or alterations to the Underlying Assets or change the working order, function or quality thereof.

14.2 If Lessee does make additions to or improvements to the Underlying Assets without the consent of Lessor, Lessee shall immediately upon being required to do so by Lessor remove the same at Lessee's cost and expenses.

14.3 Any additions, improvements or alterations made to the Underlying Assets (whether or not with Lessor's consent) shall be deemed to form part of the Underlying Assets and shall belong to Lessor, without Lessor being liable to pay any compensation, therefore.

#### **15 Affixation or Attachment of Underlying Assets**

15.1 Without Lessor's written consent, Lessee shall not affix or attach the Underlying Assets to immovable property.

15.2 In the event that Lessee requests Lessor's consent referred to in the preceding paragraph of this Clause, Lessee shall submit written consent from the owner or the landlord of such immovable property to the effect that such owner or landlord agrees not to treat the Underlying Assets as a fixture or fitting forming a part of such immovable property.

15.3 Lessee hereby undertakes to Lessor that it will duly and punctually pay all Rents and other outgoings payable in respect of the premises where the Underlying Assets may for the time be placed and shall produce to Lessor on demand the receipt of such Rent and other outgoings.

#### **16 Prohibition of Transfer of the Underlying Asset**

16.1 Lessee acknowledges that title to the Underlying Assets after delivery thereof to Lessee shall remain vested in Lessor and accordingly Lessee shall not attempt to transfer, sell or otherwise dispose of the Underlying Assets or do any other act that may infringe upon Lessor's ownership. Lessee shall not permit the Underlying Assets to be possessed or used by any third party.

16.2 Lessee shall not permit the Underlying Assets to be the subject of any litigation with any third party or legal execution or lien by any third party. If such an event occurs, Lessee shall immediately notify Lessor thereof and shall forthwith cause the Underlying Assets to be released therefrom at Lessee's cost and expenses.

16.3 If Lessor's title to the Underlying Assets is impeached or infringed whilst the Underlying Assets are the subject of the Ijarah lease hereby created (or if thereafter, in consequence of anything done by Lessee) Lessee shall bear all costs and expenses of Lessor incurred by Lessor in removing such impeachment or infringement.

16.4 Without prejudice to the generality of the foregoing paragraphs the Lessee shall not assign, pledge, mortgage, underlet or part with the possession of the Underlying Assets or any of the parts thereof.

#### **17 Inspection of the Underlying Asset**

Lessee hereby grants full leave and irrevocable license to Lessor, its servants or agents, at all reasonable times of the day to enter upon the premises where the Underlying Assets may for the time being be placed to inspect and examine the Underlying Assets after having given two (2) working days' prior written notice of such inspection/examination.

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## **18 Loss and Damage to the Underlying Asset**

- 18.1 In the event of any loss or damage to the Underlying Assets which is not due to any fault or negligence of the Lessee, the Lessor shall, at its cost and expense and/or direct the Lessee in the capacity of the Servicing Agent to:
- a) replace the same with like Underlying Assets in good repair, condition and working order; or
  - b) place the same in good repair, condition and working order.
- 18.2 In the event of any loss or damage to the Underlying Assets due to the fault or negligence of the Lessee, the Lessee, at its cost and expense and at the option of the Lessor shall:
- a) replace the same with like Underlying Assets in good repair, condition and working order; or
  - b) place the same in good repair, condition and working order.
- 18.3 Notwithstanding Clause 18.1, in the event of a Total Loss Event the Lessor may issue an Exercise Notice under the Purchase Undertaking.

## **19 Insurance**

- 19.1 The Lessee shall arrange to have the Underlying Assets insured with a reputed firm of insurers to the extent of the market value of its insurable Ijarah lease interest therein and in the name of the Lessee.
- 19.2 The Takaful Insurance shall commence simultaneously upon the signing of this Agreement.
- 19.3 The cost of Takaful Insurance and all connected charges including taxes, levies, etc., payable on or as a pre-requisite for eligibility for Takaful Insurance, shall be borne by the Lessee and paid on the due dates.
- 19.4 It shall be the responsibility of the Lessee to keep the Takaful Insurance in full force and on terms and coverage not less than which may be reasonably stipulated by the Lessor during the entire period of this Agreement.
- 19.5 It shall be the responsibility of the Lessee to ensure that all terms and conditions of Takaful Insurance are strictly complied with and to immediately bring to the notice of the insurers and Lessor any changes in the risk.
- 19.6 Failure to recover under any such insurance herein referred to shall not relieve Lessee from its responsibility under Clauses 13 and/or 18 or any part of or the whole of this Agreement.

## **20 Receipt of Takaful Insurance Proceeds**

- 20.1 Lessee shall receive all Takaful Insurance proceeds if and when any event covered by insurance occurs.
- 20.2 The proceeds of such insurance, shall be utilized by the Lessee
- a) towards payment as set forth in Clause 18.2 paragraphs (a) and (b);
  - b) towards payment to Lessor by Lessee as provided for in Clause 18.3 applying; and
  - c) towards payment of damages to a third person or Lessee due to the occurrence of an event covered by Takaful Insurance.
- 20.3 If and when events covered by Takaful Insurance should occur, Lessee shall immediately notify Lessor thereof.
- 20.4 When Lessee performs the obligations provided for in the immediately preceding paragraph, the Lessee will be relieved from its responsibility to compensate Lessor for the amount as provided for in Clause 18 hereof to the extent of Takaful Insurance proceeds actually received by the Lessee and paid to the Lessor.

## **21 Breach of Terms and Conditions by the Lessee**

Where the Lessee fails to comply with the terms and conditions of this Agreement, the Lessor may:

- a) require the Lessee to make accelerated payment of the monies due under this Agreement;
- b) where a Lessee fails to make accelerated payments as required under paragraph (a) terminate the Ijarah Lease and;
  - i. recover possession of the Underlying Assets provided,
  - ii. claim and receive immediate payment from Lessee the entire amount of the total Rent payable under this Agreement (other than upon the occurrence of a Total Loss Event) for the full term of the Agreement and all other costs and expenses incurred by the Lessor in this connection from the date of default less the amount of the Ijarah Payment made by the



Lessee and duly received by the Lessor under this Agreement and any Rent which the Lessor might receive from letting the Underlying Assets for the balance term,

- iii. sell any or all of the Underlying Assets by public auction or private treaty or advertisement without notice to the Lessee or hold, use, operate, lease or otherwise dispose of or deal with such the Underlying Assets as the Lessor pleases,
- iv. receive from the Lessee compensation for all direct and consequential damages including loss of profits and in particular loss or profits in the event of the Lessor consequent to the failure of this Agreement suffering loss as a result of being unable to re-let the Underlying Assets at a rental equivalent to the rental payable under this Agreement,
- v. exercise any other right or remedy available to the Lessor in law,

The Lessee agrees that the sums due under this Clause to the Lessor are liquidated and ascertained damages for breach of contract and not as a penalty.

The Lessee expressly agrees and undertakes that in the event of the Lessee being in breach of this Agreement, the Lessee shall be liable to pay to the Lessor all legal fees and other costs and expenses incurred by the Lessor in consequence of such breach and/or of the exercise of the Lessor's rights as set out in subparagraph (b) of this Clause including expense arising from the repossession of property and the enforcement of this Agreement and the total cost of litigation proceedings, if any.

Even if the remedies provided for in sub-paragraphs (b) (i) (b) (ii) of this Clause have been taken by the Lessor, the Lessee shall not be relieved from any other liability under this Agreement including liability for damages.

"Accelerated payment": Accelerated payment is defined as the payment of all monies due to the Lessor in terms of this Agreement up to that time to be paid within fourteen (14) days from the date of posting of the notice in terms of this Agreement.

In the event of a default when making any Ijarah Payment by the Lessee and/or in the event of the Lessor terminating the Ijarah Lease hereby created in terms of Clause 21 (b) hereof, it is hereby agreed that if the Lessor, either after or without taking possession of the Underlying Assets, and on being paid all sums of money then due to the Lessor or any part or portion thereof which the Lessor deems fit returns the Underlying Assets to the Lessee or permits the Lessee to continue to be in possession thereof, the full consequence of the Ijarah Lease hereby created shall continue to be in force and the said continuance of the Ijarah Lease and this Agreement shall not be construed as a new Ijarah lease between the Lessor and the Lessee.

## **22 Notice to the Lessee with regard to the breach of the conditions in this Agreement.**

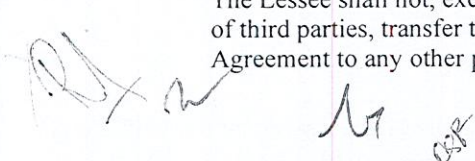
- 22.1 The Lessor shall, prior to enforcing the right to accelerated payment or to the termination of the Ijarah Lease under Clause 21, serve by registered post a notice on the Lessee:
  - a) Specifying any one or more of the circumstances which had caused a default under the Agreement,
  - b) Appointing a date, not being a date less than twenty-one (21) days after the receipt of the notice, for remedying the failure referred to in paragraph (a)
- 22.2 Where the Lessee fails to remedy the failure specified in a notice served under Clause 22.1 on or before the date appointed in the notice, the Lessor may act in accordance with the provisions of Clause 21.

## **23 Transfer or Assignment of Lessor's Rights in the Underlying Assets**

- 23.1 The Lessor may with written notice to the Lessee transfer or assign all or any of the Lessor's rights under this Agreement in relation to the Underlying Assets, to any other person and/or establishment, provided however that any such transfer or assignment shall require the approval of seventy-five percent (75%) of the Sukuk holders.
- 23.2 A transfer or assignment under Clause 23.1 shall not relieve the transferor or assignor of its duties –
  - a) under this Agreement or in any way its nature or its legal effect; or
  - b) in relation to the Underlying Assets provided under this Agreement.

## **24. Transfer of Lessee's Rights in the Underlying Assets**

The Lessee shall not, except with the written permission of the Lessor and subject to any rights of third parties, transfer the right to the possession and use of any Underlying Assets under this Agreement to any other person.





## **25 Lessee's Trustees in Bankruptcy**

- 25.1 The rights of the Lessor under this Ijarah Lease may be enforced against a trustee in the bankruptcy of the Lessee or against any creditor of the Lessee.
- 25.2 For the purposes of Clause 25.1, a "trustee in bankruptcy" includes a liquidator or any other person appointed to administer the assets and liabilities of the Lessee for the benefit of the Lessee's Creditors.

## **26 Savings and other Remedies**

The provisions of Clauses 10, 21 and 22 shall be, in addition to, and not in derogation of any other remedy that may be available to a Lessor in Law or under this Agreement for the recovery of possession of any equipment or any money due under the Agreement.

## **27 Lapse of Period**

Should any one or more of the following events take place, Lessor may, without any prior notice or demand, exercise the remedies as provided for in Clause 21 and the effects thereof shall be the same as those provided for in the said Clause:

- a) An order be issued or any effective resolution passed or an application made to the Court for the winding up of Lessee except for the purpose of reconstruction or the amalgamation, the terms of which are previously approved in writing by Lessor and duly carried into effect;
- b) Lessee stops payment or ceases or decides to cease to carry on its business or substantially the whole of its business either temporarily or permanently or disposes or proposes to dispose of the whole or any substantial part of its undertaking or assets except in the ordinary course of business;
- c) Any information furnished or representation made by Lessee is found to be false, incorrect or incomplete;
- d) Lessee makes use of Property for any purpose other than the purpose for which Property is stated as being leased by way of Ijarah for by Lessee.

## **28 Title to the Underlying Asset**

- 28.1 Lessee hereby acknowledges and declares that the Underlying Assets is and shall at all times remain the sole and exclusive property of Lessor during the term of the Ijarah Lease specified in Clause 3 of this Agreement and that Lessee shall have no right, title or interest to or in the Underlying Assets except as expressly set forth in this Agreement, nor any right, option or other entitlement or privilege of any nature whatsoever to claim or acquire title to the Underlying Assets by completing payments of the Rents due under or the fulfillment of any condition contained in this Agreement or otherwise and that no property in the goods shall pass to Lessee at any time under and by virtue of the terms and conditions of this Agreement.
- 28.2 In the event of any claim to the title of the Underlying Assets, the Lessee undertakes to defend the Lessor's title.

## **29 Lessee's Declaration**

Lessee of its own free will irrevocably agrees and declares that the Rent set out in Schedule Two (*Ijarah Payment Schedule*) of this Agreement is reasonable and in accordance with the rents and rates prevailing in the market on the date of this Agreement. Lessee further declares and acknowledges that Lessor entered into this Agreement at the express request and instance of Lessee and that Lessee confirms that the provisions of this Agreement are fair, equitable and in accordance with prevailing market practices.

## **30 Service of Notice**

- 30.1 Any notice summons or demand to be sent or given by either party or their duly authorised representative or their Attorneys-at-Law or by any Court or any Tribunal to the other may be sent by registered post to the address of the other party as appearing herein or such other address as such party may from time to time have duly communicated to the other and if so sent shall be deemed to be served on the day following the date of posting. In proving service of any notice, summons or demand it shall be sufficient to show that the letter containing the notice, summons, or demand was properly addressed, stamped and posted under registered cover, or has been served to the address of the other party as appearing herein or such other address as such party may have from time to time duly communicated to the other party.
- 30.2 It is hereby agreed by and between the parties hereto that a notice, summons, demand so sent and/or served in terms of the foregoing by one party is deemed to have been received by the



other party and no objection on grounds of non-receipt of notice can be taken by the party as to where such notice, summons or demand was sent.

**31 Termination by the Lessee**

- 31.1 The Lessee agrees that in the event this Agreement is terminated due to any fault of the Lessee, the Lessee is liable to pay to the Lessor all Rent stated in Schedule Two and other charges due in terms of this agreement within thirty (30) days of the said termination less any deductions of Rent paid to the Lessor as at the said date of termination. In the event of the Lessee's failure to pay the said amount the Lessor is entitled to recover the same from the Lessee together with compensation from the thirtieth (30<sup>th</sup>) day after termination together with all the cost including the cost of litigation incurred by the Lessor.
- 31.2 In the event the Lessee not handing over peaceful possession of the Underlying Assets to the Lessor after the termination of this Agreement, the Lessor an authorized person is entitled to recover possession of the Underlying Assets without giving notice to the Lessee.

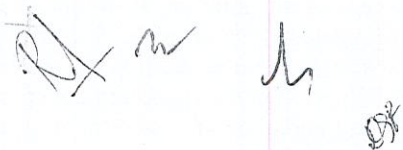
**32 Governing Law dispute settlement**

- 32.1 This Agreement shall be construed and governed in accordance with the Laws of Sri Lanka.
- 32.2 This Agreement shall be deemed for all purposes to have been entered into at Colombo and a Court of law in Colombo only shall have jurisdiction to hear and determine any action arising out of this Agreement.

**33 General**

- 33.1 The Parties will not be deemed to have waived their rights and remedies under this Agreement by any reasonable delay or omission or otherwise.
- 33.2 This Agreement embodies the entire understanding of the parties and there are no promises, terms, conditions or obligations, oral or written, express or implied, other than those contained herein. Any additions, alterations and/or deletions of the above terms and conditions or any verbal arrangement inconsistent therewith will not be binding unless confirmed in writing.
- 33.3 Any modifications in this Agreement or its clauses shall be carried out after exchanging documents between the Parties in writing and after mutual discussions.

*[schedules and execution page to follow]*

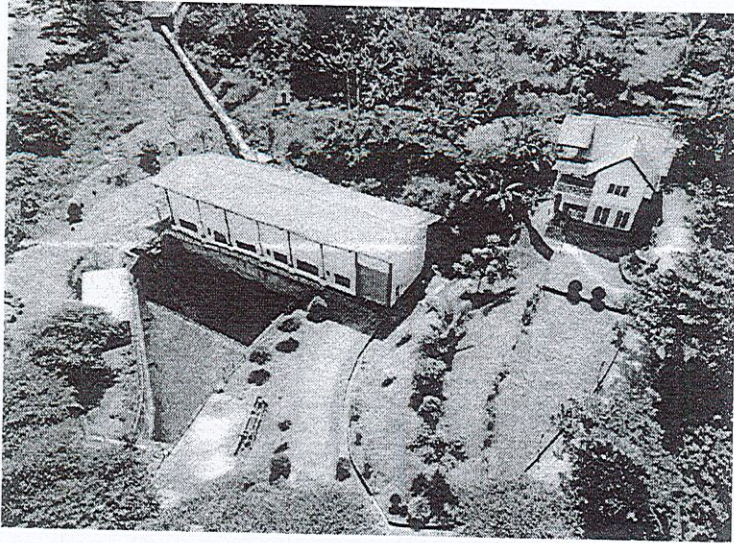
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## SCHEDULE ONE

### LIST OF UNDERLYING ASSETS

VLL has identified its existing plant and the machinery belonging to the Lower Kotmale Oya Mini Hydro Power Project of Vidullanka PLC to be the Underlying Assets for the Ijarah contract.



Lower Kotmale Oya Mini Hydro Power Project is the 6<sup>th</sup> Hydro power project of Vidullanka PLC, which was successfully commissioned in June 2014. The 4MW project located in Nuwara Eliya, Sri Lanka is the largest project of the group in terms of capacity in Sri Lanka, and it is designed to supply over 13GWh of clean energy annually. However, the average historical generation of this plant has been 17.6GWh, which was much higher than originally designed generation. The project has entered into a 20-year Power Purchasing Agreement (PPA), with the Ceylon Electricity Board, the national utility of Sri Lanka to whom the generated electricity is sold. Currently the generated electricity is sold at LKR. 8.31 per KWh. The project has close to 10 years of remaining operations as per the PPA, which is further extendable to 20 more years after the lapse of the agreement. The river source of the project is the Kotmale Oya. The project uses three Francis turbines; 2 with a capacity of 1600KW and 1 with a capacity of 800KW, with a designed plant factor of 37%. The project costed approximately USD 8.2 million to design, construct and commission. Given below are few technical specifications and details of the project:

|                        |  |
|------------------------|--|
| Plant Name             | Lower Kotmale Oya MHPP                   |
| Ownership              | 100%                                     |
| Installed Capacity     | 4.0 MW                                   |
| Location               | Nuwara Eliya (7° 1'59.79"N 80°39'2.89"E) |
| Project Cost           | US\$ 8.2 Mn                              |
| River                  | Kotmale Oya                              |
| Catchment Area         | 89 Sq.km                                 |
| Plant Factor           | 37%                                      |
| Designed Annual Energy | 13 GWh                                   |
| Gross Head             | 71.5 m                                   |
| Channel Length         | 1,430 m                                  |
| Penstock Length        | 870 m                                    |
| Turbine                | Francis Turbines (2*1,600kW+1*800kW)     |
| Present Status         | Commissioned on 25 June 2014             |



**SCHEDULE TWO**

**IJARAH PAYMENT SCHEDULE**

|    | Period for Which the Ijarah Payment is Being Made (Ijarah Payment Period)                 | Ijarah Payment Date                  | Ijarah Payment Rate |  |
|----|---|--------------------------------------|---------------------|--|
|    |   |                                      | Type A              | Type B   |
| 1  | Date of Allotment to 6 months from the Date of Allotment                                  | 6 months from the Date of Allotment  | 10.75% p.a.         | AWPLR* p.a. however such floating Ijarah Payment Rate shall have the Cap of 13.00% and a Floor of 10.00% |
| 2  | One Day from 6 Months from the Date of Allotment to 12 Months from the Date of Allotment  | 12 months from the Date of Allotment | 10.75% p.a.         | AWPLR* p.a. however such floating Ijarah Payment Rate shall have the Cap of 13.00% and a Floor of 10.00% |
| 3  | One Day from 12 Months from the Date of Allotment to 18 Months from the Date of Allotment | 18 months from the Date of Allotment | 10.75% p.a.         | AWPLR* p.a. however such floating Ijarah Payment Rate shall have the Cap of 13.00% and a Floor of 10.00% |
| 4  | One Day from 18 Months from the Date of Allotment to 24 Months from the Date of Allotment | 24 months from the Date of Allotment | 10.75% p.a.         | AWPLR* p.a. however such floating Ijarah Payment Rate shall have the Cap of 13.00% and a Floor of 10.00% |
| 5  | One Day from 24 Months from the Date of Allotment to 30 Months from the Date of Allotment | 30 months from the Date of Allotment | 10.75% p.a.         | AWPLR* p.a. however such floating Ijarah Payment Rate shall have the Cap of 13.00% and a Floor of 10.00% |
| 6  | One Day from 30 Months from the Date of Allotment to 36 Months from the Date of Allotment | 36 months from the Date of Allotment | 10.75% p.a.         | AWPLR* p.a. however such floating Ijarah Payment Rate shall have the Cap of 13.00% and a Floor of 10.00% |
| 7  | One Day from 36 Months from the Date of Allotment to 42 Months from the Date of Allotment | 42 months from the Date of Allotment | 10.75% p.a.         | AWPLR* p.a. however such floating Ijarah Payment Rate shall have the Cap of 13.00% and a Floor of 10.00% |
| 8  | One Day from 42 Months from the Date of Allotment to 48 Months from the Date of Allotment | 48 months from the Date of Allotment | 10.75% p.a.         | AWPLR* p.a. however such floating Ijarah Payment Rate shall have the Cap of 13.00% and a Floor of 10.00% |
| 9  | One Day from 48 Months from the Date of Allotment to 54 Months from the Date of Allotment | 54 months from the Date of Allotment | 10.75% p.a.         | AWPLR* p.a. however such floating Ijarah Payment Rate shall have the Cap of 13.00% and a Floor of 10.00% |
| 10 | One Day from 54 Months from the Date of Allotment to 60 Months from the Date of Allotment | 60 months from the Date of Allotment | 10.75% p.a.         | AWPLR* p.a. however such floating Ijarah Payment Rate shall have the Cap of 13.00% and a Floor of 10.00% |

*\*The AWPLR calculation in relation to the Type B Sukuk will be made as follows, the Floating Rate of the Sukuk will be determined based on the immediately preceding AWPLRs published on a weekly basis by the CBSL or any other authority (in the event that the CBSL ceases to publish the AWPLR) at the time of commencement of an Ijarah Payment Period of Type B Sukuk for such period or if not published by the CBSL or any other authority for any reason whatsoever, the last available rates published thereby or such other suitable reference rate as may be appropriate and may be made available by the said authorities.*

The Ijarah Payment due on the Sukuk for a particular Ijarah Payment Period will be calculated based on the actual number of days in such Ijarah Payment Period (actual/actual) and will be paid not later than three (03) Working Days from each Ijarah Payment Date.

*3 R/L*

*DSI*



**IN WITNESS WHEREOF** the Parties hereto have caused their respective common seals and signatures to be affixed hereto and to one another of the same tenor and date as these presents at Colombo on this [•]day of [•]Two Thousand and Twenty-Five.

The Common Seal of the said **VIDULLLANKA PLC** is affixed hereto in the presence of.....  
(Director) and .....(Director)  
who do hereby attest the sealing thereof

Witnesses

- 1.
- 2.

Signed for and on behalf of **HATTON NATIONAL BANK PLC**  
by its duly authorized signatories .....  
and .....has affixed their hands hereunto  
in the presence of

Witnesses

- 1.
- 2.



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#### SCHEDULE 4 - IJARAH PAYMENT SCHEDULE

|    | Period for Which the Ijarah Payment is Being Made (Ijarah Payment Period)                 | Ijarah Payment Date                  | Ijarah Payment Rate |  |
|----|---|--------------------------------------|---------------------|--|
|    |   |                                      | Type A              | Type B   |
| 1  | Date of Allotment to 6 months from the Date of Allotment                                  | 6 months from the Date of Allotment  | 10.75% p.a.         | AWPLR* p.a. however such floating Ijarah Payment Rate shall have the Cap of 13.00% and a Floor of 10.00% |
| 2  | One Day from 6 Months from the Date of Allotment to 12 Months from the Date of Allotment  | 12 months from the Date of Allotment | 10.75% p.a.         | AWPLR* p.a. however such floating Ijarah Payment Rate shall have the Cap of 13.00% and a Floor of 10.00% |
| 3  | One Day from 12 Months from the Date of Allotment to 18 Months from the Date of Allotment | 18 months from the Date of Allotment | 10.75% p.a.         | AWPLR* p.a. however such floating Ijarah Payment Rate shall have the Cap of 13.00% and a Floor of 10.00% |
| 4  | One Day from 18 Months from the Date of Allotment to 24 Months from the Date of Allotment | 24 months from the Date of Allotment | 10.75% p.a.         | AWPLR* p.a. however such floating Ijarah Payment Rate shall have the Cap of 13.00% and a Floor of 10.00% |
| 5  | One Day from 24 Months from the Date of Allotment to 30 Months from the Date of Allotment | 30 months from the Date of Allotment | 10.75% p.a.         | AWPLR* p.a. however such floating Ijarah Payment Rate shall have the Cap of 13.00% and a Floor of 10.00% |
| 6  | One Day from 30 Months from the Date of Allotment to 36 Months from the Date of Allotment | 36 months from the Date of Allotment | 10.75% p.a.         | AWPLR* p.a. however such floating Ijarah Payment Rate shall have the Cap of 13.00% and a Floor of 10.00% |
| 7  | One Day from 36 Months from the Date of Allotment to 42 Months from the Date of Allotment | 42 months from the Date of Allotment | 10.75% p.a.         | AWPLR* p.a. however such floating Ijarah Payment Rate shall have the Cap of 13.00% and a Floor of 10.00% |
| 8  | One Day from 42 Months from the Date of Allotment to 48 Months from the Date of Allotment | 48 months from the Date of Allotment | 10.75% p.a.         | AWPLR* p.a. however such floating Ijarah Payment Rate shall have the Cap of 13.00% and a Floor of 10.00% |
| 9  | One Day from 48 Months from the Date of Allotment to 54 Months from the Date of Allotment | 54 months from the Date of Allotment | 10.75% p.a.         | AWPLR* p.a. however such floating Ijarah Payment Rate shall have the Cap of 13.00% and a Floor of 10.00% |
| 10 | One Day from 54 Months from the Date of Allotment to 60 Months from the Date of Allotment | 60 months from the Date of Allotment | 10.75% p.a.         | AWPLR* p.a. however such floating Ijarah Payment Rate shall have the Cap of 13.00% and a Floor of 10.00% |

\*The AWPLR calculation in relation to the **Type B Sukuk** will be made as follows, the Floating Rate of the Sukuk will be determined based on the immediately preceding AWPLRs published on a weekly basis by the CBSL or any other authority (in the event that the CBSL ceases to publish the AWPLR) at the time of commencement of an Ijarah Payment Period of Type B Sukuk for such period or if not published by the CBSL or any other authority for any reason whatsoever, the last available rates published thereby or such other suitable reference rate as may be appropriate and may be made available by the said authorities.

The Ijarah Payment due on the Sukuk for a particular Ijarah Payment Period will be calculated based on the actual number of days in such Ijarah Payment Period (actual/actual) and will be paid not later than three (03) Working Days from each Ijarah Payment Date.

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## SCHEDULE 5 –FORMAT OF THE PURCHASE UNDERTAKING

### PURCHASE UNDERTAKING

**THIS PURCHASE UNDERTAKING** (this "**Undertaking**") is made on this [•] day of [•] in the year Two Thousand and Twenty-Five.

**VIDULLANKA PLC**, a company duly incorporated under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 7 of 2007 (as amended) bearing registration number PQ 83 and having its registered office at Level 04, Access Towers, No. 278, Union Place, Colombo 02 (hereinafter referred to as "**the Purchaser**") and which term or expression hereinafter used shall where the context so requires or admits mean and include the said **VIDULLANKA PLC**, its successors and assigns) of the **ONE PART**;

AND

**HATTON NATIONAL BANK PLC**, a banking company duly incorporated in Sri Lanka under the Companies Ordinance No. 51 of 1938 and re-registered under the Companies Act No. 7 of 2007 (as amended) bearing registration number PQ 82 and having its registered office at No. 479, T.B. Jayah Mawatha, Colombo 10 in the Democratic Socialist Republic of Sri Lanka (hereinafter referred to as "**the Trustee**") and which term or expression hereinafter used shall where the context so requires or admits mean and include the said **HATTON NATIONAL BANK PLC**, its successors and assigns) of the **OTHER PART**;

#### WHEREAS:

- (A) Vidullanka PLC intends to issue Five Million (5,000,000) Secured (Asset Backed) Listed Redeemable Rated Sukuk 2023 – 2028 of the par value of Sri Lanka Rupees One Hundred (LKR 100/-) which entitles the Sukuk Holders to a proportionate amount of the Purchase Assets (as hereinafter defined) and an entitlement to a redemption at par on the Date of Redemption.
- (B) The Trustee has agreed to act as a trustee for the aforementioned issuance of Sukuk under and in terms of the Trust Deed dated on or about the date of this Agreement ("**Trust Deed**").
- (C) For the purpose of exercising its rights and entitlements under the Trust Deed Vidullanka PLC has in terms of a Purchase Agreement dated [•] transferred its rights to the Purchase Assets to the Trustee.
- (D) The Purchaser hereby undertakes to purchase and accept the transfer of the Trustee's interest, rights, benefits and entitlements in and to the Purchase Assets from the Trustee in the circumstances specified and subject to the terms set out in this Purchase Undertaking.

#### 1. DEFINITIONS AND INTERPRETATION

- 1.1 Capitalized terms used and not otherwise defined herein shall have the respective meanings assigned thereto in the Trust Deed.
- 1.2 Subject to the clause 1.1, in this Undertaking the terms and expressions mentioned in this clause shall, unless repugnant to the context or inconsistent therewith, have the following meanings:

"**Exercise Notice**" means a notice substantially in the form set out in Schedule 1 (*Form of Exercise Notice*);

"**Exercise Price**" means in respect of the sale of the Trustee's rights, benefits and entitlements to the Purchase Assets at a sum of LKR 500,000,000;

"**Event of Default**" means a breach by the Purchaser of its duties, payment obligations, representations and warranties under the Trust Deed;

"**Insolvency Event**" means any of the following events:

- (a) The Purchaser is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.
- (b) A moratorium is declared in respect of any indebtedness of the Purchaser.

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- (c) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
- i. the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Purchaser;
  - ii. a composition, compromise, assignment or arrangement with any creditor of the Purchaser;
  - iii. the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Purchaser or any of its assets; or
  - iv. enforcement of any security over any assets of the Purchaser having an aggregate value of LKR 50,000,000 (or equivalent) at any time,

or any analogous procedure or step is taken in any jurisdiction.

"Parties" means the Purchaser and the Trustee and "Party" shall be construed accordingly;

"Payment Date" means the date specified as such in an Exercise Notice;

"Proceedings" means any suit, action or proceedings arising out of, or in connection with, this Undertaking;

"Purchase Date" has the meaning given thereto in Clause 3.1;

"Purchase Assets" mean the usufruct entitlements of the Trustee to the assets morefully described in Schedule One of the Ijarah Agreement and any replacements thereof in the ordinary course of business.

"Total Loss Event" shall mean a shutdown or potential shutdown of the Project for a period in excess of 6 months due to a destruction or any malfunction of the whole or a part of the Underlying Assets as may be notified by the Lessee to the Lessor.

1.3 In this Undertaking, unless the contrary intention appears, a reference to:

- (a) an "**amendment**" includes a supplement, restatement or novation and "**amended**" is to be construed accordingly;
- (b) a "**person**" includes: (i) any individual, company, unincorporated association, government, state agency, international organisation or other entity; and (ii) its successors and assigns;
- (c) a "**Clause**", a "**paragraph**" or a "**Schedule**" is a reference to a clause or paragraph of, or a schedule to, this Undertaking;
- (d) a document or any provision of a document is a reference to that document or provision as amended, novated, supplemented, extended, replaced or restated from time to time;
- (e) a time of day is a reference to Sri Lanka time;
- (f) "**costs**" is a reference to actual costs but excludes opportunity cost and cost of funding; and
- (g) "**gross negligence**" or "**wilful misconduct**" is a conclusive determination to such effect by a court or arbitration tribunal of competent jurisdiction in relation to the conduct of the relevant party, and "**grossly negligent**" is to be construed accordingly.

1.4 The headings in this Undertaking are for ease of reference only and do not affect the construction of this Undertaking.

1.5 In this Undertaking:

- (a) words denoting the singular shall include the plural and *vice versa*;
- (b) words denoting one gender only shall include the other gender; and
- (c) words denoting persons only shall include firms and corporations and *vice versa*.

1.6 An Event of Default is "**continuing**" if it has not been remedied or waived.

1.7 Unless expressly stated otherwise, all references in this Undertaking to costs or charges or expenses shall include any VAT charged or chargeable in respect thereof.

*[Handwritten signatures and initials]*



- 1.8 All references in this Undertaking to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under any such modification or re-enactment.

## 2. GRANT OF RIGHTS

- 2.1 The Purchaser hereby irrevocably grants to the Trustee the right, provided that an Event of Default or Total Loss Event or Insolvency Event has occurred and is continuing, to require the Purchaser, at any time on or prior to the final Redemption Date as defined in the Trust Deed, to purchase and accept the transfer on the Payment Date of all of the Trustee's interest, rights, benefits and entitlements in and to (all but not part of) the Purchase Assets at the relevant Exercise Price (as specified in the relevant Exercise Notice).
- 2.2 The Purchaser expressly acknowledges and agrees that:
- (a) any purchase pursuant to this Undertaking shall be made on an "as is" basis but free from any security and without warranty as to condition, fitness for purpose, suitability for use or otherwise (and if any warranty is implied by law, it shall be excluded to the full extent permitted by law);
  - (b) the Exercise Price represents a fair price for the purchase of all of the Trustee's interest, rights, benefits and entitlements in and to the Purchase Assets to be sold pursuant to an Exercise Notice; and
- 2.3 The Purchaser irrevocably undertakes that upon due exercise of any right granted under Clause 2.1 and in accordance with Clause 3.1, it will purchase and accept the transfer of all of the Trustee's interest, rights, benefits and entitlements in and to Purchase Assets (including the amounts receivable thereon) (as specified in an Exercise Notice) and it shall (subject to the conditions of purchase referred to in Clause 2.2(a)) irrevocably and unconditionally fully accept all or any ownership interest the Trustee may have in such Purchase Assets and, accordingly, shall not dispute or challenge all or any ownership interest the Trustee may have in any way in the absence of gross negligence or wilful misconduct on the part of the Trustee.
- 2.4 For the avoidance of doubt, it is hereby specifically agreed that for the purpose of this Undertaking, the term 'Purchase Assets' means the assets listed in Schedule Two of the Trust Deed subject to any depletions arising thereto from normal wear and tear in the ordinary course of business.

## 3. EXERCISE OF RIGHTS

- 3.1 The rights granted under Clause 2.1 may be exercised by the Trustee by delivering an Exercise Notice to the Purchaser specifying the date on which the Purchase Assets are to be sold (such date of sale being the "Purchase Date") (which may be the date of such Exercise Notice).
- 3.2 In accordance with the rights granted pursuant to Clause 2.1, the Purchaser irrevocably undertakes that, on the second Business Day after the date of the Exercise Notice is submitted in accordance with Clause 3.1 (or if earlier, the date specified in the Exercise Notice), it will pay to the Trustee by a RTGS transfer in same day, freely transferable, cleared funds, the Exercise Price (plus an amount equal to any taxes payable (if any and as applicable) in respect of such sale)
- 3.3 The Purchaser agrees to indemnify the Trustee for all taxes, duties and levies which may be payable by the Trustee in connection with the delivery of an Exercise Notice in terms of clause 3.1 above.

## 4. PAYMENTS

- 4.1 All payments by the Purchaser under this Undertaking must be made without any deduction or withholding for or on account of tax unless required by law and, in the event that there is any such deduction or withholding required by law, the Purchaser shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no such deduction or withholding had been made and accordingly the Purchaser undertakes to pay to the Trustee or such other persons as the Trustee may direct such additional amounts forthwith upon demand and in the manner and currency prescribed under the terms of this Undertaking.
- 4.2 The Purchaser shall not be entitled to claim or exercise any right of and without set off or counterclaim of any kind in respect of any sums due under this Undertaking or any part thereof with respect to any liability owed by it to the Trustee or claim any lien or other rights over any property held by it on behalf of the Trustee.



5. **INDEMNITY**

- 5.1 The Purchaser, as a separate and independent obligation shall, on demand, fully reimburse, compensate, indemnify and hold harmless the Trustee for any and all obligations, liabilities, actual losses, costs, expenses, fees (including legal fees and expenses incurred in connection with any enforcement of this Undertaking), damages, penalties, demands, actions and judgments of every kind and nature imposed on (together "Losses"), incurred by, or asserted against the Trustee, arising out of or in connection with any failure by the Purchaser to pay any amount due under this Undertaking save where any such Losses arise as a result of gross negligence or wilful misconduct by the Trustee.

6. **NOTICES**

- 6.1 Any notice, request, instruction or direction or other communication to be given or made under this Agreement to any of the parties shall be in writing.

- 6.2 Except as otherwise provided in this Agreement, any notice, request, instruction or direction or other communication shall be deemed to have been duly given or made.

- (i) if sent by facsimile, on receipt of a confirmation of receipt from the correct facsimile number;
- (ii) if sent by courier, one business day after deposit with an overnight courier for an inland delivery;
- (iii) if delivered by hand, when delivered;
- (iv) if sent by email, at the time of transmission;

to the Party to which it is required or permitted to be given or made at such Party's address specified below.

- 6.3 The address for notices, requests, instructions, directions and other communication in respect of the Parties shall be as follows:

To the Trustee -

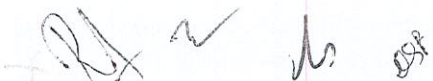
Attention: Mr. Tyrone Hannan  
Hatton National Bank PLC  
No. 479, T.B. Jayah Mawatha, Colombo 10.  
Fax: +94 112 682 659  
Tel No: +94 112 660 655  
E-mail: tyrone.hannan@hnb.lk

To the Purchaser -

Vidullanka PLC  
Level 04, Access Towers, No. 278 Union Place, Colombo 02  
Attention : Mr. Mafaz Ansar  
Fax No. : +94 11 4760 076  
Tel No. : +94 11 4760 000  
Email Address : mafazma@vidullanka.com

or to such other address as the party concerned may notify to the others from time to time.

- 6.4 Any Party may by notice change the address(es) and/or addressee(s) to which such notices, directions, instructions, requests and communications to it are to be delivered or mailed. Such change shall be effective when the other party has received written notice of it.





7. **TAXES, COSTS AND EXPENSES**

The Purchaser shall bear all applicable taxes, fees, actual costs and expenses (including reasonable legal fees) incurred in connection with or incidental to the execution, delivery, filing, recording, registration, performance, amendment, release, discharge, enforcement or otherwise of this Undertaking.

8. **BENEFIT OF UNDERTAKING**

- 8.1 This Undertaking shall take effect as a deed for the benefit of the Sukuk Holders.
- 8.2 This Undertaking shall inure to the benefit of the Trustee and its (and any subsequent) successors, which shall be entitled severally to enforce this Undertaking against the Purchaser.
- 8.3 The Purchaser shall not be entitled to assign or transfer all or any of its interest, rights, benefits and obligations under this Undertaking.

9. **SEVERABILITY**

If any provision in or obligation under this Undertaking shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions of, or obligations under, this Undertaking, or of such provision or obligation in any other jurisdiction, shall not be affected or impaired thereby.

10. **EXERCISE OF RIGHTS**

- 10.1 If the Trustee delays in exercising or fails or omits to exercise any right, power, privilege or remedy under this Undertaking, it will not:
- (a) adversely affect that right, power, privilege or remedy; or
  - (b) operate as or be taken to be a waiver of that right, power, privilege or remedy or an acquiescence to any default.
- 10.2 The single, partial or defective exercise of any such right, power, privilege or remedy will not prevent the Trustee from exercising that right or remedy in the future.
- 10.3 The rights of the Trustee under this Undertaking are cumulative and not exclusive of any rights provided by law.

11. **AMENDMENTS**

- 11.1 This Undertaking can be amended by a deed executed by the Purchaser, provided that any provision of such deed shall not be effective unless the Trustee have given its prior written consent to such amendment, modification or termination.

12. **GOVERNING LAW AND DISPUTE RESOLUTION**

- 12.1 This Agreement shall be governed by and construed in accordance with the laws of Sri Lanka.
- 12.2 This agreement shall be deemed for all purposes to have been entered into at Colombo and a Court of law in Colombo only shall have jurisdiction to hear and determine any action arising out of this agreement.

*[schedules and execution page to follow]*



722 14



IN WITNESS WHEREOF this Undertaking has been executed as a deed by the Purchaser for the benefit of the Trustee on the day and year first above written.

The Common Seal of the **VIDULLANKA PLC** was affixed )  
hereto in the presence of the ..... )  
Director and the ..... , Director, who )  
do hereby attest the sealing thereof. )  
)

Witnesses

- 1.
- 2.

Signed for and on behalf of the **HATTON NATIONAL** )  
**BANK PLC** by its duly authorized signatories )  
..... )  
and ..... )  
)

Witnesses

- 1.
- 2.



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## SCHEDULE 6 –FORMAT OF THE MORTGAGE BOND

### MORTGAGE BOND

PREPARED BY US

#### NITHYA PARTNERS

Attorneys-at-Law,  
No.17, Gregory's Road,  
Colombo 07.

No.

**THIS INDENTURE** is entered into at Colombo in the Democratic Socialist Republic of Sri Lanka by and between **VIDULLANKA PLC**, a company duly incorporated under the Companies Act of No. 17 of 1982 and re-registered under the Companies Act No. 7 of 2007 (as amended) bearing registration number PQ 83 and having its registered office at No. Level 04, Access Towers, No. 278 Union Place, Colombo 02 in the said Republic of Sri Lanka (hereinafter referred to as "**the Mortgagor**") which term or expression shall where the context so requires or admits mean and include the said Vidullanka PLC and its successors and assigns) of the First Part.

AND

**HATTON NATIONAL BANK LIMITED** a banking corporation 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 Republic of Sri Lanka (hereinafter referred to as "**HNB / Trustee**") which term or expression as herein used shall where the context so requires or admits mean and include the said HATTON NATIONAL BANK LIMITED and its successors and assigns) of the Second Part

### SEND GREETINGS

### INTERPRETATIONS AND CONSTRUCTION

Unless specifically defined herein or where a contrary indication appears, a term used in this Indenture or in any notice given under or in connection with this Indenture has the same meaning or notice as in the Trust Deed (as hereinafter defined) and any construction of this Indenture shall be given the same construction as in the Trust Deed.

### WHEREAS:

- A. The Mortgagor intends to issue Five Million (5,000,000) Secured (Asset Backed) Listed Redeemable Rated Sukuk 2025 – 2030 of the par value of Sri Lanka Rupees One Hundred (LKR 100/-) which entitles the Sukuk Holders to a proportionate amount of the Underlying Assets and an entitlement to a redemption at par on the Date of Redemption for which the Mortgagor has executed a Purchase Agreement in respect of the Underlying Assets on or about the date of this Indenture ('**Purchase Agreement**').
- B. HNB has agreed to act as a trustee for the aforementioned issuance of Sukuk under and in terms of the Trust Deed dated on or about the date of this Mortgage Bond ('**Trust Deed**').
- C. Notwithstanding the Purchase Agreement as aforesaid, the Mortgagor for the purpose of more effectually providing a perfection of the undertakings given in the Purchase Agreement wishes to provide this mortgage in respect of the Underlying Assets in favour of HNB in its capacity as Trustee.

NOW THIS INDENTURE WITNESSETH that the Mortgagor doth hereby covenant and agree with and bind and oblige itself to the Trustee that the Mortgagor shall and will well and truly pay or cause to be paid, in terms of the Trust Deed and the Purchase Undertaking dated on or about the date of this Indenture (together referred to as '**Sukuk Documents**') all and every the sums and sum of money which now are or is or which shall or may at any time and from time to time and at all times hereafter be or become due owing and payable to the Trustee from and by the Mortgagor under and in terms of the said Sukuk Documents together with interest costs and other charges. The reference in this paragraph and hereinafter in this Indenture to monies amounts and claims due owing and payable to

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the Trustee from and by the Mortgagor under and in terms of the said Sukuk Documents shall mean the monies amounts and claims due owing and payable to the Trustee from and by the Mortgagor from and out of the said sum of Sri Lanka Rupees Five Hundred Million (LKR 500,000,000/-) and charges due thereon covered by the security hereby given.

AND as security for such payment as aforesaid to the Trustee,

FIRSTLY - the Mortgagor doth hereby cede, assign, set over and assure unto the Trustee by way of a good and valid primary, concurrent and exclusive mortgage and hypothecation free from any and all seizures, charges, liens, encumbrances, all and singular the inventory and all other movable property of every sort and description which is owned or belonging to the Mortgagor morefully described in the **First Schedule** hereto and all and singular the property which may from time to time replace the same and all the estate right title interest benefit property claim and demand whatsoever of the Mortgagor in to upon or out of the same (hereinafter referred to as "**movables**") and

SECONDLY – the Mortgagor doth hereby cede, assign, set over, grant, convey and assure unto the Trustee by way of a good and valid primary, concurrent and exclusive mortgage free from any and all seizures charges liens encumbrances or claims whatsoever which may be recoverable or receivable under any contracts of insurance already effected or which may hereafter from time to time be effected in respect of the movables morefully described in the **First Schedule** to the intent and purpose that the Trustee may ask, demand and/or sue for recover and receive payment of all moneys due receivable or recoverable upon such contracts of insurance (hereinafter referred to as "**contracts of insurance**");

THIRDLY - the Mortgagor doth hereby cede, assign, set over, grant, convey and assure unto the Trustee by way of a good and valid primary, concurrent and exclusive mortgage from the date of this indenture free from any and all seizures, charges, liens and encumbrances, the monies which now are or may be lying to the credit of the bank accounts morefully described in the **Second Schedule** hereto and all documents of title and all contracts and other documents whatsoever relating to such property and all estate, rights, titles, interests, property claims, and demands whatsoever (hereinafter referred to as "**the Accounts**").

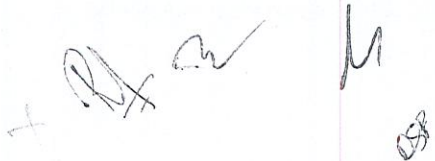
(all of which Firstly, Secondly and Thirdly above referred to and hereby mortgaged hypothecated and assigned are together hereinafter referred to as the "**Mortgaged Property**")

AND the Mortgagor do hereby represent and warrant to the Trustee, that:

- a. the Mortgagor is duly incorporated, validly existing company under the laws of Sri Lanka;
- b. that the Mortgagor has full legal capacity to enter into and perform the obligations under this Indenture and that the execution of this Indenture and the exercise of the Mortgagor's rights and performance of the Mortgagor's obligations thereunder have been duly authorized by all necessary corporate and other actions;
- c. that all acts, conditions and things required to be done, fulfilled and performed in order (i) to enable the Mortgagor lawfully to enter into, exercise the Mortgagor's rights under and perform and comply with the obligations expressed to be assumed by the Mortgagors under this Indenture;
- d. that the Mortgagor has not taken any action and no legal proceedings have been initiated or threatened against the Mortgagors for the Mortgagor's winding-up, dissolution, administration, bankruptcy or re-organization or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of the Mortgagor or of all or any material part of the Mortgagor's assets or revenues;
- e. that no Event of Default has occurred as contemplated under the Sukuk Documents or shall occur as a result of entering into this Indenture that will result in a change in the business, assets affairs or financial condition of Mortgagor which would materially and adversely affects its ability to perform the obligations under the Sukuk Documents.

AND the Mortgagor doth hereby covenant and agree with the Trustee as follows:

1. that the Mortgagor has the legal right and full power and authority to mortgage hypothecate and assign the Mortgaged Property in the manner aforesaid and that the said Mortgaged Property are not subject to any seizure charge lien or encumbrance or any third party litigation whatsoever and that the Mortgagor shall and will at the request of the Trustee but at the cost and expense of the Mortgagor do and execute or cause to be done and executed all such further and other acts deeds matters assurances and things for the more perfectly and effectually assuring to the Trustee by way of a primary, concurrent mortgage hypothecation and assignment as aforesaid the Mortgaged Property or any part or portion thereof as by the Trustee shall or may be reasonably required;
2. that the Mortgagor undertakes on behalf of the Sukuk Holders at all times at the cost and expense of the Trustee insure and keep insured the said movables and shall name the Trustee as the loss payee and will regularly and punctually pay all and every the premia and premium or sums or sum of money for the time being necessary for keeping on foot the said policy or policies of insurance and will whenever required to do so by the Trustee forthwith deliver the receipts for the same to the Trustee and will observe and comply with all and singular the terms and conditions and provisions of such policy or policies of insurance;





3. that in case the movables hereby mortgaged or any part or portion thereof be burnt down destroyed by fire or lightning or explosion or malicious agency or riots or strikes or any other cause or contingency insured against then and in any such case and as often as the same shall happen all such sums or sum of money as shall be received or be recoverable by virtue of any such insurance or insurances shall be utilised by the Mortgagor in or towards the discharge or part discharge of the moneys then due owing and payable by the Mortgagor to the Trustee under and in terms of the Sukuk Documents for the purpose of the settlement of the Sukuk;
4. that the Mortgagor shall and will during the continuance of the mortgage and hypothecation effected by this Indenture duly and faithfully observe perform and comply with the obligations and undertakings agreements and covenants on the part of the Mortgagor contained in this Indenture and the terms and conditions contained in the said Sukuk Documents;
5. that the Mortgagor shall and will from time to time whenever and as often as required so to do by the Trustee forthwith and at the cost and expense of the Mortgagor furnish to the Trustee such documentary and other evidence as may be required by the Trustee establishing the grant where necessary of all governmental and other licences, approvals, permissions or consents for the transactions contemplated in this Indenture the security created hereunder and the enforcement thereof and the payments to be effected in accordance with this Indenture;
6. that the Mortgagor shall not and will not suffer or permit the Mortgaged Property or any part or portion thereof to be seized or taken in execution of any judgment or judgment against under or in respect of any claim or claims or proceedings whatsoever;
7. the Mortgagor shall not and will not donate sell assign mortgage lease sub-lease (whether or not for a period not exceeding one month) or otherwise alienate encumber or dispose of or deal with the Mortgaged Property or any part or portion thereof, without obtaining the previous specific consent in writing of the Trustee and any such donation sale assignment mortgage lease sub-lease alienation encumbrance or disposition of or dealing with the Mortgaged Property or any part or portion thereof without such previous written consent shall be null and void as against the Trustee;

AND it is hereby expressly agreed and declared as follows:

- (a) that if the Mortgagor as agent for the Sukuk Holders fail or neglect to keep the movables hereby mortgaged insured as aforesaid or deliver to the Trustee the policy or policies of insurance or the receipts for the payment of premia as aforesaid or shall fail or neglect duly to pay the rates taxes assessments and other outgoings or to deliver to the Trustee the official receipts thereof as requested by the Trustee or shall fail or neglect to pay any other sums or sum of money payable in fulfilment of the covenants herein contained then and in any such case it shall be lawful for but not obligatory on the Trustee to pay all such premia duties outgoings and expenses and all costs payments and expenses for effecting or keeping on foot such insurances and rents rates taxes assessments and other outgoings and such other sums or sum of money aforesaid and the same together with interest thereon at the rate or rates in this Indenture provided/directed shall on demand be payable to the Trustee and be recoverable from the Mortgagor and shall be charged specially upon the Mortgaged Property and shall be covered by the mortgage hypothecation and assignment hereby given and granted or expressed or intended so to be;
- (b) that the acceptance by the Trustee of the security created and effected by this Indenture shall in no way or manner prejudice or affect any lien to which the Trustee is by law entitled or any other securities which the Trustee already holds or may at any time and from time to time hereafter hold from or on account of the Mortgagor;
- (c) that nothing herein contained shall be deemed to imply that there is any obligation on the Trustee at any time to afford to the Mortgagor any other financial assistance;
- (d) the obligations of the Mortgagor under this Indenture will not be affected by an act, omission, matter or thing which, but for this sub clause, would reduce, release or prejudice any of its obligations under this Indenture including:
  - (i) any time, waiver or consent granted to, or composition with, the Mortgagor;
  - (ii) the release of the Mortgagor or any other person under the terms of any composition or arrangement with any creditor of any person;
  - (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglecting to perfect, take up or enforce, any rights against, or security over assets of, the Mortgagor or any other person or non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;



- (iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Mortgagor;
  - (v) any amendment (however fundamental) or replacement of the Sukuk Documents or any other document or security;
  - (vi) any unenforceability, illegality or invalidity of any obligation of any person under the Sukuk Documents or any other document or security; or
  - (vii) any winding up, insolvency or similar proceedings;
- (e) no amount paid, repaid or credited to the Trustee shall be deemed to have been irrevocably paid if the Trustee considers that the payment or credit of such amount is capable of being avoided or reduced because of any laws applicable on bankruptcy, insolvency, liquidation or any similar laws and provided further that if any amount paid, repaid or credited to the Trustee is avoided or reduced because of any laws applicable on bankruptcy, insolvency, liquidation or any similar laws then any release, discharge or settlement between the Trustee and the Mortgagor shall be deemed not to have occurred and the Trustee shall be entitled to enforce this Indenture subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made;
- (f) that if the Mortgagor shall make default in the payment of any money hereby secured or shall commit a breach of any of the covenants herein contained and on the part of the Mortgagor to be kept done observed and performed under the said Sukuk Documents or any of them result in an occurrence of an Event of Default, after giving notice thereof to the Mortgagor under the Sukuk Documents it shall be lawful for the Trustee or any person authorized by it to take all such steps as considered necessary to protect the interests of the Trustee at once to sue for and recover payment from the Mortgagor of all moneys due under or secured by this Indenture and to obtain a hypothecary decree in respect of the Mortgaged Property against the Mortgagor and to take such and all other steps to protect the interests of the Trustee and in the event of the Trustee suing for the recovery of the moneys aforesaid the Mortgagor doth hereby expressly agree that the Trustee shall be entitled to have a Receiver appointed in respect of the Mortgaged Property pending such action who in addition to the powers and authorities conferred by law or by a competent court shall be vested with all the rights powers and authorities hereby given to the Trustee.
- (g) following the occurrence of an Event of Default and notice thereof in terms of the Sukuk Documents, the mortgage created by this Indenture with respect to the Accounts morefully described in the **Second Schedules**, and the mortgage created by this Indenture with respect to the movable property morefully described in the **First Schedule** hereto shall attach to the said movable property and the Mortgagor shall not be entitled to operate or assign or dispose of or deal with the balances in such Accounts or to assign, dispose of deal with the movable property aforesaid and any such operation, assignment, disposal or dealing shall be null and void as against the Trustee;
- (h) this Indenture shall be security to the Trustee for the balance due or from time to time due by the Mortgagor to the Trustee in relation to the monies due owing and payable to them by the Mortgagor under and in terms of the said Sukuk Documents it being intended that the total amount of the monies hereby secured or to be ultimately recoverable by the Trustee under the Sukuk Documents and from and out of the security created hereby shall not exceed Sri Lanka Rupees Five Hundred Million (LKR 500,000,000/-) in terms of the Sukuk Documents and rentals costs, expenses, fees and other charges due thereon and in connection therewith ;
- (i) The Mortgagor irrevocably and by way of security appoints the Trustee as the Mortgagor's attorney, in the Mortgagor's name, on its behalf and in such manner as the attorney may in its or his absolute discretion think fit following the occurrence of an Event of Default which is continuing or following the failure by the Mortgagor to comply with a request from the Trustee, to take any action and sign or execute any further documents which the Mortgagor is required to take, sign or execute in accordance with this Indenture or under the Sukuk Documents and/or to exercise any of the rights conferred upon the Trustee or any receiver in relation to the assets which are the subject of this Indenture or under the Sukuk Documents or any relevant statute or law and the Mortgagor ratifies and confirms and agree to ratify and confirm all acts and things which any attorney mentioned in this Clause shall do or purport to do in exercise of the powers granted by this Clause.
- (j) the Trustee may from time to time and at any time waive either unconditionally or on such terms and conditions as it shall seem expedient any breach by the Mortgagor of any of the covenants in this Indenture contained. Every waiver by the Trustee shall be and be deemed to have been without prejudice to all the rights powers and authorities of the Trustee hereunder which shall at all times thereafter remain exercisable whenever the Trustee shall think fit and as if such waiver had not been made;

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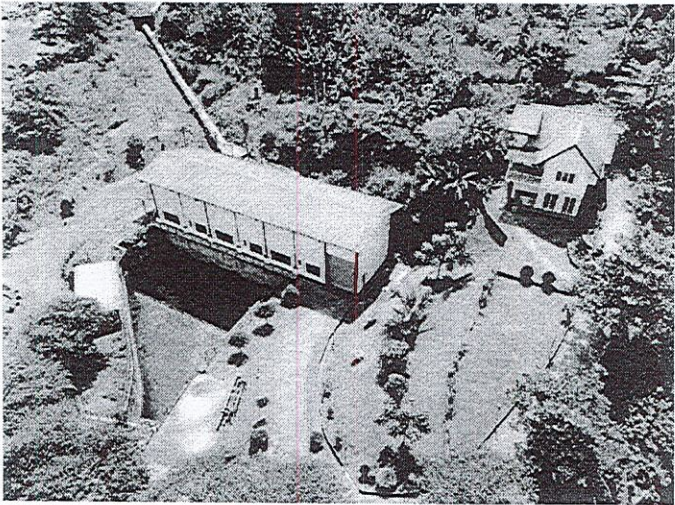
- (k) any statement, extract writing or other documents showing the amounts due by the Mortgagor under this Indenture and made out of the books or documents of any of the Trustee and signed and certified by them or by any person/s or any of them shall be presumed to be correct in the absence of manifest error;
- (l) that the security hereby created and effected shall continue to be valid binding and effectual for all purposes notwithstanding any change by amalgamation consolidation or otherwise which may be made in the constitution of the Trustee and shall be available to and may be enforced by the corporation or company for the time being carrying on the business now carried on by the Trustee or by any successor to the Trustee;
- (m) the Mortgagor may not assign or transfer any of its rights or obligations under this Indenture, provided however that the Trustee may assign and transfer all or any part of its rights and obligations under this Indenture in accordance with the Sukuk Documents;
- (n) that every notice given or demand made under this Indenture and every summons or notice of any kind whatsoever in connection with any action suit or proceedings taken under this Indenture shall be taken and deemed to have been duly served upon the Mortgagor if the same be sent by post under registered cover addressed to the Mortgagor at the address hereinbefore mentioned or to the registered office for the time being of the Mortgagor;
- (o) that every notice given under this Indenture shall be taken and deemed to have been duly served upon the Trustee if the same be sent by post under registered cover addressed or by courier to the Trustee at the address hereinbefore mentioned,
- (p) the Mortgagor shall at its own expense take whatever action the Trustee may require for creating, perfecting or protecting any security intended to be created by or pursuant to this Indenture or for facilitating the realisation of the Mortgaged Property or the exercise of any right power or discretion exercisable by the Trustee in respect of the Mortgaged Property which in any such case the Trustee may think expedient.
- (q) if at any time one or more of the provisions of this Indenture is or becomes invalid, illegal or unenforceable in any respect under any law or regulation, the validity, legality and enforceability of the remaining provisions of this Indenture shall not be in any way affected or impaired.
- (r) this Indenture shall be governed by the laws of Sri Lanka and the Courts of Sri Lanka shall have jurisdiction to hear and determine any dispute in relation to this Indenture.
- (s) this Indenture has been valued at Sri Lanka Rupees Five Hundred Million (LKR 500,000,000/-) for the purpose of stamp duty only.

*[schedules and execution page to follow]*



FIRST SCHEDULE- MOVABLES

VLL has identified its existing plant and the machinery belonging to the Lower Kotmale Oya Mini Hydro Power Project of Vidullanka PLC to be the Underlying Asset for the Ijarah contract.



Lower Kotmale Oya Mini Hydro Power Project is the 6<sup>th</sup> Hydro power project of Vidullanka PLC, which was successfully commissioned in June 2014. The 4MW project located in Nuwara Eliya, Sri Lanka is the largest project of the group in terms of capacity in Sri Lanka, and it is designed to supply over 13GWh of clean energy annually. However, the average historical generation of this plant has been 17.6GWh, which was much higher than originally designed generation. The project has entered into a 20-year Power Purchasing Agreement (PPA), with the Ceylon Electricity Board, the national utility of Sri Lanka to whom the generated electricity is sold. Currently the generated electricity is sold at LKR. 8.31 per KWh. The project has close to 10 years of remaining operations as per the PPA, which is further extendable to 20 more years after the lapse of the agreement. The river source of the project is the Kotmale Oya. The project uses three Francis turbines; 2 with a capacity of 1600KW and 1 with a capacity of 800KW, with a designed plant factor of 37%. The project costed approximately USD 8.2 Mn to design, construct and commission. Given below are few technical specifications and details of the project:

|                        |  |
|------------------------|--|
| Plant Name             | Lower Kotmale Oya MHPP                     |
| Ownership              | 100%                                       |
| Installed Capacity     | 4.0 MW                                     |
| Location               | Nuwara Eliya (7° 1'59.79"N 80°39'2.89"E)   |
| Project Cost           | USD 8.2 Mn                                 |
| River                  | Kotmale Oya                                |
| Catchment Area         | 89 Sq.km                                   |
| Plant Factor           | 37%  |
| Designed Annual Energy | 13 GWh                                     |
| Gross Head             | 71.5 m                                     |
| Channel Length         | 1,430 m                                    |
| Penstock Length        | 870 m                                      |
| Turbine                | Francis Turbines (2*1,600kW+1*800kW)       |
| Present Status         | Commissioned on 25 <sup>th</sup> June 2014 |

Handwritten signatures and initials at the bottom of the page.



SECOND SCHEDULE- ACCOUNTS

|                |                                 |
|----------------|---------------------------------|
| Account Name   | VIDULLANKA PLC - SUKUK PAYMENTS |
| Account Number | 250010048312                    |
| Bank           | Hatton National Bank PLC        |
| Branch         | Kollupitiya Branch              |



IN WITNESS WHEREOF VIDULLANKA PLC have caused their respective Common Seals to be affixed and the Authorized Signatories of HATTON NATIONAL BANK PLC, have set their respective hands and left thumb impressions hereunto and to [●] others on [●] day of [●] 2025.

The Common Seal of VIDULLANKA PLC )  
is hereto affixed in the presence of )  
.....(Director) )  
.....(Director/ )  
Company Secretary) who do hereby attest the sealing thereof )  
 )  
 )

Witnesses:

- 1.
- 2.

Signed for and on behalf of HATTON NATIONAL )  
BANK PLC by its duly authorized )  
signatories ..... )  
and ..... )  
 )  
 )

Witnesses:

- 1.
- 2.

Handwritten signatures and initials at the bottom of the page.



**SCHEDULE 7 – CHARITIES APPROVED BY THE SHARIAH SCHOLARS**

---

The Shariah Scholars have approved following charities selected from the List of Approved Charities published on the Inland Revenue Website:  
<https://www.ird.gov.lk/en/publications/sitepages/approved%20charity.aspx?menuid=1408>

- 2 - Sri Lanka Cancer Society
- 4- Colombo Friend-in-Need Society
- 45- Shilpa Children’s Trust
- 49 - SOS Children’s Villages Sri Lanka
- 72- The Ceylon School for the Deaf and Blind
- 80 - Cancer Care Association - Sri Lanka



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IN WITNESS WHEREOF the said VIDULLANKA PLC has placed its Common Seal and the duly appointed Authorized Signatories of HATTON NATIONAL BANK PLC have placed its hands hereunto and to three others of the same tenor and date as These Presents at Colombo on the day herein before mentioned.

The Common Seal of VIDULLANKA PLC

is hereto affixed in the presence of

R. M. Sangam (Director)

M. R. Zakeed (Director/

Company Secretary) who do hereby attest the sealing thereof

VIDULLANKA PLC

VIDULLANKA PLC

Director

Witnesses:

1. M. Z. A. Irshad  
No 166, St. Lazarus Road, Negombo  
199728001127

2. M. A. M. MAFAS -  
34/13/1, ASIRI MW, Kalubowila, Delinoda

Signed for and on behalf of the HATTON NATIONAL BANK PLC  
by its duly authorized signatories T. HANNAN  
and W. D. S. Fernando

HATTON NATIONAL BANK PLC

Authorized Signatory

Authorized Signatory

Witnesses:

1. S S Walpita  
No. 401, Colombo Rd, Boralesgamuwa  
200264301730

2. D H M Niroshini  
No. 79 1/2, Robert Gungwardena Mawatha, Kirulapana.  
955412125V

Certified True Copy

Nirmala Mary Vaz  
Attorney-at-Law, Notary Public and  
Justice of the Peace  
No. 24 Nandana Gardens, Colombo - 04.